

Conflicts of interest; examination of university operations.

Sec. 217. It is the intent of the legislature that the governing board of each state university examine university operations for potential conflicts of interest.

UNIVERSITY OPERATIONS**Biological station at Douglas Lake; designation as special research reserve.**

Sec. 402. The University of Michigan biological station at Douglas Lake in Cheboygan County is regarded as a unique resource and is designated as a special research reserve. It is the intent of the legislature to protect and preserve the unique long-term research value and capabilities of the biological station area and Douglas Lake. The legislature further intends that no state programs or policies be developed that would have a deleterious impact on the research value of Douglas Lake.

Access to lists of textbooks by private bookstores; use of funds in university-administered account or financial aid at bookstore.

Sec. 426. (1) It is the legislative intent that private bookstores that sell textbooks to university students and student governments that provide a book swap for university students have accurate and timely access to lists of universities' required textbooks in order to provide prompt and efficient service for students. It is further the legislative intent that each state university allow students who are on financial aid or are receiving tuition grants to decide where to purchase their textbooks.

(2) It is the intent of the legislature that each state university that provides for the use of funds in a university-administered account or financial aid for the purchase of required textbooks and supplies at bookstores operated by or affiliated with the university also provide for the use of funds in a university-administered account or financial aid at bookstores providing required textbooks or supplies that are not operated by or affiliated with the university. A state university may require bookstores not operated by or affiliated with the university to reimburse the university for any reasonable costs attributable to these transactions and to pay a reasonable rate or commission to the university.

Project GREEN.

Sec. 433. (1) Included in part 1 is \$2,982,900.00 for the agricultural experiment station and \$2,645,200.00 for the cooperative extension service for project GREEN. Project GREEN is intended to address critical regulatory, food safety, economic, and environmental problems faced by this state's plant-based agriculture, forestry, and processing industries. "GREEN" is an acronym for generating research and extension to meet environmental and economic needs.

(2) The department of agriculture and Michigan State University, in consultation with agricultural commodity groups and other interested parties, shall develop project GREEN and its program priorities.

(3) Not later than September 30, 2009, a report shall be submitted by Michigan State University to the state budget director, the house and senate appropriations subcommittees on agriculture and on higher education, and the house and senate fiscal agencies for the preceding fiscal year regarding project GREEN projects. The report shall include, but is not limited to, the dollar amount of each project and a review of each project's performance and accomplishments.

Michigan future farmers of America association.

Sec. 434. Included in the appropriation in part 1 for Michigan State University is \$80,000.00 for the Michigan future farmers of America association. This \$80,000.00 appropriation shall not supplant any existing support that Michigan State University provides to the Michigan future farmers of America association.

Increase in undergraduate tuition and fees; increase in student financial aid.

Sec. 436. It is the intent of the legislature that if any state university increases its resident undergraduate tuition and required fees from academic year 2007-2008 to academic year 2008-2009, then that university shall increase its fiscal year 2008-2009 general fund expenditures for student financial aid by at least the same percentage as the percentage change in resident undergraduate tuition and required fees. Each state university shall report its proposed fiscal year 2008-2009 general fund expenditures for student financial aid compared to its projected fiscal year 2007-2008 general fund expenditures for student financial aid, and its projected academic year 2008-2009 resident undergraduate tuition and required fee changes from academic year 2007-2008, to the state budget director and the house and senate appropriations subcommittees on higher education by November 15, 2008.

Tuition and fees; submission of amount to HEIDI.

Sec. 440. All universities shall submit the amount of tuition and fees actually charged to a full-time resident undergraduate student for academic year 2008-2009 as part of their higher education institutional data inventory (HEIDI) data by August 31, 2008. A university shall report any revisions for any semester of the reported academic year 2008-2009 tuition and fee charges to HEIDI within 15 days of being adopted.

North American Indian tuition waiver costs; allocation.

Sec. 451. For the fiscal year ending September 30, 2009, it is the intent of the legislature that funds be allocated for unfunded North American Indian tuition waiver costs incurred by state universities under 1976 PA 174, MCL 390.1251 to 390.1253, from the general fund/general purpose unreserved balances at the close of the 2007-2008 fiscal year.

Recognition of depression and mental health disorders; prevention of suicide and violence; development of education program.

Sec. 462. It is the intent of the legislature that each state university receiving an appropriation in part 1 consider developing an education program on recognizing depression and mental health disorders and preventing suicide and violence and providing that program annually to students, beginning with any freshman orientation.

Report on number of residents from eligible county enrolled at university; increase; "eligible county" defined.

Sec. 463. Not later than February 1, 2009, each of the state universities receiving appropriations in part 1 shall submit to the state budget director, members of the house of representatives and the senate, and the house and senate fiscal agencies a report on the number of residents from an eligible county enrolled at the university and the quantifiable increase from the 2007-2008 academic year to the 2008-2009 academic year in outreach efforts to enroll students at the university from an eligible county. As used in this section, "eligible county" means a county in this state that meets both of the following:

- (a) Has a population of not less than 700,000 and not more than 1,000,000 according to the most recent federal decennial census.
- (b) Does not contain the main campus of a 4-year public university within its boundaries.

Commercial development of research and development; process to inform private and public sectors; plan.

Sec. 464. Each state university receiving an appropriation in part 1 shall submit a plan by January 15, 2009 to the state budget director, the house and senate appropriations subcommittees on higher education, and the house and senate fiscal agencies on its process to inform both the private and public sectors regarding research and technology that could be developed commercially. If a state university does not submit its plan by January 15, 2009, then that state university will not be eligible to receive an allocation from the technology commercialization incentive fund when it is established.

Coordination of purchases of goods and services.

Sec. 466. State universities shall coordinate their purchases of goods and services whenever possible. This may include, but is not limited to, group purchases for vehicles, utilities, supplies, electronic equipment, maintenance equipment, books, and contractual services. To the extent possible, the state universities shall use both the “Michigan delivering extended agreements locally” (MiDEAL) purchasing services of the state department of management and budget that makes state contracts available to local units of government, colleges, and universities and the purchasing services available through the state’s membership in the Midwestern Higher Education Compact (MHEC). Not later than January 1 of each year, the presidents council, state universities of Michigan shall submit to the members of the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget director a report on group or pooled purchases and the savings achieved by the state universities in the previous fiscal year.

Research universities; establishment of performance standards.

Sec. 467. It is the intent of the legislature to establish performance standards for the research universities receiving appropriations in part 1.

Number of graduates receiving Pell grant; report.

Sec. 469. By November 14, 2008, each university receiving an appropriation in part 1 shall report the number of students who graduated in academic year 2007-2008 and received a Pell grant at any time during their enrollment at that university to the members of the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget director.

Changes in general requirements or credits needed for graduation; limitation while student in program; counseling.

Sec. 471. (1) It is the intent of the legislature that each state university receiving an appropriation in part 1 limit any changes to the general requirements or credits needed for a student to graduate from a degree program while that student is enrolled in that program.

(2) It is the intent of the legislature that each state university receiving an appropriation in part 1, to the extent possible, provide sufficient counseling to students to facilitate the timely graduation of those students.

Rebate of tuition increase.

Sec. 472. It is the intent of the legislature that if a state university receiving an appropriation in part 1 raised its undergraduate resident tuition for the 2007-2008 academic year based on the assumption that it would not receive the August 2007 appropriation payment delayed pursuant to Executive Order No. 2007-3 and 2007 PA 17, the state university shall rebate to students any amount of the tuition increase that was based on that assumption.

MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA PARKS PROGRAMS**Martin Luther King, Jr. – Cesar Chavez – Rosa Parks future faculty program.**

Sec. 501. (1) Included in the appropriation for each state university in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks future faculty program that is intended to increase the pool of academically or economically disadvantaged candidates pursuing faculty teaching careers in postsecondary education. Preference may not be given to applicants on the basis of race, color, ethnicity, gender, or national origin. Institutions should encourage applications from applicants who would otherwise not adequately be represented in the graduate student and faculty populations. Each state university shall apply the percentage change applicable to every state university in the calculation of appropriations in part 1 to the amount of funds allocated to the future faculty program.

(2) The program shall be administered by each state university in a manner prescribed by the Michigan department of labor and economic growth. The Michigan department of labor and economic growth shall use a good faith effort standard to evaluate whether a fellowship is in default.

Martin Luther King, Jr. – Cesar Chavez – Rosa Parks college day program.

Sec. 502. (1) Included in the appropriation for each state university in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks college day program that is intended to introduce academically or economically disadvantaged schoolchildren to the potential of a college education. Preference may not be given to participants on the basis of race, color, ethnicity, gender, or national origin. Institutions should encourage participation from those who would otherwise not adequately be represented in the student population.

(2) Individual program plans of each state university shall include a budget of equal contributions from this program, the participating state university, the participating school district, and the participating independent degree-granting college. College day funds shall not be expended to cover indirect costs. Not more than 20% of the university match shall be attributable to indirect costs. Each state university shall apply the percentage change applicable to every state university in the calculation of appropriations in part 1 to the amount of funds allocated to the college day program.

(3) The program described in this section shall be administered by each state university in a manner prescribed by the Michigan department of labor and economic growth.

Martin Luther King, Jr. – Cesar Chavez – Rosa Parks visiting professors program.

Sec. 505. (1) Included in the appropriation for each state university in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks visiting professors program which is intended to increase the number of instructors in the classroom to provide role models for academically or economically disadvantaged students. Preference may not be given to participants on the basis of race, color, ethnicity, gender, or national origin. Institutions should encourage participation from those who would otherwise not adequately be represented in the student population.

(2) The program described in this section shall be administered by the Michigan department of labor and economic growth.

STUDENT PERFORMANCE REPORTING

Informing high school about academic status of its students.

Sec. 601. (1) From the amount appropriated in part 1 for state universities, the state universities shall systematically inform Michigan high schools regarding the academic status of students from each high school in a manner prescribed by the presidents council, state universities of Michigan in cooperation with the Michigan association of secondary school principals.

(2) The Michigan high schools shall systematically inform the state universities about the use of information received under this section in a manner prescribed by the Michigan association of secondary school principals in cooperation with the presidents council, state universities of Michigan.

Academic status of community college transfer students; informing community colleges.

Sec. 602. From the amount appropriated in part 1 for state universities, the state universities shall inform Michigan community colleges regarding the academic status of community college transfer students in a manner prescribed by the presidents council, state universities of Michigan in cooperation with the Michigan community college association.

Transfer of community college students to state universities.

Sec. 603. State universities shall work with the state community colleges to encourage the transfer of students from the community colleges to the state universities and to facilitate the transfer of credits from the community colleges to the state universities.

GENERAL REPORTS AND AUDITS

HEIDI enrollment data; review by auditor general; report; "distance learning instruction" defined.

Sec. 701. (1) The auditor general shall review higher education institutional data inventory (HEIDI) enrollment data submitted by all state universities and may perform audits of selected state universities if determined necessary. The review and audits shall be based upon the definitions, requirements, and uniform reporting categories established by the state budget director and the senate and house fiscal agencies. The auditor general shall submit a report of findings to the house and senate appropriations committees and the state budget director no later than July 1, 2009.

(2) Student credit hours reports shall not include the following:

(a) Student credit hours generated through instructional activity by faculty or staff in classrooms located outside Michigan, with the exception of instructional activity related to study-abroad programs or field programs.

(b) Student credit hours generated through distance learning instruction for students not eligible for the institution's in-state main campus resident tuition rate. However, in instances where a student is enrolled in distance education and non-distance education credit hours in a given term and the student's non-distance education enrollment is at a campus or site located within Michigan, student credit hours per the student's eligibility for in-state or out-of-state tuition rates may be reported.

(c) Student credit hours generated through credit by examination.

(d) Student credit hours generated through inmate prison programs regardless of teaching location.

(e) Student credit hours generated in new degree programs after January 1, 1975, that have not been specifically authorized for funding by the legislature, except spin-off programs converted from existing core programs that do all of the following:

(i) Represent new options, fields, or concentrations within existing programs.

(ii) Are consistent with the current institutional role and mission.

(iii) Are accommodated within the continuing funding base of the institution.

(iv) Do not require a new degree level beyond that which the institution is currently authorized to grant within that discipline or field.

(v) Do not require funding from the state other than that provided by the student credit hours generated within the program, either before program initiation or within the first 3 years of program operation.

(3) The auditor general shall periodically audit higher education institutional data inventory (HEIDI) data as submitted by the state universities for compliance with the definitions approved by the HEIDI advisory committee for the HEIDI database.

(4) "Distance learning instruction" as used in subsection (2) means instruction that occurs solely in other than a traditional classroom setting where the student and instructor are in the same physical location and for which a student receives course credits and is charged tuition and fees. Examples of distance learning instruction are instruction delivered solely through the Internet, cable television, teleconference, or mail.

New degree programs; listing.

Sec. 701a. (1) Pursuant to section 701(2)(e), the institutions of higher education receiving appropriations in part 1 may establish the following degree programs:

(a) Bachelor's degree programs:

University of Michigan - Ann Arbor, Concentration in Informatics, B.A./B.S.

University of Michigan - Ann Arbor, Concentration in Polish, B.A./B.S.

University of Michigan - Ann Arbor, Joint Bachelor of Fine Arts Degree Program, B.F.A.

Wayne State University, Biochemistry and Chemical Biology, B.S.

Wayne State University, Biomedical Physics, B.S.

Wayne State University, Urban Studies, B.A.

(b) Master's degree programs:

Michigan State University, Public Health, M.P.H.

University of Michigan - Ann Arbor, M.B.A./M.P.H. Dual-Degree, M.B.A./M.P.H.

Wayne State University, Joint Degree: M.Ed. in Social Studies, M.A. in History, M.A./M.Ed.

Wayne State University, Marriage and Family Psychology, M.A.

Wayne State University, Radiologist and Assistant Studies, M.S.

(c) Doctoral degree programs:

Wayne State University, Doctor of Nursing Practice, D.N.P.

(2) The listing of degree programs in subsection (1) does not constitute legislative intent to provide additional dollars for those programs.

(3) When submitting the listing of new degree programs for purposes of section 701(2)(e) in fiscal years after 2008-2009, the presidents council of state universities shall also provide a listing of degree programs that these institutions of higher education will no longer offer in subsequent academic years.

Report to auditor general.

Sec. 702. The principal executive officer of each institution of higher education receiving an appropriation under this act shall expend a portion of the funds appropriated to that institution to make a report to the auditor general, the house and senate fiscal agencies, and the state budget director within 60 days after the auditor general issues his or her report on the operation of the institution. The institution's report shall specify all of the following:

- (a) The recommendations of the auditor general implemented by the institution, including projected dates and resources required, if any, to achieve compliance.
- (b) The recommendations of the auditor general not implemented by the institution or implemented by the institution as modified.
- (c) The rationale for not implementing a recommendation of the auditor general or of implementing a recommendation as modified.

Performance audits.

Sec. 708. The auditor general may conduct performance audits of state universities during the fiscal year ending September 30, 2009 as the auditor general considers necessary.

Crime awareness and campus security; material prepared pursuant to public information reporting requirements; availability on website.

Sec. 709. An institution of higher education receiving funds under this act and also subject to the student right-to-know and campus security act, Public Law 101-522, 104 Stat. 2381, shall make a copy of all material prepared pursuant to the public information reporting requirements under the crime awareness and campus security act of 1990, title II of the student right-to-know and campus security act, Public Law 101-542, 104 Stat. 2381, available in electronic Internet format on their websites.

Providing information to person authorized by student.

Sec. 714. An institution receiving funds under this act and also subject to the family educational rights and privacy act (FERPA), 20 USC 1232g, 34 CFR 99, shall, when requested, provide information from the records of a student to any person or persons to whom the student has authorized disclosure on a written consent form pursuant to 34 CFR 99.30.

ARTICLE 3

STATE UNIVERSITIES

PART 1

LINE-ITEM APPROPRIATIONS

Appropriations for state universities.

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for state universities for the fiscal year ending September 30, 2009, from the funds indicated in this part.

Central Michigan University.**Sec. 102. CENTRAL MICHIGAN UNIVERSITY**

Operations	\$	82,760,500
GROSS APPROPRIATION	\$	<u>82,760,500</u>

For Fiscal Year
Ending Sept. 30,
2009

Appropriated from:
State general fund/general purpose \$ 82,760,500

Eastern Michigan University.

Sec. 103. EASTERN MICHIGAN UNIVERSITY

Operations \$ 78,551,800
GROSS APPROPRIATION \$ 78,551,800

Appropriated from:
State general fund/general purpose \$ 78,551,800

Ferris State University.

Sec. 104. FERRIS STATE UNIVERSITY

Operations \$ 50,228,100
GROSS APPROPRIATION \$ 50,228,100

Appropriated from:
State general fund/general purpose \$ 50,228,100

Grand Valley State University.

Sec. 105. GRAND VALLEY STATE UNIVERSITY

Operations \$ 64,021,400
GROSS APPROPRIATION \$ 64,021,400

Appropriated from:
State general fund/general purpose \$ 64,021,400

Lake Superior State University.

Sec. 106. LAKE SUPERIOR STATE UNIVERSITY

Operations \$ 13,111,700
GROSS APPROPRIATION \$ 13,111,700

Appropriated from:
State general fund/general purpose \$ 13,111,700

Michigan Technological University.

Sec. 107. MICHIGAN TECHNOLOGICAL UNIVERSITY

Operations \$ 49,518,500
GROSS APPROPRIATION \$ 49,518,500

Appropriated from:
State general fund/general purpose \$ 49,518,500

Northern Michigan University.

Sec. 108. NORTHERN MICHIGAN UNIVERSITY

Operations \$ 46,633,200
GROSS APPROPRIATION \$ 46,633,200

Appropriated from:
State general fund/general purpose \$ 46,633,200

Oakland University.

Sec. 109. OAKLAND UNIVERSITY

Operations \$ 52,452,200
GROSS APPROPRIATION \$ 52,452,200

Appropriated from:
State general fund/general purpose \$ 52,452,200

For Fiscal Year
Ending Sept. 30,
2009

Saginaw Valley State University.

Sec. 110. SAGINAW VALLEY STATE UNIVERSITY

Operations	\$	28,639,800
GROSS APPROPRIATION	\$	28,639,800
Appropriated from:		
State general fund/general purpose	\$	28,639,800

University of Michigan – Dearborn.

Sec. 111. UNIVERSITY OF MICHIGAN - DEARBORN

Operations	\$	25,548,000
GROSS APPROPRIATION	\$	25,548,000
Appropriated from:		
State general fund/general purpose	\$	25,548,000

University of Michigan – Flint.

Sec. 112. UNIVERSITY OF MICHIGAN - FLINT

Operations	\$	21,593,700
GROSS APPROPRIATION	\$	21,593,700
Appropriated from:		
State general fund/general purpose	\$	21,593,700

Western Michigan University.

Sec. 113. WESTERN MICHIGAN UNIVERSITY

Operations	\$	113,243,200
GROSS APPROPRIATION	\$	113,243,200
Appropriated from:		
State general fund/general purpose	\$	113,243,200

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Reporting requirements; use of Internet.

Sec. 208. Unless otherwise specified, the institutions of higher education receiving appropriations in part 1 shall use the Internet to fulfill the reporting requirements of this 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.

Purchase of foreign goods or services; preference.

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

Lease or purchase of vehicle; preference to vehicles assembled or manufactured in Michigan.

Sec. 210. It is the intent of the legislature that the funds appropriated in part 1 to state institutions of higher education shall not be used to enter into a lease or to purchase a vehicle assembled or manufactured outside of the United States, and that preference be given to vehicles assembled or manufactured in Michigan.

Distribution of funds in monthly installments; submission of HEIDI data and financial and program information.

Sec. 212. (1) The funds appropriated in part 1 to state institutions of higher education shall be paid out of the state treasury and distributed by the state treasurer to the respective institutions in 11 equal monthly installments on the sixteenth of each month, or the next succeeding business day, beginning with October 16, 2008. Each institution shall accrue its July and August 2009 payments to its institutional fiscal year ending June 30, 2009.

(2) All universities shall submit higher education institutional data inventory (HEIDI) data and associated financial and program information requested by and in a manner prescribed by the state budget director by October 15, 2008. If a university fails to submit HEIDI data and associated financial aid program information in accordance with this reporting schedule, the state treasurer shall withhold the monthly installments under subsection (1) to the university until those data are submitted.

(3) A detailed description of procedures utilized to arrive at the amounts appropriated in part 1 shall be submitted to each institution by the senate and house fiscal agencies.

Federal or private funds received by state; use.

Sec. 213. Funds received by the state from the federal government or private sources for the use of a college or university are appropriated for the purposes for which they are provided. The acceptance and use of federal or private funds do not place an obligation upon the legislature to continue the purposes for which the funds are made available.

Eligibility of institution for Michigan tuition tax credit; submission of application and documentation to house and senate fiscal agencies.

Sec. 214. If section 274 of the income tax act of 1967, 1967 PA 281, MCL 206.274, is not repealed and if a state institution of higher education that receives funds under this act notifies the department of treasury regarding its tuition and fee rates in order to qualify as an eligible institution for the Michigan tuition tax credit under section 274 of the income tax act of 1967, 1967 PA 281, MCL 206.274, the institution shall also submit the notification and applicable documentation of tuition and fee changes to the house and senate fiscal agencies.

Furnishing program and financial information.

Sec. 215. A state institution of higher education that receives funds under this act shall furnish all program and financial information that is required by and in a manner prescribed by the state budget director or the house or senate appropriations committee.

Student-level data; development.

Sec. 216. By December 31, 2008, state universities receiving funds in part 1 shall submit a report to the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget director regarding steps that have been taken toward and challenges associated with development of student-level data that

could be submitted to the center for educational performance and information established in section 94a of the state school aid act of 1979, 1979 PA 94, MCL 388.1694a, to develop a comprehensive preschool through postsecondary student data system that will allow analysis of student-level educational data to ensure that Michigan's education and training systems are preparing students for success in their adult careers.

Conflicts of interest.

Sec. 217. It is the intent of the legislature that the governing board of each state university examine university operations for potential conflicts of interest.

UNIVERSITY OPERATIONS

Access to lists of textbooks by private bookstores; use of funds in university-administered account or financial aid at bookstore.

Sec. 426. (1) It is the legislative intent that private bookstores that sell textbooks to university students and student governments that provide a book swap for university students have accurate and timely access to lists of universities' required textbooks in order to provide prompt and efficient service for students. It is further the legislative intent that each state university allow students who are on financial aid or are receiving tuition grants to decide where to purchase their textbooks.

(2) It is the intent of the legislature that each state university that provides for the use of funds in a university-administered account or financial aid for the purchase of required textbooks and supplies at bookstores operated by or affiliated with the university also provide for the use of funds in a university-administered account or financial aid at bookstores providing required textbooks or supplies that are not operated by or affiliated with the university. A state university may require bookstores not operated by or affiliated with the university to reimburse the university for any reasonable costs attributable to these transactions and to pay a reasonable rate or commission to the university.

Increase in undergraduate tuition and fees; increase in student financial aid.

Sec. 436. It is the intent of the legislature that if any state university increases its resident undergraduate tuition and required fees from academic year 2007-2008 to academic year 2008-2009, then that university shall increase its fiscal year 2008-2009 general fund expenditures for student financial aid by at least the same percentage as the percentage change in resident undergraduate tuition and required fees. Each state university shall report its proposed fiscal year 2008-2009 general fund expenditures for student financial aid compared to its projected fiscal year 2007-2008 general fund expenditures for student financial aid, and its projected academic year 2008-2009 resident undergraduate tuition and required fee changes from academic year 2007-2008, to the state budget director and the house and senate appropriations subcommittees on higher education by November 15, 2008.

Revisions of tuition and fee charges; report to HEIDI.

Sec. 440. All universities shall submit the amount of tuition and fees actually charged to a full-time resident undergraduate student for academic year 2008-2009 as part of their higher education institutional data inventory (HEIDI) data by August 31, 2008. A university shall report any revisions for any semester of the reported academic year 2008-2009 tuition and fee charges to HEIDI within 15 days of being adopted.

Per-student floor funding; amount.

Sec. 450. (1) For the fiscal year ending September 30, 2009, it is the intent of the legislature that an amount calculated under subsection (2) be allocated for per-student floor funding from the general fund/general purpose unreserved balances at the close of the 2007-2008 fiscal year.

(2) The amount allocated under subsection (1) for per-student floor funding is equal to \$3,775.00 per 2006-2007 fiscal-year-equated student at each university. The number of 2006-2007 students at a university is determined by reference to the higher education institutional data inventory (HEIDI).

North American Indian tuition waiver costs; allocation.

Sec. 451. For the fiscal year ending September 30, 2009, it is the intent of the legislature that funds be allocated for unfunded North American Indian tuition waiver costs incurred by state universities under 1976 PA 174, MCL 390.1251 to 390.1253, from the general fund/general purpose unreserved balances at the close of the 2007-2008 fiscal year.

North American Indian tuition waiver costs; payment to Bay Mills Community College.

Sec. 461. From the amount appropriated in part 1 to Lake Superior State University for operations, \$100,000.00 shall be paid to Bay Mills Community College for the costs of waiving tuition for North American Indians under 1976 PA 174, MCL 390.1251 to 390.1253.

Recognition of depression and mental health disorders; prevention of suicide and violence; development of education program.

Sec. 462. It is the intent of the legislature that each state university receiving an appropriation in part 1 consider developing an education program on recognizing depression and mental health disorders and preventing suicide and violence and providing that program annually to students, beginning with any freshman orientation.

Report on number of residents from eligible county enrolled at university; increase; "eligible county" defined.

Sec. 463. Not later than February 1, 2009, each of the state universities receiving appropriations in part 1 shall submit to the state budget director, members of the house of representatives and the senate, and the house and senate fiscal agencies a report on the number of residents from an eligible county enrolled at the university and the quantifiable increase from the 2007-2008 academic year to the 2008-2009 academic year in outreach efforts to enroll students at the university from an eligible county. As used in this section, "eligible county" means a county in this state that meets both of the following:

(a) Has a population of not less than 700,000 and not more than 1,000,000 according to the most recent federal decennial census.

(b) Does not contain the main campus of a 4-year public university within its boundaries.

Commercial development of research and development; process to inform private and public sectors; plan.

Sec. 464. Each state university receiving an appropriation in part 1 shall submit a plan by January 15, 2009 to the state budget director, the house and senate appropriations subcommittees on higher education, and the house and senate fiscal agencies on its process to inform both the private and public sectors regarding research and technology that could be developed commercially. If a state university does not submit its plan by January 15, 2009, then that state university will not be eligible to receive an allocation from the technology commercialization incentive fund when it is established.

Coordination of purchases of goods and services.

Sec. 466. State universities shall coordinate their purchases of goods and services whenever possible. This may include, but is not limited to, group purchases for vehicles, utilities, supplies, electronic equipment, maintenance equipment, books, and contractual services. To the extent possible, the state universities shall use both the “Michigan delivering extended agreements locally” (MiDEAL) purchasing services of the state department of management and budget that makes state contracts available to local units of government, colleges, and universities and the purchasing services available through the state’s membership in the Midwestern Higher Education Compact (MHEC). Not later than January 1 of each year, the presidents council, state universities of Michigan shall submit to the members of the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget director a report on group or pooled purchases and the savings achieved by the state universities in the previous fiscal year.

Performance standards.

Sec. 467. It is the intent of the legislature to establish performance standards for the state universities receiving appropriations in part 1.

Number of graduates receiving Pell grant; report.

Sec. 469. By November 14, 2008, each university receiving an appropriation in part 1 shall report the number of students who graduated in academic year 2007-2008 and received a Pell grant at any time during their enrollment at that university to the members of the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget director.

Changes in general requirements or credits needed for graduation; limitation while student in program; counseling.

Sec. 471. (1) It is the intent of the legislature that each state university receiving an appropriation in part 1 limit any changes to the general requirements or credits needed for a student to graduate from a degree program while that student is enrolled in that program.

(2) It is the intent of the legislature that each state university receiving an appropriation in part 1, to the extent possible, provide sufficient counseling to students to facilitate the timely graduation of those students.

Rebate of tuition increase.

Sec. 472. It is the intent of the legislature that if a state university receiving an appropriation in part 1 raised its undergraduate resident tuition for the 2007-2008 academic year based on the assumption that it would not receive the August 2007 appropriation payment delayed pursuant to Executive Order No. 2007-3 and 2007 PA 17, the state university shall rebate to students any amount of the tuition increase that was based on that assumption.

MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA PARKS PROGRAMS**Martin Luther King, Jr. – Cesar Chavez – Rosa Parks future faculty program.**

Sec. 501. (1) Included in the appropriation for each state university in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks future faculty program that is intended to increase the pool of academically or economically disadvantaged candidates pursuing faculty teaching careers in postsecondary education. Preference may not be given to applicants on the basis of race, color, ethnicity, gender, or national origin. Institutions should encourage applications from applicants who would otherwise not adequately be represented

in the graduate student and faculty populations. Each state university shall apply the percentage change applicable to every state university in the calculation of appropriations in part 1 to the amount of funds allocated to the future faculty program.

(2) The program shall be administered by each state university in a manner prescribed by the Michigan department of labor and economic growth. The Michigan department of labor and economic growth shall use a good faith effort standard to evaluate whether a fellowship is in default.

Martin Luther King, Jr. – Cesar Chavez – Rosa Parks college day program.

Sec. 502. (1) Included in the appropriation for each state university in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks college day program that is intended to introduce academically or economically disadvantaged schoolchildren to the potential of a college education. Preference may not be given to participants on the basis of race, color, ethnicity, gender, or national origin. Institutions should encourage participation from those who would otherwise not adequately be represented in the student population.

(2) Individual program plans of each state university shall include a budget of equal contributions from this program, the participating state university, the participating school district, and the participating independent degree-granting college. College day funds shall not be expended to cover indirect costs. Not more than 20% of the university match shall be attributable to indirect costs. Each state university shall apply the percentage change applicable to every state university in the calculation of appropriations in part 1 to the amount of funds allocated to the college day program.

(3) The program described in this section shall be administered by each state university in a manner prescribed by the Michigan department of labor and economic growth.

Martin Luther King, Jr. – Cesar Chavez – Rosa Parks visiting professors program.

Sec. 505. (1) Included in the appropriation for each state university in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks visiting professors program which is intended to increase the number of instructors in the classroom to provide role models for academically or economically disadvantaged students. Preference may not be given to participants on the basis of race, color, ethnicity, gender, or national origin. Institutions should encourage participation from those who would otherwise not adequately be represented in the student population.

(2) The program described in this section shall be administered by the Michigan department of labor and economic growth.

STUDENT PERFORMANCE REPORTING

Informing high school about academic status of its students.

Sec. 601. (1) From the amount appropriated in part 1 for state universities, the state universities shall systematically inform Michigan high schools regarding the academic status of students from each high school in a manner prescribed by the presidents council, state universities of Michigan in cooperation with the Michigan association of secondary school principals.

(2) The Michigan high schools shall systematically inform the state universities about the use of information received under this section in a manner prescribed by the Michigan association of secondary school principals in cooperation with the presidents council, state universities of Michigan.

Academic status of community college transfer students; informing community colleges.

Sec. 602. From the amount appropriated in part 1 for state universities, the state universities shall inform Michigan community colleges regarding the academic status of community college transfer students in a manner prescribed by the presidents council, state universities of Michigan in cooperation with the Michigan community college association.

Transfer of community college students to state universities.

Sec. 603. State universities shall work with the state community colleges to encourage the transfer of students from the community colleges to the state universities and to facilitate the transfer of credits from the community colleges to the state universities.

GENERAL REPORTS AND AUDITS**HEIDI enrollment data; review by auditor general; report; "distance learning instruction" defined.**

Sec. 701. (1) The auditor general shall review higher education institutional data inventory (HEIDI) enrollment data submitted by all state universities and may perform audits of selected state universities if determined necessary. The review and audits shall be based upon the definitions, requirements, and uniform reporting categories established by the state budget director and the senate and house fiscal agencies. The auditor general shall submit a report of findings to the house and senate appropriations committees and the state budget director no later than July 1, 2009.

(2) Student credit hours reports shall not include the following:

(a) Student credit hours generated through instructional activity by faculty or staff in classrooms located outside Michigan, with the exception of instructional activity related to study-abroad programs or field programs.

(b) Student credit hours generated through distance learning instruction for students not eligible for the institution's in-state main campus resident tuition rate. However, in instances where a student is enrolled in distance education and non-distance education credit hours in a given term and the student's non-distance education enrollment is at a campus or site located within Michigan, student credit hours per the student's eligibility for in-state or out-of-state tuition rates may be reported.

(c) Student credit hours generated through credit by examination.

(d) Student credit hours generated through inmate prison programs regardless of teaching location.

(e) Student credit hours generated in new degree programs after January 1, 1975, that have not been specifically authorized for funding by the legislature, except spin-off programs converted from existing core programs that do all of the following:

(i) Represent new options, fields, or concentrations within existing programs.

(ii) Are consistent with the current institutional role and mission.

(iii) Are accommodated within the continuing funding base of the institution.

(iv) Do not require a new degree level beyond that which the institution is currently authorized to grant within that discipline or field.

(v) Do not require funding from the state other than that provided by the student credit hours generated within the program, either before program initiation or within the first 3 years of program operation.

(3) The auditor general shall periodically audit higher education institutional data inventory (HEIDI) data as submitted by the state universities for compliance with the definitions approved by the HEIDI advisory committee for the HEIDI database.

(4) “Distance learning instruction” as used in subsection (2) means instruction that occurs solely in other than a traditional classroom setting where the student and instructor are in the same physical location and for which a student receives course credits and is charged tuition and fees. Examples of distance learning instruction are instruction delivered solely through the Internet, cable television, teleconference, or mail.

New degree programs; listing.

Sec. 701a. (1) Pursuant to section 701(2)(e), state universities may establish the following degree programs:

(a) Bachelor’s degree programs:

Central Michigan University, Construction Management Major, B.A., B.A.A., B.S.

Central Michigan University, Music Education Major: General Music Option: General Music Minor, B.M.E.

Central Michigan University, Real Estate: Development and Finance Major, B.S. in Business Administration

Eastern Michigan University, International Affairs, B.A./B.S.

Ferris State University, Dental Hygiene, B.S.

Ferris State University, Digital Media Software Engineering, B.S.

Ferris State University, Information Security and Intelligence, B.S.

Grand Valley State University, Art History, B.A.

Michigan Technological University, Theatre and Electronic Media Performance, B.A.

Northern Michigan University, Loss Prevention Management, Bachelor’s

Oakland University, Applied Health Sciences, B.S. in Health Sciences

Oakland University, B.F.A. in Theatre: Acting, Musical Theatre, Design and Technology, B.F.A.

Oakland University, Dance, B.F.A.

Oakland University, Engineering Biology, B.S.

Oakland University, Liberal Arts Major in International Relations, B.A.

Oakland University, Social Work Program, B.S.W.

University of Michigan - Flint, Journalism, B.A.

University of Michigan - Flint, Mechanical Engineering, B.S.

Western Michigan University, Social Studies Secondary Education, B.A.

(b) Master’s degree programs:

Central Michigan University, Apparel Product Development and Merchandising Technology, M.S.

Eastern Michigan University, Autism Spectrum Disorders, M.A.

Eastern Michigan University, English Studies for Teachers, M.A.

Eastern Michigan University, Health Administration, Master’s

Ferris State University, Art Education, Master’s

Saginaw Valley State University, E-Learning, M.A.

University of Michigan - Flint, B.S./M.S. in Chemistry or Biochemistry, B.S./M.S.

(c) Doctoral degree programs:

Central Michigan University, Science of Advanced Materials, Ph.D.

Eastern Michigan University, Educational Studies, Ph.D.

Oakland University, Computer Science and Informatics, Ph.D.

University of Michigan - Flint, Doctor of Nursing Practice, D.N.P.

(2) The listing of degree programs in subsection (1) does not constitute legislative intent to provide additional dollars for those programs.

(3) When submitting the listing of new degree programs for purposes of section 701(2)(e) in fiscal years after 2008-2009, the presidents council of state universities shall also provide a listing of degree programs that institutions of higher education will no longer offer in subsequent academic years.

Report to auditor general.

Sec. 702. The principal executive officer of each institution of higher education receiving an appropriation under this act shall expend a portion of the funds appropriated to that institution to make a report to the auditor general, the house and senate fiscal agencies, and the state budget director within 60 days after the auditor general issues his or her report on the operation of the institution. The institution's report shall specify all of the following:

(a) The recommendations of the auditor general implemented by the institution, including projected dates and resources required, if any, to achieve compliance.

(b) The recommendations of the auditor general not implemented by the institution or implemented by the institution as modified.

(c) The rationale for not implementing a recommendation of the auditor general or of implementing a recommendation as modified.

Performance audits.

Sec. 708. The auditor general may conduct performance audits of state universities during the fiscal year ending September 30, 2009 as the auditor general considers necessary.

Crime awareness and campus security; material prepared pursuant to public information reporting requirements; availability on website.

Sec. 709. An institution of higher education receiving funds under this act and also subject to the student right-to-know and campus security act, Public Law 101-522, 104 Stat. 2381, shall make a copy of all material prepared pursuant to the public information reporting requirements under the crime awareness and campus security act of 1990, title II of the student right-to-know and campus security act, Public Law 101-542, 104 Stat. 2381, available in electronic Internet format on their websites.

Providing information to person authorized by student.

Sec. 714. An institution receiving funds under this act and also subject to the family educational rights and privacy act (FERPA), 20 USC 1232g, 34 CFR 99, shall, when requested, provide information from the records of a student to any person or persons to whom the student has authorized disclosure on a written consent form pursuant to 34 CFR 99.30.

ARTICLE 4

STATE AND REGIONAL PROGRAMS, GRANTS, AND FINANCIAL AID

PART 1

LINE-ITEM APPROPRIATIONS

Appropriations for certain state purposes related to education.

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this article are appropriated for certain state purposes related to education for the fiscal year ending September 30, 2009, from the funds indicated in this part.

For Fiscal Year
Ending Sept. 30,
2009

State and regional programs.

Sec. 102. STATE AND REGIONAL PROGRAMS

Full-time equated positions	1.0		
Higher education database modernization and conversion—			
1.0 FTE position		\$	200,000
Midwestern higher education compact			95,000
GROSS APPROPRIATION		\$	295,000
Appropriated from:			
State general fund/general purpose		\$	295,000

Martin Luther King, Jr. – Cesar Chavez – Rosa Parks program.

Sec. 103. MARTIN LUTHER KING, JR. - CESAR CHAVEZ -

ROSA PARKS PROGRAM

Select student supportive services.....		\$	1,956,100
Michigan college/university partnership program.....			586,800
Morris Hood, Jr. educator development program.....			148,600
GROSS APPROPRIATION		\$	2,691,500
Appropriated from:			
State general fund/general purpose		\$	2,691,500

Grants and financial aid.

Sec. 104. GRANTS AND FINANCIAL AID

State competitive scholarships.....		\$	35,530,500
Tuition grants			56,668,100
Michigan work-study program			7,326,300
Part-time independent student program.....			2,653,300
Michigan education opportunity grants.....			2,084,200
Robert C. Byrd honors scholarship program			1,500,000
Nursing scholarship and grant programs.....			4,250,000
Michigan merit award program			5,200,000
Michigan promise grant program			90,500,000
Tuition incentive program.....			25,200,000
Children of veterans tuition grant program.....			1,000,000
Project gear-up.....			3,000,000
GROSS APPROPRIATION		\$	234,912,400
Appropriated from:			
Federal revenues:			
Higher education act of 1965, title IV, 20 USC.....			2,900,000
Higher education act of 1965, title IV, part A.....			1,500,000
United States department of education, office of elementary and secondary education, gear-up			3,000,000
Special revenue funds:			
Michigan merit award trust fund.....			115,800,000
Contributions to children of veterans tuition grant program			300,000
State general fund/general purpose		\$	111,412,400

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GRANTS AND FINANCIAL AID**State competitive scholarship program.**

Sec. 301. (1) Payments of the amounts included in part 1 for the state competitive scholarship program shall be distributed pursuant to 1964 PA 208, MCL 390.971 to 390.981.

(2) The Michigan higher education assistance authority shall implement a proportional competitive scholarship maximum award level for recipients enrolled less than full-time in a given semester or term.

(3) If a student who receives an award under this section has his or her tuition and fees paid under the Michigan educational trust program, pursuant to the Michigan education trust act, 1986 PA 316, MCL 390.1421 to 390.1442, and still has financial need, the funds awarded under this section may be used for educational expenses other than tuition and fees.

(4) If the Michigan higher education assistance authority increases the maximum award per eligible student from that provided in the previous fiscal year, it shall not have the effect of reducing the number of eligible students receiving awards in relation to the total number of eligible applicants. Any increase in the maximum grant shall be proportional for all eligible students receiving awards.

(5) Students who receive aid under 1964 PA 208, MCL 390.971 to 390.981, shall be awarded scholarships on the basis of merit and financial need. Veterans administration benefits shall not be considered in determining eligibility under 1964 PA 208, MCL 390.971 to 390.981.

(6) It is the intent of the legislature to secure funding to provide a 1.0% increase for state competitive scholarships for fiscal year 2008-2009.

State tuition grant program.

Sec. 302. (1) The amounts appropriated in part 1 for the state tuition grant program shall be distributed pursuant to 1966 PA 313, MCL 390.991 to 390.997a.

(2) Tuition grant awards shall be made to all eligible Michigan residents who apply before July 1, 2008 and who are qualified. Tuition grant awards shall not be made to students newly enrolled in a juris doctor law degree program after the 1995-1996 academic year.

(3) The Michigan higher education assistance authority shall determine an actual maximum tuition grant award per student, which shall be no less than \$2,100.00, that ensures that the aggregate payments for the tuition grant program do not exceed the appropriation contained in part 1 for the state tuition grant program. If the authority determines that insufficient funds are available to establish a maximum award amount of \$2,100.00, the authority shall immediately report to the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget director, regarding the estimated amount of additional funds necessary to establish a \$2,100.00 maximum award amount. By December 15, 2008, and again by February 1, 2009, the authority shall analyze the status of award commitments, shall make any necessary adjustments, and shall confirm that those award commitments will not exceed the appropriation contained in part 1 for the tuition grant program. The determination and actions shall be reported to the state budget director and the house and senate fiscal agencies no later than February 15, 2009. If award adjustments are necessary, the students shall be notified of the adjustment by the third Monday in February.

(4) Any unexpended and unencumbered funds remaining on September 30, 2009 from the amounts appropriated in part 1 for the tuition grant program shall not lapse on September 30,

2009, but shall continue to be available for expenditure for tuition grants provided in the 2009-2010 fiscal year under a work project account. The use of these unexpended fiscal year 2008-2009 funds shall terminate at the end of the 2009-2010 fiscal year.

(5) The Michigan higher education assistance authority shall continue a proportional tuition grant maximum award level for recipients enrolled less than full-time in a given semester or term.

(6) If the Michigan higher education assistance authority increases the maximum award per eligible student from that provided in the previous fiscal year, it shall not have the effect of reducing the number of eligible students receiving awards in relation to the total number of eligible applicants. Any increase in the maximum grant shall be proportional for all eligible students receiving awards for fiscal year 2008-2009.

(7) It is the intent of the legislature to secure funding to provide a 1.0% increase for Michigan tuition grants for fiscal year 2008-2009.

Michigan work-study program.

Sec. 303. (1) Included in the appropriation in part 1 is funding for the Michigan work-study program established under 1986 PA 288, MCL 390.1371 to 390.1382, and 1986 PA 303, MCL 390.1321 to 390.1332. An effort should be made by each institution participating in the Michigan work-study program to assure that not less than 10% of those undergraduate, graduate, and professional students eligible to participate in the program are placed with for-profit employers no later than December 31 of each year for which funding is provided under this act.

(2) The Michigan higher education assistance authority shall allocate funds to institutions eligible for work-study money based upon each institution's specific Pell grant index and each institution's utilization rate of work-study funds for the 3 most recent years for which statistics are available.

(3) The Michigan higher education assistance authority shall set aside not more than 5% of the total work-study appropriation to process requests from participating institutions for allocation adjustments. Allocation adjustments shall be based on criteria set by the authority prior to making the allocations under subsection (2).

Independent colleges and universities receiving awards by department of treasury; audit.

Sec. 307. The auditor general may audit selected enrollments, degrees, and awards at selected independent colleges and universities receiving awards administered by the department of treasury. The audits shall be based upon definitions and requirements established by the Michigan higher education assistance authority, the state budget director, and the senate and house fiscal agencies. The auditor general shall accept the Free Application for Federal Student Aid (FAFSA) form as the standard of residency documentation. The auditor general shall submit a report of findings to the senate and house appropriations committees and state budget director by May 1, 2009.

Student financial aid programs; payments and distribution.

Sec. 308. The sums appropriated in part 1 for the student financial aid programs shall be paid out of the state treasury and shall be distributed to the respective institutions under a quarterly payment system as follows:

(a) For the state competitive scholarship, nursing scholarship, tuition incentive, and tuition grant programs, 40% shall be paid at the beginning of the state's first fiscal quarter, 40% at the beginning of the state's second fiscal quarter, 10% at the beginning of the state's third fiscal quarter, and 10% at the beginning of the state's fourth fiscal quarter.

(b) For the work-study program, payments shall be made in 11 monthly installments from October 1 to August 31 of any year.

(c) For the part-time independent student program and the Michigan education opportunity grant program, 50% shall be paid at the beginning of the state's first fiscal quarter, 25% at the beginning of the state's second fiscal quarter, and 25% at the beginning of the state's third fiscal quarter.

(d) For the Robert C. Byrd honors scholarship program, 50% shall be paid at the beginning of the state's first fiscal quarter and 50% at the beginning of the state's second fiscal quarter.

State competitive scholarship program and tuition grant program; needs analysis criteria.

Sec. 309. The Michigan higher education assistance authority shall determine the needs analysis criteria for students to qualify for the state competitive scholarship program and tuition grant program. To be consistent with federal requirements, student wages may be taken into consideration when determining the amount of the award.

Tuition incentive program.

Sec. 310. (1) The funds appropriated in part 1 for the tuition incentive program shall be distributed as provided in this section and pursuant to the administrative procedures for the tuition incentive program of the department of treasury.

(2) As used in this section:

(a) "Phase I" means the first part of the tuition incentive assistance program defined as the academic period of 80 semester or 120 term credits, or less, leading to an associate degree or certificate.

(b) "Phase II" means the second part of the tuition incentive assistance program which provides assistance in the third and fourth year of 4-year degree programs.

(c) "Department" means the department of treasury.

(3) A person shall meet the following basic criteria and financial thresholds to be eligible for tuition incentive benefits:

(a) To be eligible for phase I, a person shall meet all of the following criteria:

(i) Apply for certification to the department before graduating from high school or completing the general education development (GED) certificate.

(ii) Be less than 20 years of age at the time of high school graduation or GED completion.

(iii) Be a United States citizen and a resident of Michigan according to institutional criteria.

(iv) Be at least a half-time student, earning less than 80 semester or 120 term credits at a participating educational institution within 4 years of high school graduation or GED certificate completion.

(v) Request information on filing a FAFSA.

(b) To be eligible for phase II, a person shall meet either of the following criteria in addition to the criteria in subdivision (a):

(i) Complete at least 56 transferable semester or 84 transferable term credits.

(ii) Obtain an associate degree or certificate at a participating institution.

(c) To be eligible for phase I or phase II, a person must be financially eligible as determined by the department. A person is financially eligible for the tuition incentive program if that person was Medicaid eligible for 24 months within the 36 months before application. Certification of eligibility may begin in the sixth grade.

(4) For phase I, the department shall provide payment on behalf of a person eligible under subsection (3). The department shall reject billings that are excessive or outside the guidelines for the type of educational institution.

(5) For phase I, all of the following apply:

(a) Payments for associate degree or certificate programs shall not be made for more than 80 semester or 120 term credits for any individual student at any participating institution.

(b) For persons enrolled at a Michigan community college, the department shall pay the current in-district tuition and mandatory fees. For persons residing in an area that is not included in any community college district, the out-of-district tuition rate may be authorized.

(c) For persons enrolled at a Michigan public university, the department shall pay lower division resident tuition and mandatory fees for the current year.

(d) For persons enrolled at a Michigan independent, nonprofit degree-granting college or university, or a Michigan federal tribally controlled community college, or Focus: HOPE, the department shall pay mandatory fees for the current year and a per-credit payment that does not exceed the average community college in-district per-credit tuition rate as reported on August 1, for the immediately preceding academic year.

(6) A person participating in phase II may be eligible for additional funds not to exceed \$500.00 per semester or \$400.00 per term up to a maximum of \$2,000.00 subject to the following conditions:

(a) Credits are earned in a 4-year program at a Michigan degree-granting 4-year college or university.

(b) The tuition reimbursement is for coursework completed within 30 months of completion of the phase I requirements.

(7) The department shall work closely with participating institutions to develop an application and eligibility determination process that will provide the highest level of participation and ensure that all requirements of the program are met.

(8) Applications for the tuition incentive program may be approved at any time after the student begins the sixth grade. If a determination of financial eligibility is made, that determination is valid as long as the student meets all other program requirements and conditions.

(9) Each institution shall ensure that all known available restricted grants for tuition and fees are used prior to billing the tuition incentive program for any portion of a student's tuition and fees.

(10) The department shall ensure that the tuition incentive program is well publicized and that potentially eligible Medicaid clients are provided information on the program. The department shall provide the necessary funding and staff to fully operate the program.

Grants; availability of data.

Sec. 311. To enable the legislature and the state budget director to evaluate the appropriation needs of higher education, each independent college and university shall make available to the legislature or state budget director, upon request, data regarding grants for the preceding, current, and ensuing fiscal years.

Nursing scholarship or nursing school grant programs.

Sec. 312. From the funds appropriated in part 1 for nursing scholarship and grant programs, the Michigan higher education assistance authority shall administer any nursing scholarship or nursing school grant programs authorized under the Michigan nursing scholarship act, 2002 PA 591, MCL 390.1181 to 390.1189.

Children of veterans tuition grant program; report.

Sec. 314. By December 1 of each year, the Michigan higher education assistance authority shall submit a report to the state budget director, the house and senate appropriations subcommittees on higher education, and the house and senate fiscal agencies for the preceding fiscal year on the children of veterans tuition grant program. The report shall include, but is not limited to, the total number of tuition grants paid by the authority in the preceding fiscal year, the total dollar amount of those tuition grants, and the number of students receiving tuition grants and the total amount of those tuition grants at each eligible institution.

Student financial aid programs; report.

Sec. 315. By January 15 of each year, the department of treasury shall submit a report to the state budget director, the house and senate appropriations subcommittees on higher education, and the house and senate fiscal agencies for the preceding fiscal year on all student financial aid programs for which funds are appropriated in part 1. For each student financial aid program, the report shall include, but is not limited to, the total number of awards paid in the preceding fiscal year, the total dollar amount of those awards, and the number of students receiving awards and the total amount of those awards at each eligible postsecondary institution. To the extent information is available, the report shall also include information on the average exam performance, household income, and other demographic characteristics of students receiving awards under each program and historical information on the number of awards and total award amounts for each program.

STATE AND REGIONAL PROGRAMS**HEIDI; maintenance, coordination, and improvement.**

Sec. 405. The funds appropriated in part 1 for higher education database modernization and conversion shall be expended to maintain, coordinate, and improve the higher education institutional data inventory (HEIDI) established under section 1299 of the management and budget act, 1984 PA 431, MCL 18.1299. The advisory committee established under that section shall meet regularly to review data definitions and requirements in order to advise the state budget director regarding changes to those definitions and requirements that would result in more useful and reliable data being provided to state policymakers and university officials.

MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA PARKS PROGRAMS**Martin Luther King, Jr. - Cesar Chavez - Rosa Parks select student support services program.**

Sec. 503. (1) Included in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks select student support services program for developing academically

or economically disadvantaged student retention programs for 4-year state and independent educational institutions in this state. Preference may not be given to participants on the basis of race, color, ethnicity, gender, or national origin. Institutions should encourage participation from those who would otherwise not adequately be represented in the student population.

(2) An award made under this program to any 1 institution shall not be greater than \$150,000.00, and the amount awarded shall be matched on a 70% state, 30% college or university basis.

(3) The program described in this section shall be administered by the Michigan department of labor and economic growth.

Martin Luther King, Jr. – Cesar Chavez – Rosa Parks college/university partnership program.

Sec. 504. (1) Included in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks college/university partnership program between 4-year state and independent colleges and universities and public community colleges, which is intended to increase the number of academically or economically disadvantaged students who transfer from community colleges into baccalaureate programs. Preference may not be given to participants on the basis of race, color, ethnicity, gender, or national origin. Institutions should encourage participation from those who would otherwise not adequately be represented in the transfer student population.

(2) The grants shall be made under the program described in this section to Michigan state and independent colleges and universities. An award to any 1 institution shall not be greater than \$150,000.00, and the amount awarded shall be matched on a 70% state, 30% college or university basis.

(3) The program described in this section shall be administered by the Michigan department of labor and economic growth.

Martin Luther King, Jr. – Cesar Chavez – Rosa Parks initiative for Morris Hood, Jr. educator development program.

Sec. 506. (1) Included in the appropriation in part 1 is funding under the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks initiative for the Morris Hood, Jr. educator development program which is intended to increase the number of academically or economically disadvantaged students who enroll in and complete K-12 teacher education programs at the baccalaureate level. Preference may not be given to participants on the basis of race, color, ethnicity, gender, or national origin. Institutions should encourage participation from those who would otherwise not adequately be represented in the teacher education student population.

(2) The program described in this section shall be administered by each state-approved teacher education institution in a manner prescribed by the Michigan department of labor and economic growth.

(3) Approved teacher education institutions may and are encouraged to use student support services funding in coordination with the Morris Hood, Jr. funding to achieve the goals of the program described in this section.

Notice by state institution of higher learning to Michigan department of labor and economic growth.

Sec. 507. Each state institution of higher education receiving funds under section 503, 504, or 506 shall notify the Michigan department of labor and economic growth by April 15, 2009 as to whether it will expend by the end of its fiscal year the funds received under section 503, 504, or 506. Notwithstanding the award limitations in sections 503 and 504, the

amount of funding reported as not being expended will be reallocated to the state institutions of higher education that intend to expend all funding received under section 503, 504, or 506.

REPORTS

Nursing education; status report.

Sec. 715. By December 1, 2008, the Michigan department of labor and economic growth shall submit a report to the state budget director, the house and senate appropriations committees, and the house and senate fiscal agencies on the status of nursing education in Michigan. The report shall include, but is not limited to, the number of nursing degree programs offered at Michigan postsecondary institutions, the type of nursing degrees offered (associate, bachelor’s, master’s, doctoral), the number of available openings for new nursing students, the number and type of faculty needed to expand nursing education, and any barriers there may be to the employment of more nurses in the state of Michigan.

This act is ordered to take immediate effect.
Approved July 15, 2008.
Filed with Secretary of State July 16, 2008.

[No. 214]

(HB 5812)

AN ACT to make appropriations for the department of military and veterans affairs for the fiscal year ending September 30, 2009; to provide for the expenditure of the appropriations; to provide for certain powers and duties of the department of military and veterans affairs, other state agencies, and local units of government related to the appropriations; and to provide for the preparation of certain reports related to the appropriations.

The People of the State of Michigan enact:

PART 1

LINE-ITEM APPROPRIATIONS

Appropriations; department of military and veterans affairs.

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of military and veterans affairs for the fiscal year ending September 30, 2009, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
APPROPRIATION SUMMARY:**

Full-time equated unclassified positions	7.0	
Full-time equated classified positions	985.0	
GROSS APPROPRIATION		\$ 183,807,900

For Fiscal Year
Ending Sept. 30,
2009

Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers.....	\$ 1,681,200
ADJUSTED GROSS APPROPRIATION	\$ 182,126,700
Federal revenues:	
Total federal revenues	109,988,200
Special revenue funds:	
Total local revenues.....	1,284,600
Total private revenues.....	1,463,700
Total other state restricted revenues	29,050,400
State general fund/general purpose	\$ 40,339,800

Headquarters and armories.

Sec. 102. HEADQUARTERS AND ARMORIES

Full-time equated unclassified positions	7.0	
Full-time equated classified positions	125.0	
Headquarters and armories—85.0 FTE positions		\$ 10,430,000
Unclassified military personnel.....		665,000
Military appeals tribunal.....		900
Michigan emergency volunteers		5,000
State active duty.....		90,100
Challenge program—40.0 FTE positions		4,698,800
Homeland security.....		1,000,000
Internal audit services.....		111,700
Military family relief fund.....		600,000
War veteran’s memorial rehabilitation		5,000
GROSS APPROPRIATION		\$ 17,606,500
Appropriated from:		
IDG, challenge grant.....		260,100
IDG, community health		100,000
IDG, state police		900,000
IDG, human services.....		421,100
Federal revenues:		
DOD-DOA-NGB.....		5,206,000
Special revenue funds:		
Local - school aid fund		1,284,600
Rental fees		350,000
Mackinac Bridge authority		60,000
Private donations.....		820,100
Military family relief fund.....		600,000
Private - parent pay revenue		103,600
State general fund/general purpose		\$ 7,501,000

Military training sites and support facilities.

Sec. 103. MILITARY TRAINING SITES AND SUPPORT FACILITIES

Full-time equated classified positions	181.0	
Military training sites and support facilities—181.0 FTE positions...		\$ 24,728,200
Military training sites and support facilities test projects		100,000
GROSS APPROPRIATION		\$ 24,828,200

For Fiscal Year
Ending Sept. 30,
2009

Appropriated from:

Federal revenues:

DOD-DOA-NGB.....	\$	20,801,000
Special revenue funds:		
Regional training institute fund.....		1,504,000
Test project fees.....		100,000
State general fund/general purpose	\$	2,423,200

Departmentwide appropriations.

Sec. 104. DEPARTMENTWIDE APPROPRIATIONS

Departmentwide accounts.....	\$	2,024,400
Special maintenance - state		651,200
Special maintenance - federal.....		5,300,000
Military retirement.....		3,217,500
Counter narcotic operations		50,000
Starbase grant.....		1,772,000
GROSS APPROPRIATION	\$	<u>13,015,100</u>

Appropriated from:

Federal revenues:

DOD-DOA-NGB.....		8,738,100
Federal counter narcotic revenues.....		50,000
State general fund/general purpose	\$	4,227,000

Veterans service organizations.

Sec. 105. VETERANS SERVICE ORGANIZATIONS

American legion	\$	912,600
Disabled American veterans.....		754,400
Marine corps league		346,400
American veterans of World War II and Korea		478,700
Veterans of foreign wars		912,600
Michigan paralyzed veterans of America.....		170,700
Purple heart.....		162,600
Veterans of World War I.....		100
Polish legion of American veterans.....		42,400
Jewish veterans of America.....		42,400
State of Michigan council - Vietnam veterans of America.....		164,300
Catholic war veterans.....		42,400
GROSS APPROPRIATION	\$	<u>4,029,600</u>

Appropriated from:

State general fund/general purpose	\$	4,029,600
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Grand Rapids veterans' home.

Sec. 106. GRAND RAPIDS VETERANS' HOME

Full-time equated classified positions.....	513.0	
Grand Rapids veterans' home—513.0 FTE positions	\$	47,951,700
Board of managers		665,000
GROSS APPROPRIATION	\$	<u>48,616,700</u>

Appropriated from:

Federal revenues:

DVA-VHA.....		15,570,400
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	For Fiscal Year Ending Sept. 30, 2009
HHS, Medicaid	\$ 154,300
HHS, Medicare.....	1,557,500
Special revenue funds:	
Private - veterans' home post and posthumous funds.....	415,000
Income and assessments	14,703,900
Military family relief fund.....	250,000
Lease revenue	12,200
State general fund/general purpose	\$ 15,953,400
D.J. Jacobetti veterans' home.	
Sec. 107. D.J. JACOBETTI VETERANS' HOME	
Full-time equated classified positions.....	158.0
D.J. Jacobetti veterans' home—158.0 FTE positions	\$ 15,559,400
Board of managers	275,000
GROSS APPROPRIATION	\$ 15,834,400
Appropriated from:	
Federal revenues:	
DVA-VHA.....	4,504,400
HHS, Medicare.....	500,300
HHS, Medicaid	10,200
Special revenue funds:	
Private - veterans' home post and posthumous funds.....	125,000
Military family relief fund.....	150,000
Income and assessments	5,515,700
State general fund/general purpose	\$ 5,028,800
Veterans' affairs directorate.	
Sec. 108. VETERANS' AFFAIRS DIRECTORATE	
Full-time equated classified positions.....	8.0
Veterans' affairs directorate administration—2.0 FTE positions.....	\$ 321,200
Veterans' trust fund administration—6.0 FTE positions.....	1,225,900
Veterans' trust fund grants	3,746,500
GROSS APPROPRIATION	\$ 5,293,600
Appropriated from:	
Special revenue funds:	
Michigan veterans' trust fund	4,972,400
State general fund/general purpose	\$ 321,200
Information technology.	
Sec. 109. INFORMATION TECHNOLOGY	
Information technology services and projects.....	\$ 1,183,800
GROSS APPROPRIATION	\$ 1,183,800
Appropriated from:	
Federal revenues:	
DOD-DOA-NGB.....	116,900
DVA-VHA.....	319,700
HHS, Medicare.....	9,400
Special revenue funds:	
Income and assessments	332,200
State general fund/general purpose	\$ 405,600

For Fiscal Year
Ending Sept. 30,
2009

Capital outlay.

Sec. 110. CAPITAL OUTLAY

Special maintenance, remodeling and additions.....	\$	12,900,000
Land acquisitions and appraisals statewide.....		500,000
Camp Grayling, military operations on urban terrain (MOUT) training course construction		40,000,000
GROSS APPROPRIATION	\$	53,400,000
Appropriated from:		
Federal revenues:		
DOD-DOA-NGB.....		52,450,000
Special revenue funds:		
Armory construction fund.....		500,000
State general fund/general purpose	\$	450,000

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Total state spending; payments to local units of government.

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2008-2009 is \$69,390,200.00 and state spending from state resources to be paid to local units of government for fiscal year 2008-2009 is \$120,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

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

Payments in lieu of taxes	\$	70,000
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MICHIGAN VETERANS' TRUST FUND

County counselor education and training expenses	\$	50,000
TOTAL.....	\$	120,000

Appropriations subject to MCL 18.1101 to 18.1594.

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

Definitions.

Sec. 203. As used in this act:

- (a) "Department" means the department of military and veterans affairs.
- (b) "Director" means the director of the department of military and veterans affairs.
- (c) "DOD" means the United States department of defense.
- (d) "DOD-DOA-NGB" means the DOD department of the army, national guard bureau.

- (e) “DVA” means the United States department of veterans’ affairs.
- (f) “DVA-VHA” means the DVA veterans’ health administration.
- (g) “FTE” means full-time equated.
- (h) “HHS” means the United States department of health and human services.
- (i) “IDG” means interdepartmental grant.

Billing by department of civil service.

Sec. 204. The department of civil service 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.

Hiring freeze; exceptions.

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

(2) The state budget director 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.

Privatization; project plan.

Sec. 207. Sixty days before beginning any effort to privatize, the department shall submit a complete project plan to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies. The plan shall include the criteria under which the privatization initiative will be evaluated. The evaluation shall be completed and submitted to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies within 30 months.

Reporting requirements; use of Internet.

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.

Purchase of goods or services; preference.

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.

Contracts to provide services or supplies; businesses in deprived and depressed communities.

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.

Receipt and retention of copies of reports.

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

Michigan national guard education assistance program.

Sec. 212. (1) Of the funds appropriated in part 1 for military training sites and support facilities, there shall be established a Michigan national guard education assistance program. Disbursements to the educational assistance program shall not exceed \$1,100,000.00 without legislative approval. Under the program, a member of the national guard who is in active service and who enrolls as a full- or part-time student at a public or private state college or university may be eligible to receive up to an equivalent of 50% of the total cost of tuition not to exceed \$2,000.00, as education assistance, in any academic year.

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

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

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

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

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

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

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

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

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

National guard armories; projected closure or consolidation.

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

State military cemeteries in Crawford and Dickinson counties.

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

Technology-related services and projects; payment of user fees.

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

Information technology; designation of amounts as work projects; availability of funds for expenditure.

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

Out-of-state travel; limitation; exception; report.

Sec. 225. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2009 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 senate and house of representatives standing committees on appropriations.

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

department's budget. The report shall be submitted to the chairs and members of the senate and house 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.

Communication of employee with legislative member or staff.

Sec. 226. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sale of department property; notification.

Sec. 227. Sixty days prior to the public announcement of the intention to sell any department property, the department shall submit notification of that intent to the appropriate senate and house appropriations subcommittees and the senate and house fiscal agencies.

Legal services.

Sec. 228. 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.

Regional training institute conference center account.

Sec. 229. There is hereby created and established under the jurisdiction and control of the department a revolving account to be known as the regional training institute conference center account. All of the fees and other revenues generated from the operation of the regional training institute conference center shall be deposited in the regional training institute conference center account. Appropriations shall be made from the account for the support of program operations and the maintenance and operations of the regional training institute, the construction and maintenance of morale, welfare, and recreation facilities on Fort Custer or training areas within Michigan, and shall not exceed the estimated revenues for the fiscal year in which they are made, together with unexpended balances from prior years. The department shall submit an annual report of operations and expenditures regarding the regional training institute conference center account to the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the state budget director at the end of the fiscal year.

Regional training institute conference center.

Sec. 230. The regional training institute conference center shall be available but not limited to the following:

- (a) Military personnel.
- (b) Federal, state, and local government agencies.
- (c) Educational institutions.

(d) Nonprofit corporations or associations organized pursuant to the nonprofit corporation act, 1982 PA 162, MCL 450.2101 to 450.3192.

(e) Community service clubs.

(f) Groups of persons with disabilities.

(g) Members of the legislature for the purposes related to the business of the legislature.

(h) Entities and organizations that wish to use the conference center to host an event that has a military agenda.

Implementation of public act; policy changes; rule having impact on small business; definitions.

Sec. 231. (1) The department shall report 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 by no later than April 1, 2009 on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year.

(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.

Contingency funds.

Sec. 232. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$5,000,000.00 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 \$2,000,000.00 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 \$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.

Full-time county veteran’s counselor; funding.

Sec. 233. It is the intent of the legislature that the department, working with counties and veterans service organizations, create incentives for all counties in the state to fund at least 1 full-time county veteran’s counselor for the purpose of assisting veterans with obtaining

federal veterans benefits that they may be eligible to receive. The incentives could include, but not be limited to, matching funds or sharing IT resources from the department for counties to use in maximizing benefits received by Michigan veterans.

Federal benefits claims; checking status.

Sec. 234. It is the intent of the legislature that the department investigate methods to allow veterans to check the status of their federal benefits claims through either online resources or by telephone.

Professional development conference or training located out-of-state; prohibition; exception.

Sec. 237. The department shall not approve the travel of more than 1 departmental employee to a specific professional development conference or training seminar that is located outside of this state unless the professional development conference or training seminar is funded by a federal or private funding source and requires more than 1 person from a department to attend, or the conference or training seminar includes multiple issues in which 1 employee from the department does not have expertise.

HEADQUARTERS AND ARMORIES

Renting armory or using distance learning network; charge rental and equipment usage fees.

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

Challenge program; revenue; fee; recruitment from economically disadvantaged areas.

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

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

(3) The department shall take steps to recruit candidates to the challenge program from economically disadvantaged areas, including those with low-income and high-unemployment backgrounds.

Challenge program; priority for youth served by department of human services programs.

Sec. 304. The department will partner with the department of human services to identify youth who may be eligible for the challenge program from those youth served by department of human services programs. These eligible youth shall be given priority for enrollment in the program.

War memorial located on state fairgrounds in Detroit; rehabilitation.

Sec. 305. From the funds appropriated in part 1 for headquarters and armories, \$5,000.00 shall be used for the purpose of rehabilitating the war veteran's memorial located on the state fairgrounds in Detroit. This funding is contingent on the receipt of \$50,000.00 in matching funds from Wayne County. Private donations may also be used for the rehabilitation of the war veteran's memorial.

VETERANS SERVICE ORGANIZATIONS**Grants to veterans service organizations; use; eligibility; filing of accounting of expenditures; coordination of veterans benefits counseling; report.**

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

(2) To receive a grant from the money appropriated in part 1, a veterans service organization shall meet the following eligibility requirements:

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

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

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

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

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

(3) A veterans service organization receiving a grant from the money appropriated in part 1 shall file with the department an accounting of its expenditures, audited and certified by a certified public accountant, within 120 days after the organization's fiscal year end. Each organization shall provide a detailed budget request for the fiscal year ending September 30, 2010 to the department by November 15, 2008. Each veterans service organization shall provide 5 copies of a listing of all service activity, an accounting of recoveries, and a listing of volunteer hours for the fiscal year ending September 30, 2008 to the department by January 31, 2009. Each organization shall include a listing of expenditures by spending category, including a listing of individual salaries of each officer and administrative staff. The listing of volunteer hours shall include the hours, services, and donations provided to residents of the Grand Rapids veterans' home and the D.J. Jacobetti veterans' home. Each veterans service organization shall provide a copy of the most recent and completed internal revenue service form 990 to the department at the end of the fiscal year ending September 30, 2008. A veterans service organization receiving a grant from the money appropriated in part 1 shall use the forms recommended by the Michigan veterans organizations rehabilitation and veterans service committee for filing reports required by this act. The department shall forward information required under this section to the senate and house fiscal agencies, the

senate and house of representatives appropriations subcommittees on military affairs, and the state budget office.

(4) The veterans service directors committee and the department shall take steps to improve the coordination of veterans benefits counseling in the state to maximize the effective and efficient use of taxpayer dollars in this goal and to ensure that every veteran is served.

(5) To accomplish the goal of subsection (4), the veterans service directors committee and the department shall take steps to increase their responsibility in the administration, management, oversight, and outreach of the delivery of services to veterans. The veterans service directors committee and the department shall involve county veterans counselors and representatives from the Michigan veterans trust fund to work in concert to identify, implement, and evaluate steps to do all of the following:

(a) Increase the veterans service directors committee and the department's role in working directly with the United States department of veterans' affairs to enhance the delivery of services to Michigan veterans.

(b) Increase the number of initial claims filed with the United States department of veterans' affairs on behalf of veterans for service-connected disability or pension benefits. The veterans service directors committee and the department may work toward either an absolute increase of approved claims or an increase in the percentage of Michigan veterans with approved claims.

(c) Develop methods to increase rates of recovery paid by the United States department of veterans' affairs to Michigan veterans either by an increase in compensation paid per approved claim or increase in compensation paid on a per capita basis.

(d) Expand training opportunities for veterans service organization service officers.

(e) Increase either the number or percentage of Michigan veterans enrolled in the VA health care system.

(f) Publicize the availability, benefit, and value of burial in the Fort Custer and Great Lakes national cemeteries.

(g) Review each grant recipient's performance under the program and require that performance be a major consideration in the future funding of each grant recipient.

(h) Identify areas of redundancy which may exist among services provided by veterans service organizations grantees, Michigan veterans trust fund county committees, and county veterans counselors and provide a proposal on how any redundancies may be minimized and identify specific cost savings which could result.

(6) The veterans service directors committee, the Michigan association of county veterans counselors, and the department shall create a report of the efforts to complete the goals outlined in this section and shall provide suggestions on how a more effective and efficient veterans' benefits counseling program may best be designed for implementation for fiscal year 2009-2010. This report shall be delivered to the house and senate appropriations subcommittees no later than March 1, 2009.

VETERANS' HOMES

Grand Rapids veterans' home and D.J. Jacobetti veterans' home; use of appropriations.

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

Annual written report.

Sec. 602. The Grand Rapids veterans' home and the D.J. Jacobetti veterans' home, together with the department and the department of management and budget, shall produce and deliver to the senate and house of representatives appropriations subcommittees on state police and military affairs an annual written report. The report shall include an accounting of member populations and bed space available; a description and accounting of services and activities provided to members; financial information; current state nursing home licensure status; the steps required for Medicaid certification, including a listing of any personnel, equipment, supplies, or budgetary increases required; and whether or not steps are being taken toward Medicaid certification. The annual report shall be submitted to the senate and house of representatives appropriations subcommittees on military affairs no later than February 1, 2009.

Boards of managers; use of money appropriated.

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

Alteration of spending plan; report.

Sec. 604. The department shall, prior to altering the spending plan by the board of managers of post and posthumous funds, report to the appropriate senate and house appropriations subcommittees 30 days prior to that action and shall indicate the rationale for that decision.

VETERANS' TRUST FUND**Michigan veterans' trust fund; report.**

Sec. 703. By April 1, 2009, the department shall submit to the senate and house of representatives appropriations subcommittees on military affairs and the state budget office a detailed annual report of the Michigan veterans' trust fund for fiscal year 2007-2008. The report shall include information on grants provided from the emergency grant program, including details concerning the methodology of allocations, the selection of emergency grant program authorized agents, and a detailed breakdown of trust fund expenditures for that year. The report shall also provide an update on the department's efforts to reduce program administrative costs and restore the Michigan veterans' trust fund corpus to its original amount of \$50,000,000.00.

County veterans counselors; training.

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

CAPITAL OUTLAY**Design and construction projects; availability of funds.**

Sec. 801. The appropriations in part 1 for the department of military and veterans affairs design and construction projects are contingent upon the availability of federal and state restricted funds for financing.

Lump-sum allocations.

Sec. 802. (1) The director shall allocate lump-sum appropriations made in this bill 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.

Capital outlay; carrying forward funds.

Sec. 803. The appropriations in part 1 for capital outlay shall be carried forward at the end of the fiscal year consistent with section 248 of the management and budget act, 1984 PA 431, MCL 18.1248.

This act is ordered to take immediate effect.

Approved July 15, 2008.

Filed with Secretary of State July 16, 2008.

[No. 215]**(HB 4481)**

AN ACT to establish the foster care independence program; to provide certain services for certain youth in foster care due to child abuse or child neglect; and to prescribe the duties of certain state departments.

The People of the State of Michigan enact:

722.981 Short title; definitions.

Sec. 1. (1) This act shall be known and may be cited as the “foster care independence act”.

(2) As used in this act:

(a) “Adjudicated delinquent” means an individual found to have committed an offense that, if committed by an adult, would be a criminal offense.

(b) “Child abuse” and “child neglect” mean those terms as defined in section 2 of the child protection law, 1975 PA 238, MCL 722.622.

(c) “Child placing agency” means that term as defined in section 1 of 1973 PA 116, MCL 722.111.

(d) “Department” means the department of human services.

(e) “Foster care” means 24-hour substitute care for children placed away from their parents or guardians for whom the state agency or child placing agency has placement and care responsibility. Foster care placement includes, but is not limited to, placement in foster family homes, child care institutions, and preadoptive placements.

(f) “Young adult” means an individual 14 years of age or older but less than 21 years of age.

722.982 Foster care independence program; establishment; conditions; services.

Sec. 2. (1) If this state receives federal money for the purposes described in this act and the federal money is not reduced below the level this state received on the effective date of this act and if public and private partners continue to provide the services they provided on the effective date of this act, the department shall establish the foster care independence program to offer education, training, employment, and financial support for eligible young adults leaving foster care.

(2) Subject to the availability of federal, state, and local funds, the program may include the following services:

(a) Identify young adults who are likely to remain in foster care until 18 years of age and help these children make the transition to self-sufficiency by providing services such as assistance in obtaining a high school diploma, career exploration, vocational training, job placement and retention, training in daily living skills, training in budgeting and financial management skills, substance abuse prevention, and preventive health activities, including smoking avoidance, nutrition education, and pregnancy prevention.

(b) Help young adults who are likely to remain in foster care until 18 years of age receive education, training, and services necessary to obtain employment.

(c) Help young adults who are likely to remain in foster care until 18 years of age prepare for and enter postsecondary training and education institutions.

(d) Provide personal and emotional support to children aging out of foster care, through mentors and the promotion of interactions with dedicated adults.

(e) Provide financial, housing, counseling, employment, education, and other appropriate support and services to former foster care recipients between 18 and 21 years of age to complement their own efforts to achieve self-sufficiency and to assure that program participants recognize and accept their personal responsibility for preparing for and then making the transition from adolescence to adulthood.

722.983 Services; eligibility; exceptions; services provided to young adults 14 years of age and older; availability of services through 20 years of age; services provided on as-needed basis.

Sec. 3. (1) A young adult is eligible for services under this act if he or she is or has been in a foster care placement through the state or a child placing agency based on child abuse or child neglect on or after his or her fourteenth birthday.

(2) A young adult is not eligible for services under this act if 1 or more of the following apply:

(a) The young adult is in an out-of-home placement solely as an adjudicated delinquent. If the young adult is currently an adjudicated delinquent but met the eligibility criteria before his or her adjudication, services may be provided under this act.

(b) The young adult was never in an out-of-home placement based on child abuse or child neglect.

(c) The young adult is in a detention facility or other state-operated facility.

(3) Services under this act may be provided to eligible young adults 14 years of age and older regardless of the permanency planning goal. Services under this act may be available to all eligible young adults after case closure through 20 years of age. Services under this act may be provided on an “as-needed” basis.

722.984 Goods and services.

Sec. 4. (1) The department may provide at least all of the following goods and services to eligible young adults in the foster care independence program:

(a) Services that are not available from other funding sources or agencies for eligible young adults currently in the foster care system and for young adults released from foster care before reaching 21 years of age.

(b) Educational support.

(c) Classes or groups on interpersonal communication and building and maintaining relationships and classes or groups on independent living skills.

(d) Stipends to cover the cost of utility deposits, security deposits, and first month's rent to eligible young adults who are leaving foster care or have left foster care because they have reached 18 years of age but have not reached 21 years of age. The first month's rent and damage deposit may only be provided to young adults 18 to 21 years of age who are leaving foster care or who have left foster care because they attained 18 or 19 years of age and have not reached 21 years of age.

(2) The department shall make known a list of goods and services provided under the program established in this act.

722.985 Other goods and services.

Sec. 5. The department may provide goods and services allowed under federal law and any other goods and services the department considers appropriate.

This act is ordered to take immediate effect.

Approved July 15, 2008.

Filed with Secretary of State July 16, 2008.

[No. 216]

(HB 4658)

AN ACT to amend 1966 PA 346, entitled "An act to create a state housing development authority; to define the powers and duties of the authority; to establish a housing development revolving fund; to establish a land acquisition and development fund; to establish a rehabilitation fund; to establish a conversion condominium fund; to create certain other funds and provide for the expenditure of certain funds; to authorize the making and purchase of loans, deferred payment loans, and grants to qualified developers, sponsors, individuals, mortgage lenders, and municipalities; to establish and provide acceleration and foreclosure procedures; to provide tax exemption; to authorize payments instead of taxes by nonprofit housing corporations, consumer housing cooperatives, limited dividend housing corporations, mobile home park corporations, and mobile home park associations; and to prescribe criminal penalties for violations of this act," by amending sections 22, 58, 58a, and 58c (MCL 125.1422, 125.1458, 125.1458a, and 125.1458c), section 22 as amended by 2002 PA 385 and sections 58, 58a, and 58c as added by 2004 PA 480.

The People of the State of Michigan enact:

125.1422 Powers of authority.

Sec. 22. The authority shall possess all powers necessary or convenient to carry out this act, including the following powers in addition to other powers granted by other provisions of this act:

(a) To sue and to be sued; to have a seal and to alter the seal at pleasure; to have perpetual succession; to make and execute contracts and other instruments necessary or convenient to the exercise of the powers of the authority; and to make, amend, and repeal bylaws and rules.

(b) To undertake and carry out studies and analyses of housing needs within this state and ways of meeting those needs, including data with respect to population and family groups, the distribution of population and family groups according to income, and the amount and quality of available housing and its distribution according to rentals and sales prices, employment, wages, and other factors affecting housing needs and the meeting of housing needs; to make the results of those studies and analyses available to the public and the housing and supply industries; and to engage in research and disseminate information on housing.

(c) To agree and comply with conditions attached to federal financial assistance.

(d) To survey and investigate housing conditions and needs, both urban and rural, throughout this state and make recommendations to the governor and the legislature regarding legislation and other measures necessary or advisable to alleviate any existing housing shortage in this state.

(e) To establish and collect fees and charges in connection with the sale of the authority's publications and the authority's loans, commitments, and servicing, including, but not limited to, the reimbursement of costs of financing by the authority, service charges, and insurance premiums as the authority determines to be reasonable and as approved by the authority. Fees and charges shall be determined by the authority and shall not be considered to be interest. The authority may use any accumulated fees and charges and interest income for achieving any of the corporate purposes of the authority, to the extent that the fees, charges, and interest income are not pledged to the repayment of bonds and notes of the authority or the interest on those bonds and notes.

(f) To encourage community organizations to assist in initiating housing projects as provided in this act.

(g) To encourage the salvage of all possible usable housing scheduled for demolition because of highway, school, urban renewal, or other programs by seeking authority for the sponsors of the programs to use funds provided for the demolition of the buildings, to be allocated to those sponsors approved by the authority to defray moving and rehabilitation costs of the buildings.

(h) To engage and encourage research in, and to formulate demonstration projects to develop, new and better techniques and methods for increasing the supply of housing for persons eligible for assistance as provided in this act; and to provide technical assistance in the development of housing projects and in the development of programs to improve the quality of life for all the people of this state.

(i) To make or purchase loans, including loans for condominium units as defined in section 4 of the condominium act, 1978 PA 59, MCL 559.104, and including loans to mortgage lenders, which are unsecured or the repayments of which are secured by mortgages, security interests, or other forms of security; to purchase and enter into commitments for the purchase of securities, certificates of deposits, time deposits, or mortgage loans from mortgage lenders; to participate in the making or purchasing of unsecured or secured loans and undertake

commitments to make or purchase unsecured or secured loans; to sell mortgages, security interests, notes, and other instruments or obligations evidencing or securing loans, including certificates evidencing interests in 1 or more loans, at public or private sale; in connection with the sale of an instrument or obligation evidencing or securing 1 or more loans, to service, guarantee payment on, or repurchase the instrument or obligation, whether or not it is in default; to modify or alter mortgages and security interests; to foreclose on any mortgage, security interest, or other form of security; to finance housing units; to commence an action to protect or enforce a right conferred upon the authority by law, mortgage, security agreement, contract, or other agreement; to bid for and purchase property that was the subject of the mortgage, security interest, or other form of security, at a foreclosure or at any other sale, and to acquire or take possession of the property. Upon acquiring or taking possession of the property, the authority may complete, administer, and pay the principal and interest of obligations incurred in connection with the property, and may dispose of and otherwise deal with the property in any manner necessary or desirable to protect the interests of the authority in the property. If the authority or an entity that provides mortgage insurance to the authority acquires property upon the default of a borrower, the authority may make a mortgage loan to a subsequent purchaser of that property even if the purchaser does not meet otherwise applicable income limitations and purchase price limits.

(j) To set standards for housing projects that receive loans under this act and to provide for inspections to determine compliance with those standards. The standards for construction and rehabilitation of mobile homes, mobile home parks, and mobile home condominium projects shall be established jointly by the authority and the mobile home commission, created in the mobile home commission act, 1987 PA 96, MCL 125.2301 to 125.2349. However, financing standards shall be established solely by the authority.

(k) To accept gifts, grants, loans, appropriations, or other aid from the federal, state, or local government, from a subdivision, agency, or instrumentality of a federal, state, or local government, or from a person, corporation, firm, or other organization.

(l) To acquire or contract to acquire from a person, firm, corporation, municipality, or federal or state agency, by grant, purchase, or otherwise, leaseholds or real or personal property, or any interest in a leasehold or real or personal property; to own, hold, clear, improve, and rehabilitate and to sell, assign, exchange, transfer, convey, lease, mortgage, or otherwise dispose of or encumber any interest in a leasehold or real or personal property. This act shall not impede the operation and effect of local zoning, building, and housing ordinances, ordinances relating to subdivision control, land development, or fire prevention, or other ordinances having to do with housing or the development of housing.

(m) To procure insurance against any loss in connection with the property and other assets of the authority.

(n) To invest, at the discretion of the authority, funds held in reserve or sinking funds, or money not required for immediate use or disbursement, in obligations of this state or of the United States, in obligations the principal and interest of which are guaranteed by this state or the United States, or in other obligations as may be approved by the state treasurer.

(o) To promulgate rules necessary to carry out the purposes of this act and to exercise the powers expressly granted in this act in accordance with the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

(p) To enter into agreements with nonprofit housing corporations, consumer housing cooperatives, limited dividend housing corporations, mobile home park corporations, and mobile home park associations that provide for regulation by the authority of the planning, development, and management of any housing project undertaken by nonprofit housing corporations, consumer housing cooperatives, limited dividend housing corporations, mobile home park corporations, and mobile home park associations and that provide for the disposition of the property and franchises of those corporations, cooperatives, and associations.

(q) To appoint to the board of directors of a nonprofit housing corporation, consumer housing cooperative, limited dividend housing corporation, mobile home park corporation, or mobile home park association, a number of new directors sufficient to constitute a majority of the board notwithstanding other provisions of the articles of incorporation or other provisions of law. Directors appointed under this subsection need not be stockholders or members or meet other qualifications that may be described by the certificate of incorporation or bylaws. In the absence of fraud or bad faith, directors appointed under this subsection shall not be personally liable for debts, obligations, or liabilities of the corporation or association. The authority may appoint directors under this subsection only if 1 or more of the following occur:

(i) The nonprofit housing corporation, consumer housing cooperative, limited dividend housing corporation, mobile home park corporation, or mobile home park association has received a loan or advance, as provided for in this act, and the authority determines that the loan or advance is in jeopardy of not being repaid.

(ii) The nonprofit housing corporation, consumer housing cooperative, limited dividend housing corporation, mobile home park corporation, or mobile home park association received a loan or advance as provided for in this act and the authority determines that the proposed housing project for which the loan or advance was made is in jeopardy of not being constructed.

(iii) The authority determines that some part of the net income or net earnings of the nonprofit housing corporation is inuring to the benefit of a private individual, firm, corporation, partnership, or association; the authority determines that an unreasonable part of the net income or net earnings of the consumer housing cooperative is inuring to the benefit of a private individual, firm, corporation, partnership, or association; or the authority determines that some part of the net income or net earnings of the limited dividend housing corporation, in excess of that permitted by other provisions of this act, is inuring to the benefit of a private individual, firm, corporation, partnership, or association.

(iv) The authority determines that the nonprofit corporation or consumer housing cooperative is in some manner controlled by, under the direction of, or acting in the substantial interest of a private individual, firm, corporation, partnership, or association seeking to derive benefit or gain from, or seeking to eliminate or minimize losses in any dealings or transactions with, the nonprofit corporation or consumer housing cooperative. However, this subparagraph shall apply to individual cooperators in consumer housing cooperatives only in circumstances defined by the authority in its rules.

(v) The authority determines that the nonprofit housing corporation, consumer housing cooperative, limited dividend housing corporation, mobile home park corporation, or mobile home park association is in violation of the rules promulgated under this section.

(vi) The authority determines that the nonprofit housing corporation, consumer housing cooperative, limited dividend housing corporation, mobile home park corporation, or mobile home park association is in violation of 1 or more agreements entered into with the authority that provide for regulation by the authority of the planning, development, and management of a housing project undertaken by the nonprofit housing corporation, consumer housing cooperative, limited dividend housing corporation, mobile home park corporation, or mobile home park association or that provide for the disposition of the property and franchises of the corporation, or cooperative, or association.

(r) To give approval or consent to the articles of incorporation submitted to the authority by a corporation seeking approval as a nonprofit housing corporation, consumer housing cooperative, limited dividend housing corporation, or mobile home park corporation under chapter 4, 5, 6, or 8; to give approval or consent to the partnership agreement, joint venture

agreement, trust agreement, or other document of basic organization of a limited dividend housing association under chapter 7 or mobile home park association under chapter 9.

(s) To engage the services of private consultants on a contract basis for rendering professional and technical assistance and advice.

(t) To lease real or personal property and to accept federal funds for, and participate in, federal programs of housing assistance.

(u) To review and approve rental charges for authority-financed housing projects and require whatever changes the authority determines to be necessary. The changes shall become effective after not less than 30 days' written notice is given to the residents of the affected authority-financed housing projects.

(v) To set forth in the various loan documents of the authority those restrictions on the sale, conveyance by land contract, or transfer of residential real property, housing projects, or housing units for which a note is held by the authority and restrictions on the assumption by subsequent purchasers of loans originated by and held by, or originated for purchase by and held by, the authority as the authority determines to be necessary in order to comply with requirements of federal statutes, federal rules or regulations promulgated under sections 551 to 559 of title 5 of the United States Code, 5 USC 551 to 559, state statutes, or state rules promulgated under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, or to obtain and maintain the tax exempt status of authority bonds and notes. However, the authority shall not use a due on sale or acceleration clause solely for the purpose of renegotiating the interest rate on a loan made with respect to an owner-occupied single-family housing unit. Without limiting the authority's power to establish other restrictions, as provided in this section, on the sale, conveyance by land contract, or transfer of residential real property, housing projects, or housing units for which a note is held by the authority and the assumption by subsequent purchasers of loans made or purchased by the authority, the authority shall provide in its loan documents relating to a single family loan that the single family loan may be assumed by a new purchaser only when the new purchaser qualifies under the authority income limitations rules except where such a restriction diminishes or precludes the insurance or a guarantee by an agency of the federal government with respect to the single family loan. A loan made for a mobile home that the borrower does not intend to permanently affix to real property shall become immediately due and payable in the event the mobile home is moved out of the state. Any restrictions on conveyance by sale, conveyance by land contract, or transfer that are authorized in this section shall apply only to loans originated by and held by, or originated for purchase by and held by, the authority and may, at the option of the authority, be enforced by accelerating and declaring immediately due and payable all sums evidenced by the note held by the authority. An acceleration and declaration of all sums to be due and payable on conveyance by sale, land contract, or transfer is not an unreasonable restraint on alienation. An acceleration and declaration, unless otherwise prohibited in this subdivision, of all sums to be due and payable under this subdivision is enforceable in any court of competent jurisdiction. This subdivision is applicable to secured and unsecured loans. This subdivision is also applicable to loan documents utilized in conjunction with an authority-operated program of residential rehabilitation by an entity cooperating or participating with the authority under section 22a(4), which loans are originated with the intent to sell those loans to the authority.

(w) To set forth in the various loan documents of the authority those remedies for the making of a false statement, representation, or pretense or a material misstatement by a borrower during the loan application process. Without limiting the authority's power to pursue other remedies, the authority shall provide in its loan documents that, if a borrower makes a false statement, representation, or pretense or a material misstatement during the loan application process, the authority, at its option, may accelerate and declare immediately

due and payable all sums evidenced by the note held by the authority. An acceleration and declaration of all sums to be due as authorized under this subdivision and payable as provided in this subdivision is enforceable in any court of competent jurisdiction. This subdivision is applicable to secured and unsecured loans.

(x) To collect interest on a real estate loan, the primary security for which is not a first lien on real estate, at the rate of 15% or less per annum on the unpaid balance. This subdivision does not impair the validity of a transaction or rate of interest that is lawful without regard to this subdivision.

(y) To encourage and engage or participate in programs to accomplish the preservation of housing in this state available for occupancy by persons and families of low or moderate income.

(z) To verify for the state treasurer statements submitted by a city, village, township, or county as to exempt properties under section 7d of the general property tax act, 1893 PA 206, MCL 211.7d.

(aa) For the purpose of more effectively managing its debt service, to enter into an interest rate exchange or swap, hedge, or similar agreement with respect to its bonds or notes on the terms and payable from the sources and with the security, if any, as determined by a resolution of the authority.

(bb) To make working capital loans to contractors or subcontractors on housing projects financed by the authority. The authority shall submit an annual report to the legislature containing the amount, recipient, duration, circumstance, and other related statistics for each capital loan made to a contractor or subcontractor under this subdivision. The authority shall include in the report statistics related to the cost of improvements made to adapt property for use by disabled individuals as provided in section 32b(5) or (6) or section 44(2)(a).

(cc) Subject to rules of the civil service commission, to adopt a code of ethics with respect to its employees that requires disclosure of financial interests, defines and precludes conflicts of interest, and establishes reasonable post-employment restrictions for a period of up to 1 year after an employee terminates employment with the authority.

(dd) To impose covenants running with the land in order to satisfy requirements of applicable federal law with respect to housing assisted or to be assisted through federal programs such as the low income housing tax credit program or the home investment partnerships program by executing and recording regulatory agreements between the authority or such municipality or other entity as may be designated by the authority and the person or entity to be bound. These covenants shall run with the land and be effective with respect to the parties making the covenants and other intended beneficiaries of the covenants, even though there is no privity of estate or privity of contract between the authority and the persons or entities to be bound.

(ee) To impose covenants running with the land in order to satisfy requirements of applicable state or federal law with respect to housing financed by the authority by executing and recording regulatory agreements between the authority and the person or entity to be bound. These covenants shall run with the land and be effective with respect to the parties making the covenants and other intended beneficiaries of the covenants, even though there is no privity of estate or privity of contract between the authority and the persons or entities to be bound. With respect to the application of any applicable environmental laws, this subdivision shall not be construed to grant to the authority any additional rights, privileges, or immunities not otherwise afforded to a private lender that is not in the chain of title for the land.

(ff) To participate in programs designed to assist persons and families whose incomes do not exceed 115% of the greater of statewide median gross income or the area median gross

income become homeowners where loans are made by private lenders for purchase by the government national mortgage association, federal national mortgage association, federal home loan mortgage corporation, or other federally chartered organizations. Participation may include providing or funding homeownership counseling and providing some or all of a reserve fund to be used to pay for losses in excess of insurance coverage.

(gg) To invest up to 20% of funds held by or for the authority in escrow accounts for the benefit of the authority or mortgagors of authority-financed housing in loans originated or purchased by the authority, under the conditions prescribed in this subdivision and without the consent of the escrow depositors. In connection with loans described in this subdivision, the authority may charge and retain fees in amounts similar to those charged with respect to similar loans for which the source of funding does not come from escrow funds. The investment authorized by this subdivision shall not be made unless both of the following requirements are met:

(i) The return on the loan is approximately equivalent to that which could be obtained from investments of substantially similar credit quality and maturity, as determined by the authority.

(ii) The authority agrees to repurchase from its own funds and at the same prices at which the loans were sold to the escrow funds, as adjusted for the accretion of discount or amortization of premium, plus accrued interest, any loans that become delinquent in excess of 30 days. This subdivision does not obligate the authority to purchase a delinquent loan so long as with respect to that loan the authority advances money from its own funds in the amount of the delinquent payments. The authority's election to advance payments does not in any manner abate or cure the delinquency of the loan and the authority may resort to any remedies that would exist in the absence of that payment.

(hh) To acquire, develop, rehabilitate, own, operate, and enter into contracts with respect to the management and operation of real and personal property to use as office facilities by the authority and to enter into leases with respect to facilities not immediately necessary for the activities of the authority.

(ii) To make loans to certain qualified buyers and resident organizations and to make grants to resident organizations as provided in the following:

(i) The urban homestead act, 1999 PA 127, MCL 125.2701 to 125.2709.

(ii) The urban homesteading on vacant land act, 1999 PA 129, MCL 125.2741 to 125.2748.

(iii) The urban homesteading in single-family public housing act, 1999 PA 128, MCL 125.2761 to 125.2770.

(iv) The urban homesteading in multifamily public housing act, 1999 PA 84, MCL 125.2721 to 125.2734.

(jj) To implement and administer a housing and community development program as described in this act.

125.1458 Definitions.

Sec. 58. (1) The definitions in section 11 apply to this chapter unless otherwise provided in this chapter.

(2) As used in this chapter:

(a) "Adjacent neighborhood" means a residential area as determined by the authority immediately adjoining or near a downtown area within the same municipality.

(b) "Adjusted household income" means that term as defined in rules of the authority.

(c) "Downtown area" means an area where 20 or more contiguous properties have been planned, zoned, or used for commercial purposes for 50 or more years and where a majority

of the buildings are built adjacent to each other as determined by the authority and up to the public right-of-way. In order to be a downtown area, the area shall contain a significant number of multilevel, mixed use buildings and property in the downtown area must be owned by more than 3 private owners.

(d) “Eligible applicant” means a not-for-profit corporation, a for-profit corporation, a municipality, a land bank fast track authority organized under the land bank fast track act, 2003 PA 258, MCL 124.751 to 124.774, or a partnership that is approved by the authority and that is organized for the purpose of developing and supporting affordable housing for low income, very low income, or extremely low income households or projects located in a downtown area or adjacent neighborhood.

(e) “Extremely low income household” means a person, a family, or unrelated persons living together whose adjusted household income is not more than 30% of the area median income, as determined by the authority.

(f) “Fund” means the Michigan housing and community development fund created in section 58a.

(g) “Low income household” means a person, a family, or unrelated persons living together whose adjusted household income is more than 50% but not more than 60% of the area median income, as determined by the authority.

(h) “Mixed use buildings” means buildings that can be used for more than 1 purpose, and in any combination, including, but not limited to, residential housing combined with either commercial or retail space.

(i) “Multifamily housing” means a building or buildings providing housing to 2 or more households, none of which is owner occupied.

(j) “Project” means those activities defined under section 58c.

(k) “Supportive housing” means a rental housing project in which some or all of the units are targeted to people with household incomes at or below 30% of area median income and that provide services, either directly or contracted for, to those people that include, but are not limited to, mental health, substance abuse services, counseling services, and daily living services.

(l) “Very low income household” means a person, a family, or unrelated persons living together whose adjusted household income is not more than 50% of the area median income, as determined by the authority.

125.1458a Michigan housing and community development fund; creation; administration; credit of amounts and earnings from investments; availability of money for disbursement; money in fund at end of fiscal year.

Sec. 58a. (1) The Michigan housing and community development fund is created as a separate fund in the authority.

(2) The fund shall be administered by the authority, and money in the fund shall be expended only as provided in this act.

(3) The authority shall credit to the fund all amounts appropriated to the fund or to the authority for the fund and any other money made available to the authority for the fund from any other source for the purposes under this act. The authority, on behalf of the fund, may solicit and accept gifts, grants, labor, loans, and other aid from any person, government, or entity. The authority may receive money or other assets from any source for deposit into the fund, including, but not limited to, federal funds, gifts, bequests, and donations.

(4) The authority shall invest the money and credit the earnings from the investments to the fund in accordance with section 22.

(5) Money appropriated to the fund or to the authority for the fund shall be available for disbursement by the authority upon appropriation.

(6) Money in the fund at the close of a fiscal year shall remain in the fund and shall not lapse to the general fund.

125.1458c Expenditures; purposes.

Sec. 58c. (1) The authority shall expend money in the fund to make grants, mortgage loans, or other loans to eligible applicants as provided in this section to enable eligible applicants to finance any of the following with respect to housing or home ownership for low income, very low income, and extremely low income households and with respect to projects located in a downtown area or adjacent neighborhood:

(a) Acquisition of land and buildings.

(b) Rehabilitation.

(c) New construction.

(d) Development and predevelopment costs.

(e) Preservation of existing housing.

(f) Community development projects, including, but not limited to, infrastructure improvements, economic development projects, blight elimination, or community facilities.

(g) Insurance.

(h) Operating and replacement reserves.

(i) Down payment assistance.

(j) Security deposit assistance.

(k) Foreclosure prevention and assistance.

(l) Individual development accounts established under the individual or family development account program act, 2006 PA 513, MCL 206.701 to 206.711.

(m) Activities related to ending homelessness.

(n) Assistance to nonprofit organizations, municipalities, and land bank fast track authorities organized under the land bank fast track act, 2003 PA 258, MCL 124.751 to 124.774.

(o) Predatory lending prevention or relief.

(2) The authority shall expend a portion of the fund for housing for persons with physical or mental handicaps and persons living in eligible distressed areas.

(3) The authority may make a loan to an eligible applicant from the fund at no interest or at below market interest rates, with or without security, and may make a loan for predevelopment financing.

(4) The authority may provide assistance to eligible applicants for housing units for very low income or extremely low income households within multifamily housing that is occupied partly by very low income or extremely low income households and partly by households that do not qualify as very low income or extremely low income households, subject to the rules promulgated by the authority.

(5) The authority may expend money in the fund for all other things necessary to achieve the objectives and purposes of the fund or this chapter.

(6) When performing functions under this chapter, the authority shall consider advice provided by the committee created under section 58e.

This act is ordered to take immediate effect.

Approved July 15, 2008.

Filed with Secretary of State July 16, 2008.

[No. 217]

(HB 4950)

AN ACT to amend 1996 PA 376, entitled “An act to create and expand certain renaissance zones; to foster economic opportunities in this state; to facilitate economic development; to stimulate industrial, commercial, and residential improvements; to prevent physical and infrastructure deterioration of geographic areas in this state; to authorize expenditures; to provide exemptions and credits from certain taxes; to create certain obligations of this state and local governmental units; to require disclosure of certain transactions and gifts; to provide for appropriations; and to prescribe the powers and duties of certain state and local departments, agencies, and officials,” by amending section 3 (MCL 125.2683), as amended by 2008 PA 117.

The People of the State of Michigan enact:

125.2683 Definitions.

Sec. 3. As used in this act:

(a) “Agricultural processing facility” means 1 or more facilities or operations that transform, package, sort, or grade livestock or livestock products, agricultural commodities, or plants or plant products, excluding forest products, into goods that are used for intermediate or final consumption including goods for nonfood use, and surrounding property.

(b) “Board” means the state administrative board created in 1921 PA 2, MCL 17.1 to 17.3.

(c) “Development plan” means a written plan that addresses the criteria in section 7 and includes all of the following:

(i) A map of the proposed renaissance zone that indicates the geographic boundaries, the total area, and the present use and conditions generally of the land and structures within those boundaries.

(ii) Evidence of community support and commitment from residential and business interests.

(iii) A description of the methods proposed to increase economic opportunity and expansion, facilitate infrastructure improvement, and identify job training opportunities.

(iv) Current social, economic, and demographic characteristics of the proposed renaissance zone and anticipated improvements in education, health, human services, public safety, and employment if the renaissance zone is created.

(v) Any other information required by the board.

(d) “Elected county executive” means the elected county executive in a county organized under 1966 PA 293, MCL 45.501 to 45.521, or 1973 PA 139, MCL 45.551 to 45.573.