

Concessionaire at Island Lake shooting range; expiration of contract; notification to certain residents.

Sec. 902. From the funds appropriated in part 1, not less than 6 months before expiration of a contract or adoption of amendments to an existing contract with the concessionaire at the Island Lake shooting range, the department shall notify in the least expensive method possible all residents within 5 miles of the shooting range and the state and local elected officials representing Green Oak Township in Livingston County of the contract expiration date or adoption of amendments to an existing contract. If the department intends to extend or amend the contract with the concessionaire, it shall hold 1 public hearing in Livingston County on the matter not less than 60 days before execution.

GRANTS**Federal pass-through funds to local institutions and governments; additional amounts.**

Sec. 1101. Federal pass-through funds to local institutions and governments that are received in amounts in addition to those included in part 1 for grants to communities - federal oil, gas, and timber payments and that do not require additional state matching funds are appropriated for the purposes intended. By November 30, 2008, the department shall report to the senate and house appropriations subcommittees on natural resources, the senate and house fiscal agencies, and the state budget director on all amounts appropriated under this section during the fiscal year ending September 30, 2008.

Off-road vehicle trails; development of new trails.

Sec. 1102. Subject to part 811 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.81101 to 324.81150, from the funds appropriated in part 1 for off-road vehicle trail improvements grants, not less than \$980,000.00 shall be spent on the development of new trails in accordance with the off-road vehicle trail expansion plan submitted to the legislature pursuant to section 807 of article 14 of 2005 PA 154.

CAPITAL OUTLAY**Recreational boating facilities; construction and improvement.**

Sec. 1201. The appropriation made in this act for the harbors and docks program is for the purpose of participating with the federal government and assisting political entities and subdivisions of this state in the construction and improvement of recreational boating facilities within this state. Subject to the approval of the state administrative board, this money shall be allocated by the department to the federal government, or to the political entities or local units of government involved in the particular projects. An allocation shall not exceed the state portion as listed with each project description. The department shall take the steps necessary to match federal money available for the construction and improvement of recreational boating facilities within the state, and to meet requirements of the federal government.

Lump-sum appropriations.

Sec. 1202. (1) The director shall allocate lump-sum appropriations made in this act consistent with statutory provisions and the purposes for which funds were appropriated.

Lump-sum allocations shall address priority program or facility needs and may include, but are not limited to, design, construction, remodeling and addition, special maintenance, major special maintenance, energy conservation, and demolition.

(2) The state budget director may authorize that funds appropriated for lump-sum appropriations shall be available for no more than 3 fiscal years following the fiscal year in which the original appropriation was made. Any remaining balance from allocations made in this section shall lapse to the fund from which it was appropriated pursuant to the lapsing of funds as provided in the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Appropriations; carrying forward at end of fiscal year.

Sec. 1203. The appropriations in part 1 for capital outlay shall be carried forward at the end of the fiscal year consistent with the provisions of section 248 of the management and budget act, 1984 PA 431, MCL 18.1248.

This act is ordered to take immediate effect.

Approved July 17, 2008.

Filed with Secretary of State July 18, 2008.

[No. 253]

(HB 5807)

AN ACT to make appropriations for the department of agriculture for the fiscal year ending September 30, 2009; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to require reports, audits, and plans; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by certain state agencies.

The People of the State of Michigan enact:

PART 1

LINE-ITEM APPROPRIATIONS

Appropriations; department of agriculture.

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of agriculture 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 AGRICULTURE

APPROPRIATION SUMMARY:

Full-time equated unclassified positions	6.0		
Full-time equated classified positions	594.5		
GROSS APPROPRIATION		\$	107,814,300
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers.....			10,539,200
ADJUSTED GROSS APPROPRIATION		\$	97,275,100
Federal revenues:			
Total federal revenues			16,121,900

	For Fiscal Year Ending Sept. 30, 2009
Special revenue funds:	
Total local revenues.....	\$ 0
Total private revenues.....	237,200
Total other state restricted revenues	48,427,400
State general fund/general purpose	\$ 32,488,600
FUND SOURCE SUMMARY:	
Full-time equated unclassified positions	6.0
Full-time equated classified positions	594.5
GROSS APPROPRIATION	\$ 107,814,300
Interdepartmental grant revenues:	
IDG from MDCH, local public health operations	8,878,700
IDG from MDEQ, aquifer protection and dispute resolution.....	50,000
IDG from MDEQ, biosolids.....	92,500
IDG from MDEQ, MAEAP	159,100
IDG from MDEQ, type II well survey	17,000
IDG from DHS, food bank	150,000
IDG from MDLEG (LCC), liquor quality testing fees	191,900
IDG from MDNR, district forestry and wildlife program	1,000,000
Total interdepartmental grants and intradepartmental transfers.....	10,539,200
ADJUSTED GROSS APPROPRIATION	\$ 97,275,100
Federal revenues:	
DAG, multiple grants.....	12,637,300
EPA, multiple grants	1,753,300
HHS-FDA	1,077,700
United States department of labor	400,000
Corporation for national and community services.....	253,600
Total federal revenues	16,121,900
Special revenue funds:	
Private - commodity group	89,200
Private - slow-the-spread foundation.....	148,000
Total private revenues.....	237,200
Agricultural preservation fund	3,400,000
Agriculture equine industry development fund.....	12,548,400
Agriculture pollution prevention fund	100
Cervidae licensing and inspection fees	75,000
Commodity inspection fees	1,084,000
Dairy and food safety fund	2,728,300
Gasoline inspection and testing fund.....	2,620,700
Freshwater protection fund.....	5,174,300
Horticulture fund.....	79,700
Industry support funds.....	697,900
Licensing and inspection fees	4,038,400
Migratory labor housing	25,000
Nonretail liquor fees	678,600
Refined petroleum fund.....	3,339,000
State services fee fund	9,185,700
Testing fees.....	434,500
Upper Peninsula state fair revenue	1,382,500
Consumer and industry food safety education fund.....	260,500

	For Fiscal Year Ending Sept. 30, 2009
Weights and measures regulation fees	\$ 674,800
Total other state restricted revenues	48,427,400
State general fund/general purpose	\$ 32,488,600

Executive.**Sec. 102. EXECUTIVE**

Full-time equated unclassified positions	6.0
Full-time equated classified positions	37.5
Commission and boards	\$ 32,800
Unclassified positions—6.0 FTE positions	354,000
Executive direction—10.0 FTE positions	922,600
Management services—24.0 FTE positions	1,725,800
Agricultural statistics—1.0 FTE position	143,700
Emergency management—2.5 FTE positions	243,300
Internal audit services	263,700
GROSS APPROPRIATION	\$ 3,685,900
Appropriated from:	
Private funds:	
Private - commodity group	78,400
Special revenue funds:	
Gasoline inspection and testing fund	61,200
Industry support funds	34,200
Nonretail liquor fees	8,800
Refined petroleum fund	50,400
State services fee fund	502,500
Upper Peninsula state fair revenue	9,000
State general fund/general purpose	\$ 2,941,400

Departmentwide.**Sec. 103. DEPARTMENTWIDE**

Rent and building occupancy charges	\$ 1,471,500
GROSS APPROPRIATION	\$ 1,471,500
Appropriated from:	
Federal revenues:	
DAG, multiple grants	106,500
EPA, multiple grants	64,900
HHS-FDA	14,000
Special revenue funds:	
Agricultural preservation fund	23,900
Freshwater protection fund	10,100
Licensing and inspection fees	63,300
Nonretail liquor fees	8,400
Refined petroleum fund	114,000
State services fee fund	313,200
State general fund/general purpose	\$ 753,200

Food and dairy.**Sec. 104. FOOD AND DAIRY**

Full-time equated classified positions	115.0
Food safety and quality assurance—115.0 FTE positions	\$ 12,598,000

	For Fiscal Year Ending Sept. 30, 2009
Local public health operations.....	\$ 8,878,700
GROSS APPROPRIATION	\$ 21,476,700
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDCH, local public health operations	8,878,700
Federal revenues:	
DAG, multiple grants.....	27,100
HHS-FDA	380,300
Special revenue funds:	
Consumer and industry food safety education fund.....	260,500
Dairy and food safety fund	2,728,300
State general fund/general purpose	\$ 9,201,800

Animal industry.

Sec. 105. ANIMAL INDUSTRY

Full-time equated classified positions	70.0
Animal health and welfare—21.5 FTE positions	\$ 2,382,200
Bovine tuberculosis program—48.5 FTE positions.....	7,425,200
GROSS APPROPRIATION	\$ 9,807,400
Appropriated from:	
Federal revenues:	
DAG, multiple grants.....	1,143,000
HHS-FDA	72,100
Special revenue funds:	
Agriculture equine industry development fund.....	712,000
Cervidae licensing and inspection fees	75,000
Licensing and inspection fees.....	106,900
State general fund/general purpose	\$ 7,698,400

Pesticide and plant pest management.

Sec. 106. PESTICIDE AND PLANT PEST MANAGEMENT

Full-time equated classified positions	134.5
Pesticide and plant pest management—110.0 FTE positions	\$ 12,173,000
Emerald ash borer control program—24.5 FTE positions	5,191,400
GROSS APPROPRIATION	\$ 17,364,400
Appropriated from:	
Federal revenues:	
DAG, multiple grants.....	6,679,300
EPA, multiple grants	891,500
HHS-FDA	68,300
Special revenue funds:	
Private - slow-the-spread foundation.....	148,000
Commodity inspection fees	1,084,000
Horticulture fund.....	79,700
Industry support funds.....	340,900
Licensing and inspection fees.....	3,660,500
State general fund/general purpose	\$ 4,412,200

For Fiscal Year
Ending Sept. 30,
2009

Environmental stewardship.

Sec. 107. ENVIRONMENTAL STEWARDSHIP

Full-time equated classified positions.....	52.0	
Environmental stewardship—27.0 FTE positions.....		\$ 2,811,500
Groundwater and freshwater protection program— 15.0 FTE positions.....		5,472,500
Farmland and open space preservation—9.0 FTE positions.....		985,500
Water withdrawal assessment program—1.0 FTE position.....		130,000
Technical assistance match.....		300,000
Cooperative resources management initiative program		1,000,000
Agriculture pollution prevention program.....		1,000,100
Local conservation districts		916,800
Migrant labor housing.....		425,100
Aquifer protection program.....		50,000
GROSS APPROPRIATION		\$ 13,091,500

Appropriated from:

Interdepartmental grant revenues:

IDG from MDEQ, aquifer protection and dispute resolution.....		50,000
IDG from MDEQ, biosolids.....		92,500
IDG from MDEQ, MAEAP		159,100
IDG from MDEQ, type II well survey		17,000
IDG from MDNR, district forestry and wildlife program		1,000,000

Federal revenues:

DAG, multiple grants.....		1,000,000
EPA, multiple grants		445,700
Corporation for national and community services.....		253,600
United States department of labor		400,000

Special revenue funds:

Agricultural preservation fund		875,900
Agriculture pollution prevention fund		100
Freshwater protection fund.....		5,164,100
Migratory labor housing		25,000
State general fund/general purpose		\$ 3,608,500

Laboratory program.

Sec. 108. LABORATORY PROGRAM

Full-time equated classified positions.....	131.0	
Laboratory services—63.0 FTE positions		\$ 6,318,800
USDA monitoring program—17.0 FTE positions		2,134,200
Consumer protection program—51.0 FTE positions		5,135,200
GROSS APPROPRIATION		\$ 13,588,200

Appropriated from:

Interdepartmental grant revenues:

IDG from MDLEG (LCC), liquor quality testing fees		189,100
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Federal revenues:

DAG, multiple grants.....		2,156,200
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Compiler's note: The shaded text was vetoed by the Governor, whose veto message appears in this volume under the heading "Vetoed."

	For Fiscal Year Ending Sept. 30, 2009
EPA, multiple grants	\$ 351,200
HHS-FDA	543,000
Special revenue funds:	
Gasoline inspection and testing fund.....	2,532,500
Licensing and inspection fees	75,100
Refined petroleum fund.....	3,174,600
State services fee fund	519,700
Testing fees	434,500
Weights and measures regulation fees	674,800
State general fund/general purpose	\$ 2,937,500

Agriculture development.

Sec. 109. AGRICULTURE DEVELOPMENT

Full-time equated classified positions	9.0
Agriculture development—6.0 FTE positions.....	\$ 1,072,000
Grape and wine program—3.0 FTE positions.....	717,100
Export market development program.....	50,000
Michigan agricultural surplus system.....	630,500
GROSS APPROPRIATION	\$ 2,469,600
Appropriated from:	
Interdepartmental grant revenues:	
IDG from DHS, food bank	150,000
Federal revenues:	
DAG, multiple grants.....	275,200
Special revenue funds:	
Private - commodity group	10,800
Industry support funds.....	311,900
Nonretail liquor fees	660,900
State services fee fund	350,700
State general fund/general purpose	\$ 710,100

Fairs and expositions.

Sec. 110. FAIRS AND EXPOSITIONS

Full-time equated classified positions	15.5
Upper Peninsula state fair—6.0 FTE positions	\$ 1,372,600
Fairs, racing and producer security—9.5 FTE positions	1,154,600
Building and track improvement - county and state fairs	480,000
Premiums - county and state fairs	1,614,000
Purses and supplements - fairs/licensed tracks	2,601,300
Licensed tracks - light horse racing.....	144,900
Standardbred breeders' awards.....	1,063,600
Standardbred purses and supplements - licensed tracks	1,963,900
Standardbred sire stakes	889,100
Thoroughbred sire stakes	911,000
Standardbred training and stabling	39,500
Thoroughbred program	2,634,200

Compiler's note: The shaded text was vetoed by the Governor, whose veto message appears in this volume under the heading "Vetoed."

For Fiscal Year
Ending Sept. 30,
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Thoroughbred owners' awards.....	\$	136,100
Distribution of outstanding winning tickets.....		768,300
GROSS APPROPRIATION	\$	15,773,100
Appropriated from:		
Special revenue funds:		
Agriculture equine industry development fund.....		11,631,900
Industry support funds.....		10,900
Licensing and inspection fees.....		132,600
State services fee fund		2,625,100
Upper Peninsula state fair revenue.....		1,372,600
State general fund/general purpose	\$	0

Office of racing commissioner.

Sec. 111. OFFICE OF RACING COMMISSIONER

Full-time equated classified positions.....	30.0
Office of racing commissioner—30.0 FTE positions.....	\$ 3,811,000
GROSS APPROPRIATION	\$ 3,811,000
Appropriated from:	
Special revenue funds:	
State services fee fund	3,811,000
State general fund/general purpose	\$ 0

Information technology.

Sec. 112. INFORMATION TECHNOLOGY

Information technology services and projects.....	\$	1,525,000
GROSS APPROPRIATION	\$	1,525,000
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDLEG (LCC), liquor quality testing fees		2,800
Special revenue funds:		
Agricultural preservation fund		200
Agriculture equine industry development fund.....		204,500
Gasoline inspection and testing fund.....		27,000
Freshwater protection fund.....		100
Nonretail liquor fees		500
State services fee fund		1,063,500
Upper Peninsula state fair revenue		900
State general fund/general purpose	\$	225,500

Capital outlay.

Sec. 113. CAPITAL OUTLAY

Farmland and open space development acquisition.....	\$	3,750,000
GROSS APPROPRIATION	\$	3,750,000
Appropriated from:		
Federal revenues:		
DAG, multiple grants.....		1,250,000

Compiler's note: The shaded text was vetoed by the Governor, whose veto message appears in this volume under the heading "Vetoed."

		For Fiscal Year Ending Sept. 30, 2009
Special revenue funds:		
Agricultural preservation fund	\$	2,500,000
State general fund/general purpose	\$	0

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 \$80,916,000.00 and state spending from state resources to be paid to local units of government for fiscal year 2008-2009 is \$2,416,800.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF AGRICULTURE

Groundwater and freshwater protection program	\$	1,500,000
Local conservation districts		916,800
TOTAL.....	\$	2,416,800

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) “DAG” means the United States department of agriculture.
- (b) “Department” means the department of agriculture.
- (c) “Director” means the director of the department.
- (d) “DHS” means the department of human services.
- (e) “EPA” means the United States environmental protection agency.
- (f) “FTE” means full-time equated.
- (g) “HHS-FDA” means the United States department of health and human services - food and drug administration.
- (h) “IDG” means interdepartmental grant.
- (i) “MAEAP” means the Michigan agriculture environmental assurance program.
- (j) “MDCH” means the Michigan department of community health.
- (k) “MDEQ” means the Michigan department of environmental quality.
- (l) “MDLEG (LCC)” means the Michigan department of labor and economic growth - liquor control commission.
- (m) “USDA” means the United States department of agriculture.

Billing by civil service commission.

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

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.

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 shall include transmission of reports via electronic mail to the recipients identified for each reporting requirement and shall 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.

Indemnification.

Sec. 212. (1) Of the funds appropriated in part 1, the department may provide for indemnity as provided for pursuant to the animal industry act, 1988 PA 466, MCL 287.701 to 287.745, not to exceed \$100,000.00 per order from any line item for the fiscal year ending September 30, 2009. Before the department provides for an indemnification under this section, the department shall report the reason for the indemnification, the amount of the indemnification, and to whom the indemnification is to be paid. The report shall be given to each member of the house and senate appropriations subcommittees on agriculture and to the senate and house fiscal agencies and the state budget director.

(2) The department of agriculture shall make an indemnification payment for the fair market value of livestock killed by a wolf, coyote, or cougar, if the kill is verified by the department of natural resources. The fair market value of the livestock shall be determined pursuant to the indemnification procedures prescribed in the animal industry act, 1988 PA 466, MCL 287.701 to 287.745. In addition to the funds appropriated in part 1, the department of agriculture is authorized to expend the funds received from the department of natural resources to reimburse the department of agriculture for all indemnification payments made pursuant to this subsection.

Grants; notice to legislature.

Sec. 214. Of the funds appropriated in part 1 that are other than line-item grants, the department shall not provide grants to local government agencies, institutions of higher education, or nonprofit organizations unless the department provides notice of the grant to the house and senate appropriations subcommittees on agriculture at least 10 days before the grant is issued. The grants shall be used to support research or other related activities for the purpose of enhancing the agricultural industries in this state.

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

Sec. 219. From the funds appropriated in part 1 for information technology, the department shall pay user fees to the department of information technology for technology-related services and projects. The user fees shall be subject to provisions of an interagency agreement between the department and the department of information technology.

Information technology; designation of amounts as work project.

Sec. 220. 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; conditions; exception; report.

Sec. 223. (1) Due to the current budgetary problems in this state, out-of-state travel shall be limited to situations in which 1 or more of the following conditions apply:

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

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

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

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

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

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

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

- (a) The name of each person receiving reimbursement for travel outside this state or whose travel costs were paid by this state.
- (b) The destination of each travel occurrence.
- (c) The dates of each travel occurrence.
- (d) A brief statement of the reason for each travel occurrence.
- (e) The transportation and related costs of each travel occurrence, including the proportion funded with state general fund/general purpose revenues, the proportion funded with state restricted revenues, the proportion funded with federal revenues, and the proportion funded with other revenues.
- (f) A total of all out-of-state travel funded for the immediately preceding fiscal year.

Communication of employee with legislative member or staff.

Sec. 224. The department shall not take disciplinary action against an employee for truthfully to the best of his or her knowledge communicating with a member of the legislature or his or her staff.

Michigan State University pavilion for agriculture and livestock education; expansion.

Sec. 225. In recognition of the important role it can play in attracting large-scale agricultural events, it is the intent of the legislature that the department of agriculture, in conjunction with interested parties, explore opportunities to expand the facilities and size of the Michigan State University pavilion for agriculture and livestock education.

Impact of department program areas on Michigan agriculture, environmental protection, and consumer protection; report.

Sec. 227. On or before April 1, 2009, the department shall report to the state budget director, the senate and house of representatives appropriations committees on agriculture, and the senate and house fiscal agencies on the impact of major department program areas on Michigan agriculture, environmental protection, and consumer protection. The report shall include a comparison of program expenditures with the estimated economic impact of programs, either in terms of actual federal or private funds leveraged or the potential economic loss of not performing the program functions.

Contingency funds.

Sec. 228. (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 \$6,000,000.00 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.

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

Sec. 229. (1) The department shall report 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 to the house and senate appropriations subcommittees on the budget for the department, the joint committee on administrative rules, and the senate and house fiscal agencies.

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

(3) As used in this section:

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

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

Legal services.

Sec. 230. 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.

Pesticide and plant pest management, food and dairy, animal industry, environmental stewardship and laboratory divisions; funding for certain employees.

Sec. 231. From the funds appropriated in part 1 for salaries and benefits, the department shall provide funding in the pesticide and plant pest management, food and dairy, animal industry, environmental stewardship and laboratory divisions for not less than 315 employees who provide direct service to the public or substantially support the work of those who provide direct service. Expenditures shall be made so that these divisions continue to provide service to protect the public health, safety, and welfare and environment.

Continuous improvement efficiency mechanisms.

Sec. 232. From the funds appropriated in part 1, the director shall implement continuous improvement efficiency mechanisms in the programs administered by the department. The continuous improvement efficiency mechanisms shall identify changes made in programs to increase efficiency and reduce expenditures in the programs. On March 31, 2009 and September 30, 2009, the director shall submit a report to the state budget director, the senate and house appropriation subcommittees, and the senate and house fiscal agencies on the progress made toward increased efficiencies in departmental programs. At a minimum, each report shall include information on the program review process, the type of improvement mechanisms implemented, and actual and projected expenditure savings as a result of the increased program efficiencies.

Professional development conference or training seminar; travel.

Sec. 234. 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.

C.S. Mott group; funds for sustainable food systems at Michigan State University.

Sec. 235. Available funds from the appropriation in part 1 may be provided to the C.S. Mott group for sustainable food systems at Michigan State University to plan for and coordinate a matched savings tool for Michigan's emerging farmers and to leverage federal funds for the purpose of developing and enhancing local markets for Michigan agricultural products.

EXECUTIVE**Publications, audit and licensing functions, livestock sales, certification of nursery stock, bean inspection services, and laboratory analyses; receipt and expenditure of revenue to cover expenses; notice; report.**

Sec. 302. (1) The department may receive and expend revenue and use that revenue to cover necessary expenses related to publications, audit and licensing functions, livestock sales, certification of nursery stock, bean inspection services, and laboratory analyses as specified in the following:

- (a) Management services publications.
- (b) Management services audit and licensing functions.
- (c) Pesticide and plant pest management propagation and certification of virus free foundation stock.
- (d) Pesticide and plant pest management bean inspection and grading services.
- (e) Laboratory support testing for testing horses in draft horse pulling contests at county fairs when local jurisdictions request state assistance.
- (f) Laboratory support analyses to determine foreign substances in horses engaged in racing or pulling contests at tracks.
- (g) Laboratory support analyses of food, livestock, and agricultural products for disease, foreign products for disease, toxic materials, foreign substances, and quality standards.
- (h) Laboratory support test samples for other agencies and organizations.
- (i) Fruit and vegetable inspection at shipping and termination points and processing plants.

(2) The department shall notify the senate and house of representatives appropriations subcommittees on agriculture and the senate and house fiscal agencies 30 days prior to proposing changes in fees authorized under this section or under section 5 of the market conditions act, 1915 PA 91, MCL 285.35.

(3) Annually, before February 1, the department shall provide a report to the senate and house of representatives appropriations subcommittees on agriculture and the senate

and house fiscal agencies detailing all the fees charged by the department under the authorization provided in this section, including, but not limited to, rates, number of individuals paying each fee, and the revenue generated by each fee in the previous fiscal year.

Motor fuel quality program; maintenance by department; report.

Sec. 304. (1) To ensure motor fuel quality and quantity, the department shall maintain the motor fuel quality program and shall not reduce program level of effort below that of the 2006-2007 fiscal year. Notwithstanding the provisions of section 205, the department shall maintain field and laboratory staff for the motor fuel quality program.

(2) On or before January 1 and every 6 months thereafter, the department shall report to the senate and house appropriations subcommittees on agriculture and the senate and house fiscal agencies the results of both complaint-based and random-based inspections, including the number of inspections performed, samples collected, and compliance rates.

Private funds for agricultural statistics; use as matching funds.

Sec. 306. From the funds appropriated in section 102, private funds for agricultural statistics shall be used to match state funds at not less than 50% of study costs.

FOOD AND DAIRY

Monitoring of restaurant inspection and licensing functions; conformance with minimum program requirements; reimbursement for costs resulting from food-borne outbreak.

Sec. 401. (1) The department shall monitor restaurant inspection and licensing functions carried out by local health departments to ensure uniform application and enforcement of minimum program requirements. On or before April 1, 2009, the department shall report to the senate and house appropriations subcommittees on agriculture, the senate and house fiscal agencies, and the state budget director on local health department conformance with minimum program requirements.

(2) If a local unit of government incurs additional costs resulting from its efforts to control a significant food-borne outbreak, the director shall seek additional resources to reimburse the local unit of government for these additional costs. The director shall involve the local health officer of the jurisdiction affected in all aspects of the control of any food-borne outbreak.

Food-borne outbreaks and emergencies; enforcement actions; report.

Sec. 402. Not later than April 1, 2009, the department shall provide a report to the house and senate appropriations subcommittees on agriculture and the house and senate fiscal agencies describing significant food-borne outbreaks and emergencies including any enforcement actions taken related to food safety during the 2007-2008 fiscal year.

Reallocation or redistribution of program funds; prior approval.

Sec. 403. The department, in conjunction with the department of community health, shall assure that a process is in place that requires a local unit of government to obtain prior approval from the department before any reallocation or redistribution of program funds appropriated in section 104.

Food safety and quality assurance; expenditures for training purposes.

Sec. 404. From the funds appropriated in section 104 for food safety and quality assurance, not less than \$150,000.00 from the consumer and industry food safety education fund shall be expended for purposes required under section 4117 of the food law of 2000, 2000

PA 92, MCL 289.4117, including the statewide training and education to consumers on food safety and the training and education on food safety to food service establishment employees and department employees and agents who enforce section 4117 of the food law of 2000, 2000 PA 92, MCL 289.4117.

Food and dairy inspection program.

Sec. 406. Notwithstanding the provisions of section 205, the department is authorized to fill open positions in the food and dairy inspection program.

Food and dairy, food safety and quality assurance; availability of funds for e-inspector program.

Sec. 407. Funds appropriated in part 1 of 2007 PA 128 for food and dairy, food safety and quality assurance, shall not lapse but shall continue to be available for completion of the e-inspector program in accordance with the provisions of section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

ANIMAL INDUSTRY

Bovine tuberculosis program; reimbursement to department of natural resources for costs associated with monitoring and testing wildlife.

Sec. 450. From the funds appropriated in section 105 for the bovine tuberculosis program, the department shall reimburse the department of natural resources for those costs associated with monitoring and testing wildlife for bovine tuberculosis that are necessary to support the department goals and are jointly agreed to by the department and the department of natural resources to be in excess of efforts necessary to effectively plan and execute the eradication of bovine tuberculosis from Michigan's wild free-ranging deer herd.

Whole herd or individual animal testing costs.

Sec. 451. From the funds appropriated in section 105 for bovine tuberculosis, the department shall pay for all whole herd testing costs and individual animal testing costs in the modified accredited zone to maintain split-state status requirements. These costs include indemnity and compensation for injury causing death or downer to animals.

Federal and private funds; application.

Sec. 452. The department shall apply for all federal and private funds for which it is eligible that can be used to support the bovine tuberculosis program.

Modified accredited zone; TB-free status in Lower Peninsula.

Sec. 454. The department shall use its resources to collaborate with the United States department of agriculture to obtain TB-free status for the area of the Lower Peninsula that is zoned as modified accredited advanced. The department shall also aggressively work toward eradicating bovine TB in the modified accredited zone.

Providing for cattle without official identification; fee to be charged by saleyard; maintenance of records by saleyard.

Sec. 455. The department shall prepare a plan to provide for cattle without official identification that may arrive at a saleyard. If an animal arrives untagged at a saleyard without official identification, the saleyard may charge a fee for the tag and for application. The tag may be purchased by and identified to the saleyard. The saleyard shall maintain records for all animals tagged on its premises. The department plan shall be in compliance with the

“Michigan Bovine TB Eradication Program - Application for TB-Free/Modified Accredited Status”, April 2007.

Electronic animal identification program; use of funds.

Sec. 456. Of the funds appropriated in part 1, no funds shall be used to enforce the mandatory electronic animal identification program for any domestic animals other than cattle until specific procedures and guidelines for electronic animal identification are outlined in statute.

Bovine TB program review; report on meeting USDA requirements.

Sec. 457. On or before October 15, 2008, and on a quarterly basis thereafter, the department shall report to the senate and house agriculture committees, the senate and house appropriations subcommittees on agriculture, and the senate and house fiscal agencies on the department's progress toward meeting the USDA requirements as outlined in the March 2007 bovine TB program review. The report shall include, but is not limited to, information and data on: wildlife risk mitigation plan implementation in the modified accredited zone; implementation of a movement certificate process; progress toward annual surveillance test requirements set out in the June 2007 MOU; compliance efforts and rates for animals crossing the Mackinac Bridge; efforts to work with slaughter facilities in Michigan, as well as those that slaughter a significant number of animals from Michigan; educational programs and information for Michigan's livestock community; any other item the legislature should be aware of that will promote or hinder efforts to achieve bovine TB-free status for Michigan.

Inspection and testing of aquaculture facilities and researchers; identification, containment, and eradication of viral hemorrhagic septicemia.

Sec. 458. From the funds appropriated in section 105 for animal industry, the department shall provide inspection and testing of aquaculture facilities and aquaculture researchers as provided under the Michigan aquaculture development act, 1996 PA 199, MCL 286.877. It is the intent of the legislature that the department shall work with aquaculture facilities and aquaculture researchers to identify, contain, and eradicate viral hemorrhagic septicemia in this state.

Bovine tuberculosis program; filling open positions.

Sec. 459. Notwithstanding the provisions of section 205, the department is authorized to fill open positions in the bovine tuberculosis program.

Declining revenues to agriculture equine industry development fund; reduced appropriation.

Sec. 460. All appropriations from the agriculture equine industry development fund shall be reduced proportionately if revenues to the agriculture equine industry development fund decline during the fiscal year ending September 30, 2009 to a level lower than the amount appropriated in part 1.

LABORATORY SERVICES

Animal feed testing programs.

Sec. 501. From the appropriation in part 1 for laboratory services, a sufficient amount is appropriated from licensing and inspection fee revenue to maintain the department's animal feed testing programs.

PESTICIDE AND PLANT PEST MANAGEMENT**Third-party inspections of fruits and vegetables; development of sustainable system.**

Sec. 551. It is the intent of the legislature that the department work with the fruit and vegetable industry to ensure the development of a sustainable system of third-party inspections of fruits and vegetables.

ENVIRONMENTAL STEWARDSHIP**Migrant labor housing program.**

Sec. 603. The department shall apply for all federal funds for which it is eligible that can be used to support the migrant labor housing program.

Local conservation districts; allocation.

Sec. 604. The appropriation in section 107 for local conservation districts shall be allocated in the following manner:

(a) Of the total appropriation, each local conservation district meeting the minimum grant requirements shall receive a grant of \$11,605.00 to support basic operations, unless the district resides in a county consisting of multiple districts, in which case a \$11,605.00 grant shall be divided equally among the districts in that county. The amount of money allocated under this subdivision shall not be used by local conservation districts to replace any money received from local sources.

(b) Any amount remaining from the appropriation after distributions under subdivision (a) shall be allocated for local conservation district training.

Local conservation district technical assistance.

Sec. 605. From the appropriation in part 1 for technical assistance match, not less than \$300,000.00 shall be used to fund local conservation district technical assistance for individuals with contracts under the 2002 farm bill administered by USDA's natural resources conservation service. Increasing the level of technical assistance will ensure producers can access the federal money available under their individual contracts and quickly put that money to work in Michigan.

USDA environmental quality incentives program; funding sources.

Sec. 606. The department shall actively search for all possible funding sources to be used to match federal funds in the USDA environmental quality incentives program.

Intercounty drainage districts.

Sec. 607. It is the intent of the legislature that the department continue its activities in support of intercounty drainage districts as provided in chapter 5 of the drain code of 1956, 1956 PA 40, MCL 280.101 to 280.106.

AGRICULTURE DEVELOPMENT**Purchase of foods from Michigan growers, manufacturers, or wholesalers; application of unused funds by food bank council.**

Sec. 702. In any given year when insufficient amounts of Michigan surplus products are offered to the food bank council and accepted for distribution, unused funds may be applied

by the food bank council for the direct purchase of foods from Michigan growers, manufacturers, or wholesalers.

Developing new and enhancing existing export markets for Michigan agricultural products.

Sec. 705. The appropriation in section 109 for the export market development program shall be used to coordinate state participation in the federal market access program and to leverage federal and private funds for the purpose of developing new and enhancing existing export markets for Michigan agricultural products.

Agricultural development and export market development activities; grants; report.

Sec. 706. Not later than April 1, 2009, the department shall provide a report to the house and senate appropriations subcommittees on agriculture and the house and senate fiscal agencies describing the department's agriculture development and export market development activities. The report shall identify grants awarded during the prior fiscal year, including a description of federal or private funds made available as a result of department activities.

Award of grants under MCL 285.301 to 285.304; consideration.

Sec. 707. In awarding grants from the agricultural development fund created under the Julian-Stille value-added act, 2000 PA 322, MCL 285.301 to 285.304, the department shall give due consideration to the diversity of Michigan agriculture and its economic importance.

Agricultural fund created under MCL 285.302; receipt and expenditure of funds.

Sec. 708. The department is authorized to receive and expend funds appropriated from the agricultural development fund created in section 2 of the Julian-Stille value-added act, 2000 PA 322, MCL 285.302.

Grape and wine industry council; report on activities.

Sec. 709. (1) Not later than April 1, 2009, the department shall provide a report to the house and senate appropriations subcommittees on agriculture and the house and senate fiscal agencies describing the activities of the grape and wine industry council established under section 303 of the Michigan liquor control act of 1998, 1998 PA 58, MCL 436.1303.

(2) The report shall include all of the following:

- (a) Council activities and accomplishments for the previous fiscal year.
- (b) Council expenditures for the previous fiscal year by category of administration, industry support, research and education grants, and promotion and consumer education.
- (c) Grants awarded during the prior fiscal year and the results of research grant projects completed during the prior fiscal year.

Developing new and enhancing existing export markets for Michigan agricultural products; matching external funding.

Sec. 710. The department may match external funding for domestic and international marketing programs for the purpose of developing new and enhancing existing export markets for Michigan agricultural products.

Michigan agricultural products; promotion of business development.

Sec. 711. In accordance with chapter 8B of 1984 PA 270, MCL 125.2089 to 125.2089d, it is the intent of the legislature that the Michigan strategic fund, its employees, contract employees, and individuals working on its behalf collaborate with the Michigan department of agriculture to promote business development of Michigan agricultural products to achieve

outcomes that include, but are not limited to, increases in export sales, increases in the number of retailers carrying Michigan commodities both within and outside of this state, and increased sales of Michigan products at chain grocers.

FAIRS AND EXPOSITIONS

Agriculture equine industry development fund; report.

Sec. 801. Within 60 days of the close of each fiscal quarter, the department shall report to the state budget director, the senate and house of representatives appropriations committees on agriculture, and the senate and house fiscal agencies on the agriculture equine industry development fund established in section 20 of the horse racing law of 1995, 1995 PA 279, MCL 431.320. The report shall identify actual revenue and fund balance through the preceding fiscal quarter and estimated revenue and fund balance through the end of the fiscal year. The report shall identify simulcast racing revenue generated by each licensed track, license fees, and revenue generated from the casino wagering tax.

Sec. 802. From the amount appropriated in section 110 for purses and supplements - fairs/licensed tracks, \$220,000.00 is to be used for state purse supplements at state licensed pari-mutuel tracks for races comprised only of Michigan-bred horses segregated into a 4-year-old colt trot division, a 4-year-old filly trot division, a 4-year-old colt pace division, and a 4-year-old filly pace division.

Sec. 803. Included in the appropriation made in section 110 for the thoroughbred program is \$23,500.00 for the Michigan united thoroughbred breeders and owners association to conduct a thoroughbred yearling show. The Michigan united thoroughbred breeders and owners association shall submit to the department an itemized list of expenses showing that the expenses of the yearling show were paid.

Sec. 804. From the funds appropriated in section 110 for thoroughbred owners' awards, awards shall be distributed pursuant to section 20 of the horse racing law of 1995, 1995 PA 279, MCL 431.320.

Agriculture equine industry development fund; spending targets or budgeted amounts.

Sec. 805. On November 1, 2008 and April 1, 2009, the department shall report to the senate and house appropriations subcommittees on agriculture, the senate and house fiscal agencies, and the state budget director on the spending targets or budgeted amounts from the agriculture equine industry development fund by line item for the fiscal year ending September 30, 2009. The report shall compare the spending targets to the appropriated amounts for each line item.

Prizes, awards, and deadlines for entries; publication of rules; complaint.

Sec. 806. A county fair, district fair, 4-H fair, or state fair receiving funds in section 110 to be used for prizes or awards, in whole or in part, as a condition precedent to the receiving of the funds for those purposes, shall publish the rules relative to the prizes, awards, and

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deadlines for entries eligible for the funds in their official premium books or lists relative to the prizes or awards. An aggrieved exhibitor may make a written complaint to the fair within 10 days after the fair ends. If the fair has not satisfactorily settled the grievance within 45 days after it is submitted to the fair, the aggrieved person may file the complaint with the department and the department shall investigate the complaint and make a finding of fact regarding the complaint and take appropriate action regarding the complaint.

Sec. 807. Of the amount appropriated in section 110 for purses and supplements - fairs/ licensed tracks, a sufficient amount is appropriated to provide for overnight purse supplements pursuant to the horse racing law of 1995, 1995 PA 279, MCL 431.301 to 431.336.

Large livestock and equine exhibitors in shows or exhibitions.

Sec. 808. Of the amount appropriated in section 110 for premiums - county and state fairs, \$91,400.00 shall be expended to reimburse up to 75% premiums paid to large livestock and equine exhibitors in shows or exhibitions held by statewide associations as defined by the department. Livestock expositions shall be limited to participation in this program and prohibited from participation in any state-funded premium programs. The Michigan horse show association fall youth show shall be included.

Promotion of youth involvement and adult exhibitions; competitive grant program.

Sec. 809. From the appropriations for premiums - county and state fairs in section 110, \$40,000.00 shall be awarded through a competitive grant program to local, regional, or state fairs or youth education programs to promote youth involvement and adult exhibitions in the animal agriculture industry.

Sec. 811. The funds appropriated in section 110 for distribution of outstanding winning tickets are not available for expenditure until they are deposited in the Michigan agriculture equine industry development fund pursuant to section 2 of 1951 PA 90, MCL 431.252. These funds shall be expended in accordance with section 2 of 1951 PA 90, MCL 431.252. The department shall provide notice to the house and senate appropriations subcommittees on agriculture at least 10 days before the funds are expended. This notice shall include the amount that each program receives from the outstanding winning ticket revenue deposited in the Michigan agriculture equine industry development fund.

OFFICE OF RACING COMMISSIONER

Providing information resulting in arrest and conviction on felony or misdemeanor charge; reward.

Sec. 901. The racing commissioner may pay rewards of not more than \$5,800.00 to a person who provides information that results in the arrest and conviction on a felony or misdemeanor charge for a crime that involves the horse racing industry. A reward paid pursuant to this section shall be paid out of the office of racing commissioner line item.

Thoroughbred horse meet; holding money in escrow.

Sec. 902. In the event there is no live thoroughbred race meet in 2008 or 2009, all purse money and program money appropriated for the thoroughbred industry in fiscal

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year 2007-2008 and fiscal year 2008-2009 shall be held in escrow for a period not to exceed 18 months, or until a thoroughbred race meet license is applied for and granted by the office of racing commissioner. In the event there is no thoroughbred meet in 2008 or 2009, the purse pool distribution order to be issued by the office of racing commissioner in 2009 that delineates distribution between the thoroughbred meet that has been held at Great Lakes Downs and the joint thoroughbred/quarterhorse meet held in Mt. Pleasant shall be the same distribution formula as issued in 2008, with the thoroughbred portion being held in escrow.

Licensed pari-mutuel tracks and certified horsemen's organizations; audit.

Sec. 903. From the funds appropriated in part 1, the office of racing commissioner shall conduct a financial audit of all licensed pari-mutuel tracks and certified horsemen's organizations and shall submit a report of the audit findings to the senate and house standing committees on agricultural issues, the senate and house appropriations subcommittees on agriculture, the senate and house fiscal agencies, and the state budget director by February 18, 2009.

CAPITAL OUTLAY

Farmland and open space development acquisition; use of funds for purchase of development rights; grants awarded by agriculture preservation fund board.

Sec. 1001. Of the amounts appropriated in part 1 for farmland and open space development acquisition, the funds shall be used for the purchase of development rights and the awarding of grants by the agriculture preservation fund board under the natural resources and environmental protection act, 1994 PA 451, MCL 324.101 to 324.90106.

Lump-sum allocations; authorization; availability.

Sec. 1002. (1) The director shall allocate lump-sum appropriations made in this act consistent with statutory provisions and the purposes for which funds were appropriated. Lump-sum allocations shall address priority program or facility needs and may include, but are not limited to, design, construction, remodeling and addition, special maintenance, major special maintenance, energy conservation, and demolition.

(2) The state budget director may authorize that funds appropriated for lump-sum appropriations shall be available for no more than 3 fiscal years following the fiscal year in which the original appropriation was made. Any remaining balance from allocations made in this section shall lapse to the fund from which it was appropriated pursuant to the lapsing of funds as provided in the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Carrying forward appropriations for capital outlay.

Sec. 1003. The appropriations in part 1 for capital outlay shall be carried forward at the end of the fiscal year consistent with the provisions of section 248 of the management and budget act, 1984 PA 431, MCL 18.1248.

This act is ordered to take immediate effect.
Approved July 17, 2008.
Filed with Secretary of State July 18, 2008.

[No. 254]**(HB 5804)**

AN ACT to make appropriations for the department of history, arts, and libraries for the fiscal year ending September 30, 2009; to provide for the expenditure of those appropriations; to provide for the disposition of fees and other income received by the state agencies; to create funds; to provide for the disbursement of certain grants; to provide for reports; and to prescribe powers and duties of certain state departments and certain state and local agencies and officers.

The People of the State of Michigan enact:

PART 1

LINE-ITEM APPROPRIATIONS

Appropriations; department of history, arts, and libraries.

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of history, arts, and libraries 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 HISTORY, ARTS, AND LIBRARIES

APPROPRIATION SUMMARY:

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	226.0	
GROSS APPROPRIATION		\$ 52,897,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		668,600
ADJUSTED GROSS APPROPRIATION		\$ 52,228,400
Federal revenues:		
Total federal revenues		7,757,400
Special revenue funds:		
Total local revenues.....		200,000
Total private revenues.....		312,400
Total other state restricted revenues		4,167,800
State general fund/general purpose		\$ 39,790,800

Department operations.**Sec. 102. DEPARTMENT OPERATIONS**

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	28.0	
Unclassified salaries		\$ 228,600
Management services—26.0 FTE positions.....		2,114,600
Building occupancy charges and rent		3,671,900
Worker's compensation		8,000
Records center relocation expenses		870,000
Federal, local, and private grants.....		600,000
Cultural economic development—2.0 FTE positions		360,600
Internal audit services.....		170,800
GROSS APPROPRIATION		\$ 8,024,500

For Fiscal Year
Ending Sept. 30,
2009

Appropriated from:

Interdepartmental grant revenues:

IDG-agency relocation assessments	\$	551,300
Federal revenues:		
Federal funds.....		200,000
Special revenue funds:		
Private revenues.....		200,000
Local revenues		200,000
History, arts, and libraries fund.....		100,000
State general fund/general purpose	\$	6,773,200

Information technology.
Sec. 103. INFORMATION TECHNOLOGY

Information technology services and projects.....	\$	1,274,800
GROSS APPROPRIATION	\$	1,274,800
Appropriated from:		
Mackinac Island state park fund.....		46,900
State general fund/general purpose	\$	1,227,900

Council for arts and cultural affairs.
Sec. 104. COUNCIL FOR ARTS AND CULTURAL

AFFAIRS

Full-time equated classified positions.....5.0		
Administration—5.0 FTE positions	\$	529,300
Arts and cultural grants.....		8,037,900
GROSS APPROPRIATION	\$	8,567,200
Appropriated from:		
NFAH-NEA, promotion of the arts, partnership agreements.....		850,000
History, arts, and libraries fund.....		150,000
State general fund/general purpose	\$	7,567,200

Mackinac Island state park commission.
Sec. 105. MACKINAC ISLAND STATE PARK

COMMISSION

Full-time equated classified positions.....39.0		
Mackinac Island park operation—24.0 FTE positions	\$	1,671,500
Historical facilities system—15.0 FTE positions.....		2,055,100
GROSS APPROPRIATION	\$	3,726,600
Appropriated from:		
Federal funds.....		200,000
Mackinac Island state park operation fund.....		163,200
Mackinac Island state park fund.....		1,571,100
History, arts, and libraries fund.....		200,000
State general fund/general purpose	\$	1,592,300

Michigan historical program.
Sec. 106. MICHIGAN HISTORICAL PROGRAM

Full-time equated classified positions.....83.0		
Historical administration and services—63.0 FTE positions	\$	5,960,400

For Fiscal Year
Ending Sept. 30,
2009

State historic preservation programs (federal)—		
12.0 FTE positions.....	\$	950,000
Heritage publications—1.0 FTE position.....		700,000
Special programs—1.0 FTE position		112,400
Thunder Bay national marine sanctuary and underwater preserve—		
1.0 FTE position	\$	202,000
Michigan history day.....		25,000
Museum stores—4.0 FTE positions		500,000
Lighthouse preservation program—1.0 FTE position.....		250,000
Local historical society grant program.....		25,000
GROSS APPROPRIATION	\$	8,724,800
Appropriated from:		
Interdepartmental grant revenues:		
IDG-MDOT, comprehensive transportation fund		3,900
IDG-MDOT, state aeronautics fund		2,500
IDG-MDOT, state trunkline fund		110,900
Federal revenues:		
DOI-NPS, historic preservation grants-in-aid		950,000
Special revenue funds:		
Private - grants and gifts.....		10,000
Private - Mann house trust fund.....		102,400
Game and fish protection fund		3,500
Michigan heritage publications fund		700,000
History, arts, and libraries fund.....		171,000
Marine safety fund		400
Michigan lighthouse preservation fund		250,000
Museum operations fund		500,000
Special revenue, internal service and pension trust		72,700
State lottery fund		20,400
State services fee fund		12,800
Waterways fund		800
State general fund/general purpose	\$	5,813,500

Library of Michigan.

Sec. 107. LIBRARY OF MICHIGAN

Full-time equated classified positions	71.0	
Book distribution centers.....	\$	360,000
Library of Michigan operations—69.0 FTE positions.....		6,156,700
Library services and technology program—2.0 FTE positions		5,557,400
State aid to libraries		10,000,000
Subregional state aid		505,000
GROSS APPROPRIATION	\$	22,579,100
Appropriated from:		
IMLS: library services and technology act.....		5,557,400
History, arts, and libraries fund.....		205,000
State general fund/general purpose	\$	16,816,700

Compiler's note: The shaded text was vetoed by the Governor, whose veto message appears in this volume under the heading "Vetoed."

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 \$43,958,600.00 and state spending from state resources to be paid to local units of government for fiscal year 2008-2009 is \$11,228,400.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF HISTORY, ARTS, AND LIBRARIES

Arts and cultural grants.....	\$	723,400
State aid to libraries		10,000,000
Subregional state aid		505,000
Total department of history, arts, and libraries	\$	<u>11,228,400</u>

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 appropriation act:

- (a) "Department" means the department of history, arts, and libraries.
- (b) "Director" means the director of the department of history, arts, and libraries.
- (c) "DOI-NPS" means the United States department of interior, national park service.
- (d) "Fiscal agencies" means the house fiscal agency and the senate fiscal agency.
- (e) "FTE" means full-time equated.
- (f) "IDG" means interdepartmental grant.
- (g) "IMLS" means institute of museum and library services.
- (h) "MCACA" means the Michigan council for arts and cultural affairs.
- (i) "MDOT" means the Michigan department of transportation.
- (j) "NEA" means the national endowment for the arts.
- (k) "NFAH" means the national foundation of the arts and the humanities.

(l) "Subcommittees" means all members of the appropriate subcommittees of the senate and house of representatives appropriations committees.

Billing by civil service commission.

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

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, cause loss of revenue to the state, result in the inability of the state to receive federal funds, or necessitate additional expenditures that exceed any savings from maintaining a vacancy. The state budget director shall report quarterly to the chairpersons of the senate and house of representatives standing committees on appropriations the number of exceptions to the hiring freeze approved during the previous quarter and the reasons to justify the exception.

Reporting requirements; use of Internet.

Sec. 208. 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.

Goods or services; preference to Michigan businesses or Michigan businesses owned and operated by veterans.

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.

Policy changes taking effect during prior calendar year; report; impact of rule on small businesses; definitions.

Sec. 210. (1) The department shall report 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 to the senate and house appropriations subcommittees on the budget for the department, the joint committee on administrative rules, and the senate and house fiscal agencies.

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

(3) As used in this section:

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

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

Affirmative action programs.

Sec. 211. The department shall establish and maintain affirmative action programs based on guidelines developed by the state equal opportunity workforce planning council which was created by Executive Order No. 1996-13 in order to receive general fund/general purpose dollars in compliance with section 26 of article I of the state constitution of 1963.

Technology-related services and projects; payment of user fees to department of information technology.

Sec. 213. 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. The user fees are subject to provisions of an interagency agreement between the department and the department of information technology.

Technology projects; designation of amounts as work projects.

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

Agreements to provide certain services; fees; receipt, expenditure, and disposition of funds.

Sec. 215. (1) The department may provide and enter into agreements to provide general services, training, meetings, information, special equipment, software and facility use, and technical consulting services to other principal executive departments, state agencies, local units of government, the judicial branch of government, other organizations, and patrons of department facilities. Fees for services shall be reasonably related to the cost of providing the services and shall be used to offset the costs of the services. The department may receive and expend funds in addition to those authorized in part 1 which may include, but are not limited to, the following:

- (a) Supplying census-related information and technical services, publications, statistical studies, population projections and estimates, and other demographic products.
- (b) Document and data imaging services, media, storage, and copies.
- (c) Patron copier and document reproduction services and copies.
- (d) Conferences, training classes, exhibits, programs, and workshops conducted as part of the department's mission.
- (e) Use of specialized equipment, facilities, and software that permit distance learning and meetings, and group decision making.
- (f) Special services including the rental of department exhibits and collections.
- (g) Application and other fees.
- (h) Grants, gifts, and bequests from private or public sources, including those for capital projects.

(2) The funds received under this section shall be deposited in and expended from the history, arts, and libraries fund established in section 216 of this act.

History, arts, and libraries fund; creation; use; carrying forward unexpended funds; report.

Sec. 216. (1) A fund known as the history, arts, and libraries fund is created in the department. The fund shall be used to receive and expend funds identified in sections 215 and 404(a). All funds in excess of those funds appropriated in part 1 are appropriated for expenditure upon receipt. The fund balance may be carried forward for expenditure in subsequent fiscal years.

(2) The department shall provide a report to the senate and house of representatives appropriations subcommittees on history, arts, and libraries, and to the state budget director, of all revenues to and expenditures from the history, arts, and libraries fund in excess of

those amounts appropriated in part 1. The report shall include an estimated fund balance for the fiscal year ending September 30, 2009. The report is due November 1, 2009.

Out-of-state travel; report.

Sec. 217. (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 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.

Professional development conference or training seminar; out-of-state location; limitations.

Sec. 217a. 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.

Supplemental fund sourcing options.

Sec. 218. It is the intent of the legislature to explore supplemental fund sourcing options for the department.

Communication by employee with legislative member or staff; disciplinary action prohibited.

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

Services or supplies; contracts with businesses in deprived and depressed communities.

Sec. 222. The director shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. The director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

Legal services.

Sec. 223. 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 or for those activities that the attorney general authorizes.

Michigan after-school partnership.

Sec. 224. (1) The department of history, arts, and libraries shall collaborate with the state board of education, the department of human services, the department of community health, and the department of labor and economic growth to extend the duration of the Michigan after-school partnership and to oversee its efforts to implement the policy recommendations and strategic next steps identified in the Michigan after-school initiative's report of December 15, 2003.

(2) From the funds appropriated in part 1, \$25,000.00 may be used to support the Michigan after-school partnership. Funds shall be used to leverage other private and public funding to engage the public and private sectors in building and sustaining high-quality out-of-school-time programs and resources. The cochairs, representing the department, the state board of education, the department of human services, the department of labor and economic growth, and the department of community health, shall name a fiduciary agent and may authorize the fiduciary to expend funds and hire people to accomplish the work of the Michigan after-school partnership.

(3) Participation in the Michigan after-school partnership shall be expanded beyond the membership of the initial Michigan after-school initiative to increase the representation of parents, youth, foundations, employers, and others with experience in education, child care, after-school and youth development services, and crime and violence prevention, and to include representation from the Michigan department of history, arts, and libraries. Each year, on or before December 31, the Michigan after-school partnership shall report its progress in reaching the recommendations set forth in the Michigan after-school initiative's report to the legislature and governor.

Contingency funds.

Sec. 226. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$2,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$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 \$750,000.00 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.

Continuous improvement efficiency mechanisms.

Sec. 227. From the funds appropriated in part 1, the department shall implement continuous improvement efficiency mechanisms in the programs administered by the department. The continuous improvement efficiency mechanisms shall identify changes made in programs to increase efficiency and reduce expenditures in the programs. On March 31, 2009 and September 30, 2009, the department shall submit a report to the state budget director, the senate and house appropriation subcommittees, and the senate and house fiscal agencies on the progress made toward increased efficiencies in department programs. At a minimum, each report shall include information on the program review process, the type of improvement mechanisms implemented, and actual and projected expenditure savings as a result of the increased program efficiencies.

Grants.

Sec. 228. Within 10 days of the receipt of a grant appropriated in the federal, local and private grants line item in part 1, the department shall notify the house and senate chairpersons of the appropriations subcommittees responsible for the department budget, the house and senate fiscal agencies, and the state budget director of the receipt of the grant, including the funding source, purpose, and amount of the grant.

MICHIGAN COUNCIL FOR ARTS AND CULTURAL AFFAIRS

Arts and cultural grants.

Sec. 401. (1) The MCACA in the department shall administer the arts and cultural grants appropriated in part 1.

(2) The MCACA shall render fair and independent decisions concerning arts and cultural grant requests and shall do all of the following:

(a) Use published criteria to evaluate program quality, including all of the following:

(i) The department's intended goals and outcomes for each program.

(ii) The department's quantifiable measures of success in meeting the intended goals and outcomes.

(b) Seek to award grants on an equitable geographic basis to the extent possible given the quality of grant applications received.

(c) Give priority to projects that serve multiple counties, leverage significant additional public and private investment, or demonstrate a significant potential to increase tourism or attract or retain businesses or residents.

(3) No payment shall be made under part 1 except upon application submitted in accordance with MCACA published criteria and procedures, which shall ensure both of the following:

(a) Artistic excellence and artistic merit are the criteria by which applications will be judged, taking into consideration general standards of decency and respect for the diverse beliefs and values of the people of this state.

(b) Criteria clearly indicate that obscenity is without artistic merit, is not protected speech, and will not be funded by a grant from appropriations under part 1.

(4) The MCACA shall provide for fair, equitable, and efficient distribution of funds granted through the regional regranting program. The MCACA shall provide for an annual assessment of grant management and distribution of mini-grant awards by designated regional regranting agencies and review the methodology employed.

(5) The MCACA shall continue and expand its efforts to encourage and support nonprofit arts and cultural organizations to transition from solely volunteer-based organizations to professionally directed operations. Criteria for support include the requirement of collaboration between these organizations and other community organizations.

(6) The department shall withhold undistributed grant payments from a grant recipient who violates the requirements for funding in subsection (3) and may disqualify the grant recipient from award of future grants for a period of not more than 3 years.

Grant awards; categories.

Sec. 402. The MCACA may award grants to counties, cities, villages, townships, community foundations and organizations in the following categories:

(a) Anchor organization program for organizations that serve regional and statewide audiences. Anchor organizations shall demonstrate a commitment to education, to mentoring smaller organizations, and to reaching underserved audiences.

(b) Arts projects program.

(c) Arts and learning program.

(d) Artists in residence for education program.

(e) Arts organization development program.

(f) Capital improvement program.

(g) Local arts agencies services program.

(h) Regional regranting program.

(i) Partnership program.

(j) Rural arts and cultural program.

(k) Cultural projects program.

(l) Historical society projects program.

(m) Discretionary grants program.

(n) Cultural and ethnic heritage centers and museums.

Arts and cultural grants.

Sec. 403. (1) From the state funds appropriated in part 1 for arts and cultural grants, no 1 organization may receive more than 15% of this funding.

(2) The MCACA shall make every effort to provide total grant awards in the anchor organization program at a level not to exceed 70% of the total amount appropriated for arts and cultural grants.

(3) As documented in the audit report that is submitted as part of the grant application process, the total of all grants awarded to any organization receiving grants within the anchor organization program may not exceed 15% of their “total unrestricted revenues, gains, and other support”, as defined by the financial accounting standards board in the accounting standards for not-for-profit organizations or equivalent accounting standards for other types of eligible organizations.

(4) Before any amount appropriated for arts and cultural grants in part 1 may be expended for a grant to an eligible recipient, the department shall execute a grant agreement with the recipient. The grant agreement shall identify the projects funded, specify the category in section 402 under which the grant is awarded, and include the prohibitions and sanctions identified in section 401(3) and (6).

Grant applicants; requirements.

Sec. 404. Grant applicants must meet and adhere to the following requirements:

(a) Each applicant shall pay a nonrefundable application fee of \$300.00 or 3% of the desired grant amount, whichever is less. Application fees shall be deposited in the history, arts, and libraries fund established in section 216. The department may use the application fee to offset its direct and indirect costs.

(b) An applicant for a grant under the anchor organization program shall submit with the application the applicant’s most recent annual audit report which states their “total unrestricted revenues, gains, and other support”, as defined by the financial accounting standards board in the accounting standards for not-for-profit organizations or equivalent accounting standards for other types of eligible organizations. The audit report must cover an audit period that ends within 18 months of the date of the application.

(c) Each applicant shall identify proposed matching funds from local and/or private sources on a minimum of a dollar-for-dollar basis. The match may include the reasonable value of services, materials, and equipment as allowed under the federal internal revenue code for charitable contributions.

(d) Each applicant for a grant which charges admission to their institution may offer a discounted rate for admission to current and former United States servicemen and service-women, firefighters, police officers, and first responders.

Grant recipients; information to be provided.

Sec. 405. Each grant recipient shall provide the MCACA with the following:

(a) Proof of the entire amount of the matching funds, services, materials, or equipment by the end of the award period.

(b) Within 30 days following the end of the grant period, a final report that includes the following:

(i) Project revenues and expenditures, including grant matching fund amounts.

(ii) Number of patrons attracted or benefiting during the grant period.

(iii) A narrative summary of each project and its outcome.

(c) By April 7 of the grant year, each recipient of a grant greater than \$100,000.00 shall submit an interim report that includes the items identified in subdivision (b).

Reports.

Sec. 406. (1) The department shall make the following reports:

(a) A report identifying the web site location that contains a list of all grant recipients, sorted by county. This report shall be provided to each legislator within 1 business day of the announcement of annual awards by the MCACA.

(b) A report to the senate and house of representatives appropriations subcommittees, the state budget director, and the fiscal agencies, within 30 days after the MCACA announces the annual grant awards, that includes all of the following:

- (i) A listing of each applicant.
- (ii) The county of residence or domicile of the applicant.
- (iii) The amount requested.
- (iv) The amount awarded.
- (v) The grant category under which an applicant applied.
- (vi) A summary of projects funded for each recipient.
- (vii) The expected number of patrons for an applicant during the grant period.
- (viii) The amount of matching funds proposed by each applicant.
- (ix) A listing containing the applicant, county of residence or domicile of the applicant, and amount awarded for any regranted funds in the preceding fiscal year.

(c) An annual report to the appropriations subcommittees, the state budget director, and the fiscal agencies is due when materials are first distributed by the MCACA seeking grant applications for the subsequent fiscal year. The report shall contain the following:

- (i) The MCACA guidelines for awarding grants.
- (ii) A summary of any changes in the program guidelines from the previous fiscal year.

(2) The council shall report to the chairpersons of the senate and house of representatives appropriations subcommittees on history, arts, and libraries by August 1 all unexpended or unencumbered discretionary grant funding that is available. The council shall not redistribute any unexpended or unencumbered grant funds during the fiscal year without a 10-day notice to the chairpersons of the senate and house of representatives appropriations subcommittees on history, arts, and libraries.

MICHIGAN HISTORICAL PROGRAM

Historic site preservation.

Sec. 501. The federal funds appropriated in part 1 for the historic site preservation grants are for work projects and shall not lapse at the end of the fiscal year but shall continue to be available for expenditure until the projects for which the funds were reserved have been completed or are terminated. The purpose of these work projects is the identification, designation, rehabilitation, and preservation of historic resources. The method used will be to solicit applications, score applications based upon established criteria, and award subgrants. The department shall execute a grant agreement with each recipient. The total cost is \$85,000.00, and the tentative completion date is September 30, 2009.

Funds collected under MCL 399.6, 399.7, and 399.7a.

Sec. 502. Funds collected by the department under sections 6, 7, and 7a of 1913 PA 271, MCL 399.6, 399.7, and 399.7a, are appropriated to the department for the purposes for which they were received, upon receipt.

Administration of museum store.

Sec. 503. For the purposes of administering the museum store as provided in section 7a of 1913 PA 271, MCL 399.7a, the department is exempt from section 261 of the management and budget act, 1984 PA 431, MCL 18.1261.

Michigan freedom trail commission.

Sec. 505. From the funds appropriated in part 1 for historical administration and services, \$25,000.00 shall be allocated to support the operations of the Michigan freedom trail commission as specified in section 4 of the Michigan freedom trail commission act, 1998 PA 409, MCL 399.84. These funds shall be used to reimburse commission members, to pay for necessary contractual services of the commission, and to hire not more than 1.0 FTE position in the department's Michigan historical center to support commission operations.

Auctions, sales, or transfers of artifacts.

Sec. 506. Proceeds in excess of costs incurred in the conduct of auctions, sales, or transfers of artifacts no longer considered suitable for the collections of the state historical museum are appropriated to the department and may be expended upon receipt for additional material for the collection. The department shall notify the chairpersons, vice chairpersons, and minority vice chairpersons of the senate and house appropriations subcommittees on history, arts, and libraries 1 week prior to any auctions or sales.

Michigan history magazine subscriber list; availability.

Sec. 507. Unless prohibited by law, the department shall make available to the historical society of Michigan the use of the Michigan history magazine subscriber list, or a portion of the Michigan history magazine subscriber list, at a cost not to exceed the actual expense incurred for providing a single mailing.

Sec. 508. Of the funds appropriated in part 1 for the local historical society grant program, funds shall be used for a competitive grant program for all state and local historical societies. Awards shall be made for projects that can leverage additional public and private investment and may involve, but are not limited to, capital improvements projects, restorations, research, educational programs, and publications. No single grant award shall exceed \$2,000.00.

LIBRARY OF MICHIGAN**Receipt of state aid by subregional libraries.**

Sec. 601. In order to receive subregional state aid as appropriated in part 1 to the library of Michigan, a subregional library's fiscal agency must agree to maintain local funding support at the same level in the current fiscal year as in the fiscal agency's preceding fiscal year. If a reduction in expenditures equally affects all agencies in a local unit of government that is the subregional library's fiscal agency, that reduction shall not be interpreted as a reduction in local support and shall not disqualify a subregional library from receiving state aid under part 1. If a reduction in income affects a library cooperative or district library that is a subregional library's fiscal agency or a reduction in expenditures for the subregional library's fiscal agency, a reduction in expenditures for the subregional library shall not be interpreted as a reduction in local support and shall not disqualify a subregional library from receiving state aid under part 1.

Library services serving the blind and persons with disabilities.

Sec. 602. The funds appropriated in part 1 for a subregional library shall not be released until a budget for that subregional library has been approved by the department for expenditures for library services directly serving the blind and persons with disabilities.

Compiler's note: The shaded text was vetoed by the Governor, whose veto message appears in this volume under the heading "Vetoed."

Book distribution centers; funds.

Sec. 607. The funds appropriated in part 1 for book distribution centers shall be distributed equally to the public enrichment foundation and the Michigan friends of education.

This act is ordered to take immediate effect.

Approved July 17, 2008.

Filed with Secretary of State July 18, 2008.

[No. 255]

(SB 1093)

AN ACT to make appropriations for community colleges and certain state purposes related to education for the fiscal year ending September 30, 2009; to provide for the expenditure of those appropriations; to establish or continue certain funds, programs, and categories; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.

The People of the State of Michigan enact:

PART 1

LINE-ITEM APPROPRIATIONS

Appropriations; community colleges.

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for community colleges and certain other state purposes relating to education for the fiscal year ending September 30, 2009, from the funds indicated in this part. The following is a summary of the appropriations in this part:

COMMUNITY COLLEGES

APPROPRIATION SUMMARY:

GROSS APPROPRIATION	\$	299,360,500
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION	\$	299,360,500
Federal revenues:		
Total federal revenues		0
Special revenue funds:		
Total local revenues.....		0
Total private revenues.....		0
Total other state restricted revenues		0
State general fund/general purpose	\$	299,360,500

Operations.

Sec. 102. OPERATIONS

Alpena Community College	\$	5,126,100
Bay de Noc Community College.....		5,178,400
Delta College		13,751,600
Glen Oaks Community College		2,304,800
Gogebic Community College.....		4,275,200

	For Fiscal Year Ending Sept. 30, 2009
Grand Rapids Community College	\$ 17,219,800
Henry Ford Community College	20,898,900
Jackson Community College	11,542,300
Kalamazoo Valley Community College	11,888,600
Kellogg Community College	9,311,800
Kirtland Community College	2,842,800
Lake Michigan College	5,012,100
Lansing Community College	29,762,500
Macomb Community College	31,773,900
Mid Michigan Community College	4,289,200
Monroe County Community College	4,142,800
Montcalm Community College	2,981,600
C.S. Mott Community College	15,016,400
Muskegon Community College	8,518,600
North Central Michigan College	2,893,600
Northwestern Michigan College	8,682,000
Oakland Community College	20,133,700
St. Clair County Community College	6,729,800
Schoolcraft College	11,767,000
Southwestern Michigan College	6,276,900
Washtenaw Community College	12,149,000
Wayne County Community College	15,889,900
West Shore Community College	2,198,500
GROSS APPROPRIATION	\$ 292,557,800
Appropriated from:	
State general fund/general purpose	\$ 292,557,800
 Grants.	
Sec. 103. GRANTS	
At-risk student success program	\$ 3,322,700
Renaissance zone tax reimbursement funding	3,480,000
GROSS APPROPRIATION	\$ 6,802,700
Appropriated from:	
State general fund/general purpose	\$ 6,802,700

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 \$299,360,500.00 and state spending from state resources to be paid to local units of government for fiscal

year 2008-2009 is \$299,360,500.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

Operations	\$	292,557,800
At-risk student success program		3,322,700
Renaissance zone tax reimbursement program		3,480,000
TOTAL	\$	<u>299,360,500</u>

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.

Reporting requirements; use of Internet.

Sec. 203. Unless otherwise specified, a community college receiving appropriations in part 1 and the department of labor and economic growth shall use the Internet to fulfill the reporting requirements of this 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 principal executive officer of each community college receiving appropriations in part 1 shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. Each principal executive officer shall strongly encourage firms with which the community college contracts to subcontract with certified businesses in depressed and deprived communities for services or supplies, or both.

Appropriations in monthly installments.

Sec. 211. (1) The money appropriated in this act is appropriated for community colleges with fiscal years ending June 30, 2009 and shall be paid out of the state treasury and distributed by the state treasurer to the respective community colleges in 11 monthly installments on the sixteenth of each month, or the next succeeding business day, beginning with October 16, 2008. Each community college shall accrue its July and August 2009 payments to its institutional fiscal year ending June 30, 2009. However, if a community college fails to submit all verified Michigan community colleges activities classification structure data for school year 2007-2008 to the department of labor and economic growth by November 1, 2008, the monthly installments shall be withheld from that community college until those data are submitted. The amount from the money appropriated in part 1 that is allocated to address the special needs of at-risk students shall be paid in full by the state treasurer by November 1, 2008. The amount distributed to a community college or department shall not exceed the net state allocation authorized by this act.

(2) Except as otherwise provided by law, each of the amounts appropriated shall be used solely for the respective purposes stated in this act. The money appropriated in this

act may be used to match the cost of any available programs under the Carl D. Perkins vocational and applied technology education act of 1998, 20 USC 2301 to 2415, including local administration.

Payment of employer's contribution to Michigan public school employees' retirement system.

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

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

Self-liquidating project; use to pay for construction or maintenance prohibited.

Sec. 217. Money appropriated in part 1 shall not be used to pay for the construction or maintenance of a self-liquidating project. A community college shall comply with the current use and finance requirements of the joint capital outlay subcommittee (JCOS) for any construction, renovation, or other capital outlay projects pursuant to JCOS policy.

Collaboration and cooperation with 4-year universities and local employers and students.

Sec. 224. (1) Recognizing the critical importance of education in strengthening Michigan's workforce, the legislature encourages the state's public community colleges to explore ways of increasing collaboration and cooperation with 4-year universities, particularly in the areas related to training, instruction, and program articulation.

(2) Recognizing the central role of community colleges in responding to local employment needs and challenges, community colleges shall develop and continue efforts to collaborate with local employers and students to identify local employment needs and strategies to meet them.

(3) Community colleges are encouraged to collaborate with each other on innovations to identify and meet local employment needs.

(4) Community colleges are encouraged to organize and participate in a legislative summit on a strategy for meeting the employment needs of the entire state. The community colleges shall report the results of the summit to the senate and house appropriations subcommittees on community colleges.

Community colleges; duties.

Sec. 234. Community colleges shall do the following:

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

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

Increased appropriations for 4-year universities to be accompanied by similar action or proposal for community colleges.

Sec. 239. The legislature intends that any executive or legislative proposal or action, subsequent to the adoption of a recommendation for appropriations for community colleges for the fiscal year ending September 30, 2009, to increase appropriations to state-supported

4-year universities in excess of the governor's original recommendation for the fiscal year ending September 30, 2009, will be accompanied by a similar action or proposal for state-supported community colleges.

Nursing education programs.

Sec. 241. (1) It is the intent of the legislature that community colleges expand their current nursing education programs and increase nursing education program enrollments. This expansion may include, but is not limited to, creating partnerships with hospitals and other health care providers, expanding the focus and utilization of the nursing scholarship program, and redirecting existing institutional resources toward nursing education programs.

(2) Community college nursing programs are part of a comprehensive solution to Michigan's nursing shortage. Community college students are eligible to apply for financial assistance through the Michigan nursing scholarship program established in the Michigan nursing scholarship act, 2002 PA 591, MCL 390.1181 to 390.1189. The Michigan nursing corps grants described in section 431 of 2007 PA 118 and administered by the department of labor and economic growth provide funding to address the shortage of qualified nursing faculty. Community colleges are encouraged to coordinate with the chief nurse executive in the department of community health and with 4-year universities to improve access to nursing programs and to assist students to successfully enter the nursing workforce.

Payments in lieu of taxes.

Sec. 242. It is the intent of the legislature that the Michigan community college association, the legislature, and other interested parties continue the discussion regarding payments in lieu of taxes, especially for those community college districts that contain significant portions of nontaxable land.

Michigan new jobs training program.

Sec. 243. It is the intent of the legislature to develop and enact legislation that would authorize community colleges to issue debt to fund customized workforce development training. This program would be known as the Michigan new jobs training program. The principal and interest payments on any debt issued under the program would be paid by capturing the incremental increase in the state income tax associated with the wages of new employees and redirecting it to the community college instead of the state. The program would offer an incentive for employers creating new jobs or expanding operations in Michigan. This program has the potential to be a cornerstone of Michigan's workforce and economic development efforts, with the state's community colleges collaboratively partnering with state and local economic development, the Michigan works agencies, and the private sector to implement unified strategies for regional growth.

Nursing shortage; formation of workgroup.

Sec. 246. It is the intent of the legislature that a workgroup be formed including representatives of community colleges, state universities, and the health care community to address and resolve the nursing shortage in the state of Michigan. The workgroup shall submit a report to the house and senate appropriations subcommittees on community colleges, the house and senate fiscal agencies, and the department of management and budget no later than December 31, 2008.

Purchase of foreign automobiles.

Sec. 247. Funds appropriated in part 1 shall not be used for the purchase of foreign automobiles if competitively priced and of comparable quality automobiles made in the state of Michigan or elsewhere in the United States of America are available.

STATE AID - OPERATIONS

Determination of state aid; basis.

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

Determination of state aid; inclusion of student incarcerated in Michigan penal institution prohibited.

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

Performance indicators task force; review and implementation of recommendations and performance measures.

Sec. 304. (1) The appropriations in part 1 for community college operations include an aggregate 2% increase distributed pursuant to the funding formula developed by the performance indicators task force formed pursuant to section 242 of 2005 PA 154.

(2) It is the intent of the legislature that the recommendations and performance measures developed by the performance indicators task force formed pursuant to section 242 of 2005 PA 154 be reviewed and more fully implemented for distribution of state funding to community colleges in future years. Specifically, it is the intent of the legislature that the performance indicators task force review and implement 1 or more measurable data items for the local strategic value indicator and review and implement 1 or more measurable data items for an administrative cost formula component.

GRANTS

Community college at-risk student success program.

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

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

(3) For the fiscal year ending September 30, 2009, the at-risk student success program money is allocated as follows:

Alpena Community College	\$	80,200
Bay de Noc Community College		62,800
Delta College		104,500
Glen Oaks Community College		112,500
Gogebic Community College.....		58,600
Grand Rapids Community College.....		132,300
Henry Ford Community College		161,900
Jackson Community College.....		120,900
Kalamazoo Valley Community College		92,000
Kellogg Community College		163,600
Kirtland Community College.....		125,400
Lake Michigan College		157,200
Lansing Community College		153,500
Macomb Community College.....		84,400
Mid Michigan Community College		141,400
Monroe County Community College.....		105,400
Montcalm Community College		75,000
C.S. Mott Community College.....		106,300
Muskegon Community College.....		78,700
North Central Michigan College.....		111,100
Northwestern Michigan College		122,400
Oakland Community College		148,900
St. Clair County Community College		124,800
Schoolcraft College.....		127,300
Southwestern Michigan College.....		150,700
Washtenaw Community College		140,300
Wayne County Community College		132,600
West Shore Community College		148,000

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

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

(b) Are diagnosed as learning disabled.

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

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

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

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

Renaissance zone reimbursements.

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

REPORTS AND AUDITS**Activities classification structure data book; publication.**

Sec. 501. The department of labor and economic growth shall publish the activities classification structure data book for Michigan community colleges on or before March 1, 2009.

Performance audits; plan.

Sec. 502. (1) The auditor general or a certified public accountant appointed by the auditor general may conduct performance audits of community colleges as the auditor general considers necessary.

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

Certified class summaries, class lists, registration documents, and student transcripts; retention.

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

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

Annual audit; independent auditor.

Sec. 505. Each community college shall have an annual audit of all income and expenditures performed by an independent auditor and shall furnish the independent auditor's management letter and an annual audited accounting of all general and current funds income and expenditures including audits of college foundations to the members of the senate and house appropriations subcommittees on community colleges, the senate and house fiscal agencies, the auditor general, the department of labor and economic growth, and the state

budget director before November 15, 2008. If a community college fails to furnish the audit materials, the monthly state aid installments shall be withheld from that college until the information is submitted. All reporting shall conform to the requirements set forth in the 2001 Manual for Uniform Financial Reporting, Michigan Public Community Colleges.

North American Indian students enrolled; report; tuition waivers; compilation of information.

Sec. 506. (1) Each community college shall report the following to the department of labor and economic growth no later than November 1, 2008:

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

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

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

(3) The department of labor and economic growth shall compile the information received under subsection (1) and shall submit this compilation to the house and senate appropriations subcommittees on community colleges, the senate and house fiscal agencies, and the state budget director by January 7, 2009.

Aggregate academic status of students; request by Michigan high schools.

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

Tuition and mandatory fees; report by community college.

Sec. 508. (1) Each community college shall report to the house and senate fiscal agencies, the state budget director, and the department of labor and economic growth by August 31, 2008, the tuition and mandatory fees paid by a full-time in-district student and a full-time out-of-district student as established by the college governing board for the 2008-2009 academic year. This report should also include the annual cost of attendance based on a full-time course load of 30 credits. Each community college shall also report any revisions to the reported 2008-2009 academic year tuition and mandatory fees adopted by the college governing board to the house and senate fiscal agencies, the state budget director, and the department of labor and economic growth within 15 days of being adopted.

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

Numbers and type of associate degrees and certificates awarded; report by community college.

Sec. 509. (1) Each community college shall report to the department of labor and economic growth the numbers and type of associate degrees and other certificates awarded during the previous fiscal year. The report shall be made not later than November 15, 2008.

(2) The department of labor and economic growth shall compile the information received under subsection (1) and shall submit this compilation to the house and senate appropriations subcommittees on community colleges, the senate and house fiscal agencies, and the state budget director by January 7, 2009.

Community colleges subject to student right-to-know and campus security act; availability of prepared material.

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

Copies of proposed plan under Perkins act; submission to legislative subcommittees; streamline of Perkins grant application process and content; "Perkins act" defined.

Sec. 511. (1) At least 30 days before submission of a new state plan to the United States department of education for approval under the Perkins act, the department of labor and economic growth shall provide copies of the proposed plan to the members of the senate and house appropriations subcommittees on community colleges for their review and comment. Copies of the proposed plan shall be provided to the senate and house fiscal agencies and the state budget director at the same time that they are provided to the senate and house subcommittees.

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

(3) As used in this section, "Perkins act" means the Carl D. Perkins vocational and applied technology education act of 1998, 20 USC 2301 to 2415.

Tax revenue losses resulting from TIFA and tax abatements; report.

Sec. 513. The department of treasury shall annually collect and compile data on the tax revenue losses to community colleges resulting from tax increment financing authorities (TIFA) and tax abatements. The department of treasury shall produce a report detailing the data. The report shall be completed and presented to the house and senate appropriations subcommittees on community colleges, the department of labor and economic growth, and the department of management and budget not later than March 1, 2009. The report shall include, but is not limited to, the following:

- (a) Estimated revenue losses for each community college for the calendar year 2008.
- (b) Confirmed revenue losses for each community college for the calendar years 2006 and 2007.
- (c) Other requirements requested by the house and senate appropriations subcommittees on community colleges.

This act is ordered to take immediate effect.

Approved July 17, 2008.

Filed with Secretary of State July 18, 2008.

[No. 256]

(SB 852)

AN ACT to amend 2000 PA 489, entitled "An act to create certain funds; to provide for the allocation of certain revenues among certain funds and for the operation, investment, and expenditure of certain funds; and to impose certain duties and requirements on certain state officials," by amending section 7 (MCL 12.257), as amended by 2008 PA 99.

The People of the State of Michigan enact:

12.257 21st century jobs trust fund; establishment; investment; money remaining at close of fiscal year; deposit of interest and earnings; deposit of Michigan tobacco settlement revenue.

Sec. 7. (1) The 21st century jobs trust fund is established in the department of treasury. The 21st century jobs trust fund shall consist of donations of money made to the 21st century jobs trust fund from any source and both of the following:

(a) To the extent provided in section 8(1) of the Michigan tobacco settlement finance authority act, 2005 PA 226, MCL 129.268, the net proceeds of the sale of tobacco settlement revenues to the tobacco settlement finance authority under the Michigan tobacco settlement finance authority act, 2005 PA 226, MCL 129.261 to 129.279.

(b) Amounts appropriated from the general fund in section 89b(1) of the Michigan strategic fund act, 1984 PA 270, MCL 125.2089b.

(2) The state treasurer shall direct the investment of the 21st century jobs trust fund, which may be invested as part of the common cash of this state under 1967 PA 55, MCL 12.51 to 12.53, but shall be separately accounted for by the state treasurer. The state treasurer may invest the funds or assets of the 21st century jobs trust fund in any investment authorized under 1855 PA 105, MCL 21.141 to 21.147, for surplus funds of this state, in obligations issued by any state or political subdivision or instrumentality of the United States, or in any obligation issued, assumed, or guaranteed by a solvent entity created or existing under the laws of the United States or of any state, district, or territory of the United States, which are not in default as to principal or interest. In addition, the state treasurer shall comply with the divestment from terror act in making investments under this section.

(3) Except as provided in subsection (4), money in the 21st century jobs trust fund at the close of a fiscal year shall remain in the 21st century jobs trust fund and shall not revert to the general fund.

(4) Interest and earnings from investment of the 21st century jobs trust fund shall be deposited in the general fund.

(5) Beginning in fiscal year 2008 and through fiscal year 2015, each year \$75,000,000.00 of the tobacco settlement revenue received by this state that is not considered a TSR as that term is defined under the Michigan tobacco settlement finance authority act, 2005 PA 226, MCL 129.261 to 129.279, shall be deposited into the 21st century jobs trust fund.

(6) For the fiscal year ending September 30, 2016 only, \$30,000,000.00 of the tobacco settlement revenue received by this state that is not considered a TSR as that term is defined under the Michigan tobacco settlement finance authority act, 2005 PA 226, MCL 129.261 to 129.279, shall be deposited into the 21st century jobs trust fund.

Conditional effective date.

Enacting section 1. This amendatory act does not take effect unless Senate Bill No. 846 of the 94th Legislature is enacted into law.

This act is ordered to take immediate effect.

Approved August 4, 2008.

Filed with Secretary of State August 4, 2008.

[No. 257]**(SB 1367)**

AN ACT to amend 1995 PA 24, entitled “An act to promote economic growth and job creation within this state; to create and regulate the Michigan economic growth authority; to prescribe the powers and duties of the authority and of state and local officials; to assess and collect a fee; to approve certain plans and the use of certain funds; and to provide qualifications for and determine eligibility for tax credits and other incentives for authorized businesses and for qualified taxpayers,” by amending sections 3 and 8 (MCL 207.803 and 207.808), section 3 as amended by 2008 PA 108 and section 8 as amended by 2008 PA 110.

The People of the State of Michigan enact:

207.803 Definitions.

Sec. 3. As used in this act:

(a) “Affiliated business” means a business that is at least 50% owned and controlled, directly or indirectly, by an associated business.

(b) “Associated business” means a business that owns at least 50% of and controls, directly or indirectly, an authorized business.

(c) “Authorized business” means 1 of the following:

(i) A single eligible business with a unique federal employer identification number that has met the requirements of section 8 and with which the authority has entered into a written agreement for a tax credit under section 9.

(ii) A single eligible business with a unique federal employer identification number that has met the requirements of section 8, except as provided in this subparagraph, and with which the authority has entered into a written agreement for a tax credit under section 9. An eligible business is not required to create qualified new jobs or maintain retained jobs if qualified new jobs are created or retained jobs are maintained by an associated business, subsidiary business, affiliated business, or an employee leasing company or professional employer organization that has entered into a contractual service agreement with the authorized business in which the employee leasing company or professional employer organization withholds income and social security taxes on behalf of the authorized business.

(d) “Authority” means the Michigan economic growth authority created under section 4.

(e) “Business” means proprietorship, joint venture, partnership, limited liability partnership, trust, business trust, syndicate, association, joint stock company, corporation, cooperative, limited liability company, or any other organization.

(f) “Distressed business” means a business that meets all of the following as verified by the Michigan economic growth authority:

(i) Four years immediately preceding the application to the authority under this act, the business had 150 or more full-time jobs in this state.

(ii) Within the immediately preceding 4 years, there has been a reduction of not less than 30% of the number of full-time jobs in this state during any consecutive 3-year period. The highest number of full-time jobs within the consecutive 3-year period shall be used in order to determine the percentage reduction of full-time jobs in this subparagraph.

(iii) Is not a seasonal employer as defined in section 27 of the Michigan employment security act, 1936 (Ex Sess) PA 1, MCL 421.27.

(g) “Eligible business” means a distressed business or business that proposes to maintain retained jobs after December 31, 1999 or to create qualified new jobs in this state after

April 18, 1995 in manufacturing, mining, research and development, wholesale and trade, film and digital media production, or office operations or a business that is a qualified high-technology business or a business that is a tourism attraction facility or a qualified lodging facility. Except for a retail establishment that meets the criteria in section 8(11), an eligible business does not include retail establishments, professional sports stadiums, or that portion of an eligible business used exclusively for retail sales. Professional sports stadium does not include a sports stadium in existence on June 6, 2000 that is not used by a professional sports team on the date that an application related to that professional sports stadium is filed under section 8.

(h) “Facility” means a site or sites within this state in which an authorized business or subsidiary business maintains retained jobs or creates qualified new jobs.

(i) “Film and digital media production” means the development, preproduction, production, postproduction, and distribution of single media or multimedia entertainment content for distribution or exhibition to the general public in 2 or more states by any means and media in any digital media format, film, or video tape, including, but not limited to, a motion picture, a documentary, a television series, a television miniseries, a television special, interstitial television programming, long-form television, interactive television, music videos, interactive games, video games, internet programming, an internet video, a sound recording, a video, digital animation, or an interactive website. Film and digital media production also includes the development, preproduction, production, postproduction, and distribution of a trailer, pilot, video teaser, or demo created primarily to stimulate the sale, marketing, promotion, or exploitation of future investment in a film or digital media production. Film or digital media production does not include the production of any of the following:

(i) A production for which records are required to be maintained with respect to any performer in the production under 18 USC 2257.

(ii) A production that includes obscene matter or an obscene performance as described in 1984 PA 343, MCL 752.361 to 752.374.

(iii) A production that primarily consists of televised news or current events.

(iv) A production that primarily consists of a live sporting event.

(v) A production that primarily consists of political advertising.

(vi) A radio program.

(vii) A weather show.

(viii) A financial market report.

(ix) A talk show.

(x) A game show.

(xi) A production that primarily markets a product or service.

(xii) An awards show or other gala event production.

(xiii) A production with the primary purpose of fund-raising.

(xiv) A production that primarily is for employee training or in-house corporate advertising or other similar production.

(j) “Full-time job” means a job performed by an individual for 35 hours or more each week and whose income and social security taxes are withheld by 1 or more of the following:

(i) An authorized business.

(ii) An employee leasing company.

(iii) A professional employer organization on behalf of the authorized business.

(iv) Another person as provided in section 8(1)(c).

(v) A business that sells all or part of its assets to an eligible business that receives a credit under section 8(1) or (5).

(k) “Local governmental unit” means a county, city, village, or township in this state.

(l) “High-technology activity” means 1 or more of the following:

(i) Advanced computing, which is any technology used in the design and development of any of the following:

(A) Computer hardware and software.

(B) Data communications.

(C) Information technologies.

(D) Film and digital media production.

(ii) Advanced materials, which are materials with engineered properties created through the development of specialized process and synthesis technology.

(iii) Biotechnology, which is any technology that uses living organisms, cells, macromolecules, microorganisms, or substances from living organisms to make or modify a product, improve plants or animals, or develop microorganisms for useful purposes. Biotechnology does not include human cloning as defined in section 16274 of the public health code, 1978 PA 368, MCL 333.16274, or stem cell research with embryonic tissue.

(iv) Electronic device technology, which is any technology that involves microelectronics, semiconductors, electronic equipment, and instrumentation, radio frequency, microwave, and millimeter electronics, and optical and optic-electrical devices, or data and digital communications and imaging devices.

(v) Engineering or laboratory testing related to the development of a product.

(vi) Technology that assists in the assessment or prevention of threats or damage to human health or the environment, including, but not limited to, environmental cleanup technology, pollution prevention technology, or development of alternative energy sources.

(vii) Medical device technology, which is any technology that involves medical equipment or products other than a pharmaceutical product that has therapeutic or diagnostic value and is regulated.

(viii) Product research and development.

(ix) Advanced vehicles technology, which is any technology that involves electric vehicles, hybrid vehicles, or alternative fuel vehicles, or components used in the construction of electric vehicles, hybrid vehicles, or alternative fuel vehicles. For purposes of this act:

(A) “Electric vehicle” means a road vehicle that draws propulsion energy only from an on-board source of electrical energy.

(B) “Hybrid vehicle” means a road vehicle that can draw propulsion energy from both a consumable fuel and a rechargeable energy storage system.

(x) Tool and die manufacturing.

(xi) Competitive edge technology as defined in section 88a of the Michigan strategic fund act, 1984 PA 270, MCL 125.2088a.

(xii) Digital media, including internet publishing and broadcasting, video gaming, web development, and entertainment technology.

(xiii) Music production, including record production and development, sound recording studios, and integrated high-technology record production and distribution.

(xiv) Film and video, including motion picture and video production and distribution, postproduction services, and teleproduction and production services.

(m) “New capital investment” means 1 or more of the following:

(i) New construction. As used in this subparagraph:

(A) “New construction” means property not in existence on the date the authorized business enters into a written agreement with the authority and not replacement construction. New construction includes the physical addition of equipment or furnishings, subject to section 27(2)(a) to (o) of the general property tax act, 1893 PA 206, MCL 211.27.

(B) “Replacement construction” means that term as defined in section 34d(1)(b)(v) of the general property tax act, 1893 PA 206, MCL 211.34d.

(ii) The purchase of new personal property. As used in this subparagraph, “new personal property” means personal property that is not subject to or that is exempt from the collection of taxes under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155, on the date the authorized business enters into a written agreement with the authority.

(n) “Qualified high-technology business” means a business or facility whose primary business activity is high-technology activity or a qualified high-wage activity.

(o) “Qualified high-wage activity” means a business that has an average wage of 300% or more of the federal minimum wage. Qualified high-wage activity may also include, but is not limited to, 1 or more of the following as long as they have an average wage of 300% or more of the federal minimum wage:

(i) Architecture and design, including architectural design, graphic design, interior design, fashion design, and industrial design.

(ii) Advertising and marketing, including advertising and marketing firms and agencies, public relations agencies, and display advertising.

(p) “Qualified lodging facility” means 1 or more of the following:

(i) Lodging facilities that constitute a portion of a tourism attraction facility and represent less than 50% of the total cost of the tourism attraction facility, or the lodging facilities are to be located on recreational property owned or leased by the municipal, state, or federal government.

(ii) The lodging facilities involve the restoration or rehabilitation of a structure that is listed individually in the national register of historic places or are located in a national register historic district and certified by this state as contributing to the historic significance of the district, and the rehabilitation or restoration project has been approved in advance by this state.

(q) “Qualified new job” means 1 of the following:

(i) A full-time job created by an authorized business at a facility that is in excess of the number of full-time jobs the authorized business maintained in this state prior to the expansion or location, as determined by the authority.

(ii) For jobs created after July 1, 2000, a full-time job at a facility created by an eligible business that is in excess of the number of full-time jobs maintained by that eligible business in this state up to 90 days before the eligible business became an authorized business, as determined by the authority.

(iii) For a distressed business, a full-time job at a facility that is in excess of the number of full-time jobs maintained by that eligible business in this state on the date the eligible business became an authorized business.