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House Chamber, Lansing, Thursday, June 13, 2002.

2:00 p.m.

The House was called to order by Associate Speaker Pro Tempore Julian.

The roll was called by the Clerk of the House of Representatives, who announced that a quorum was present.

Adamini—present	Garza—present	Lockwood—present	Schauer—present
Allen—present	George—present	Mans—present	Schermesser—excused
Anderson—present	Gielegem—present	McConico—present	Scranton—present
Basham—present	Gilbert—present	Mead—present	Shackleton—present
Bernero—present	Godchaux—present	Meyer—present	Sheltrown—excused
Birkholz—present	Gosselin—present	Middaugh—present	Shulman—present
Bisbee—present	Hager—present	Minore—present	Spade—present
Bishop—present	Hale—present	Mortimer—present	Stallworth—present
Bogardus—present	Hansen—present	Murphy—present	Stamas—present
Bovin—present	Hardman—present	Neumann—present	Stewart—present
Bradstreet—present	Hart—present	Newell—present	Switalski—present
Brown, Bob—present	Howell—present	O’Neil—present	Tabor—present
Brown, Cameron—present	Hummel—present	Palmer—excused	Thomas—present
Brown, Rich—present	Jacobs—present	Pappageorge—present	Toy—present
Callahan—present	Jamnack—present	Patterson—present	Van Woerkom—present
Cassis—present	Jansen—present	Pestka—present	Vander Roest—present
Caul—present	Jelinek—present	Phillips—present	Vander Veen—present
Clark—present	Johnson, Rick—present	Plakas—present	Vear—present
Clarke—present	Johnson, Ruth—present	Pumford—present	Voorhees—present
Daniels—present	Julian—present	Quarles—excused	Waters—present
Dennis—present	Koetje—present	Raczkowski—present	Whitmer—present
DeRossett—present	Kolb—present	Reeves—present	Williams—present
DeVuyst—present	Kooiman—present	Richardville—present	Wojno—present
DeWeese—present	Kowall—present	Richner—present	Woodward—excused
Drolet—present	Kuipers—present	Rison—excused	Woronchak—present
Ehardt—present	LaSata—present	Rivet—present	Zelenko—present
Fauce—present	Lemmons—present	Rocca—present	
Frank—present	Lipsey—present		

Rep. Chris Kolb, from the 53rd District, offered the following invocation:

“This is a story of a sage and a scorpion. A sage came across a scorpion on the side of a river who was trying to get across to the other side. The scorpion looked up at the sage and said, ‘would you please help me across the river?’ And the sage said ‘I will if you promise not to sting me if I take you across the river.’ The scorpion said, ‘if you take me across the river to the other side I will not sting you.’ So the sage picked up the scorpion, entered the river and continued on his way. Half way across the river the scorpion stung the sage. The sage continued until he reached the other side and he let the scorpion down and said, ‘go on home my friend.’ Now the sage’s companions were very perplexed. They said, ‘sage, the scorpion obviously broke his promise.’ The sage said, ‘that is okay because it’s in his nature to sting.’ The companions said, ‘but why didn’t you just drop him in the middle of the river when he stung you?’ The sage said, ‘because it’s in my nature to help.’ The challenge for us as state legislators is to decide; is our nature more of a scorpion or of a sage? Thank you.”

Rep. Vander Roest moved that Rep. Palmer be excused from today’s session.
The motion prevailed.

Rep. Jacobs moved that Reps. Quarles, Rison, Schermesser, Sheltroun and Woodward be excused from today’s session.
The motion prevailed.

Messages from the Senate

House Bill No. 5642, entitled

A bill to make appropriations for the department of agriculture for the fiscal year ending September 30, 2003; 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 Senate has appointed Senators McManus, Gast and Koivisto as conferees to join with Reps. Pumford, Vander Roest and Phillips.

The bill was referred to the Conference Committee on June 6, 2002.

House Bill No. 5645, entitled

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

The Senate has appointed Senators Goschka, Gougeon and Murphy as conferees to join with Reps. Jansen, Toy and Switalski.

The bill was referred to the Conference Committee on June 6, 2002.

House Bill No. 5650, entitled

A bill to make appropriations for the department of state police and certain other state purposes for the fiscal year ending September 30, 2003; to provide for the expenditure of those appropriations; to provide for certain reports and the consideration of those reports; to provide for the disposition of other income received by the various state agencies; to provide for the testing of certain persons; to provide for certain emergency powers; and to provide for the powers and duties of certain committees, certain state agencies, and certain employees.

The Senate has appointed Senators Hoffman, North and Dingell as conferees to join with Reps. Cameron Brown, Pappageorge and Whitmer.

The bill was referred to the Conference Committee on June 6, 2002.

House Bill No. 5651, entitled

A bill to make appropriations for the state transportation department and certain transportation purposes for the fiscal year ending September 30, 2003; to provide for the imposition of fees; to provide for reports; to create certain funds and programs; to prescribe requirements for certain railroad and bus facilities; to prescribe certain powers and duties of certain state departments and officials and local units of government; and to provide for the expenditure of the appropriations.

The Senate has appointed Senators Hoffman, Goschka and Young as conferees to join with Reps. Shackleton, Kooiman and Stallworth.

The bill was referred to the Conference Committee on June 6, 2002.

Senate Bill No. 1101, entitled

A bill to make appropriations for the department of community health and certain state purposes related to mental health, public health, and medical services for the fiscal year ending September 30, 2003; to provide for the expenditure of those appropriations; to create funds; to require and provide for reports; to prescribe the powers and duties of certain local and state agencies and departments; and to provide for disposition of fees and other income received by the various state agencies.

The Senate has nonconcurred in the House substitute (H-1) and appointed Senators Gougeon, DeGrow, and Smith as conferees.

The message was referred to the Clerk for record.

Senate Bill No. 1104, entitled

A bill to make appropriations for the department of environmental quality for the fiscal year ending September 30, 2003; to provide for the expenditure of those appropriations; to create certain funds and accounts; to require certain reports; to prescribe the powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

The Senate has nonconcurred in the House substitute (H-2) and appointed Senators Bennett, Gast, and DeBeaussaert as conferees.

The message was referred to the Clerk for record.

Senate Bill No. 1106, entitled

A bill to make appropriations for the department of natural resources for the fiscal year ending September 30, 2003; to provide for the expenditure of those appropriations; to create funds and accounts; to require reports; to prescribe certain powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

The Senate has nonconcurred in the House substitute (H-2) and appointed Senators McManus, Gast, and Koivisto as conferees.

The message was referred to the Clerk for record.

Notices

The Speaker appointed as conferees, on the part of the House of Representatives for **Senate Bill No. 1101**, Reps. Mortimer, Rick Johnson and Stallworth.

The Speaker appointed as conferees, on the part of the House of Representatives for **Senate Bill No. 1104**, Reps. Mead, Jansen and Rich Brown.

The Speaker appointed as conferees, on the part of the House of Representatives for **Senate Bill No. 1106**, Reps. Mead, Jansen and Rich Brown.

By unanimous consent the House returned to the order of

Messages from the Senate**House Bill No. 5643, entitled**

A bill to make appropriations for the department of career development and the Michigan strategic fund and certain other state purposes for the fiscal year ending September 30, 2003; to provide for the expenditure of the appropriations;

to provide for the disposition of fees and other income received by the state agencies; and to repeal acts and parts of acts.

The Senate has nonconcurrent in the House substitute (H-2) to the Senate substitute (S-1) and appointed Senators Johnson, Stille and Dingell as conferees.

The message was referred to the Clerk for record.

House Bill No. 5644, entitled

A bill to make appropriations for the department of consumer and industry services and certain other state purposes for the fiscal year ending September 30, 2003; to provide for the expenditure of those appropriations; to provide for the imposition of certain fees; to provide for the disposition of fees and other income received by the state agencies; to provide for reports to certain persons; and to prescribe powers and duties of certain state departments and certain state and local agencies and officers.

The Senate has nonconcurrent in the House substitute (H-2) to the Senate substitute (S-1) and appointed Senators Bennett, Stille and Young as conferees.

The message was referred to the Clerk for record.

House Bill No. 5647, entitled

A bill to make appropriations for the department of history, arts, and libraries for the fiscal year ending September 30, 2003; to provide for the expenditure of those appropriations; to provide for the disposition of fees and other income received by the state agencies; 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 Senate has nonconcurrent in the House substitute (H-2) to the Senate substitute (S-1) and appointed Senators Bennett, Stille and Young as conferees.

The message was referred to the Clerk for record.

Notices

The Speaker appointed as conferees, on the part of the House of Representatives for **House Bill No. 5643**, Reps. Caul, Newell and Lockwood.

The bill was referred to the Conference Committee on June 10, 2002.

The Speaker appointed as conferees, on the part of the House of Representatives for **House Bill No. 5644**, Reps. Shulman, LaSata and Lockwood.

The bill was referred to the Conference Committee on June 10, 2002.

The Speaker appointed as conferees, on the part of the House of Representatives for **House Bill No. 5647**, Reps. Shulman, LaSata and Lockwood.

The bill was referred to the Conference Committee on June 10, 2002.

The Speaker appointed as conferees, on the part of the House of Representatives for **House Bill No. 5646**, Reps. Pappageorge, Palmer and Whitmer.

The Speaker appointed as conferees, on the part of the House of Representatives for **House Bill No. 5648**, Reps. Godchaux, Kooiman and Clarke.

By unanimous consent the House returned to the order of

Messages from the Senate

House Bill No. 5646, entitled

A bill to make, supplement, and adjust appropriations for the departments of attorney general, civil rights, civil service, information technology, management and budget, state, and treasury, the executive office, and the legislative branch for the fiscal years ending September 30, 2002 and September 30, 2003; to provide for the expenditure of these appropriations; to provide for the funding of certain work projects; to provide for the imposition of certain fees; to establish or continue certain funds, programs, and categories; to transfer certain funds; to prescribe certain requirements for bidding on state contracts; to provide for disposition of year-end balances for the fiscal year ending

September 30, 2003; to prescribe the powers and duties of certain principal executive departments and state agencies, officials, and employees; and to provide for the disposition of fees and other income received by the various principal executive departments and state agencies.

The Senate has appointed Senators Schwarz, Johnson and Young as conferees to join with Reps. Pappageorge, Palmer and Whitmer.

The bill was referred to the Conference Committee on June 11, 2002.

House Bill No. 5648, entitled

A bill to make appropriations for the judicial branch for the fiscal year ending September 30, 2003; to provide for the expenditure of these appropriations; to place certain restrictions on the expenditure of these appropriations; to prescribe the powers and duties of certain officials and employees; to require certain reports; and to provide for the disposition of fees and other income received by the judicial branch.

The Senate has appointed Senators North, Goschka and Dingell as conferees to join with Reps. Godchaux, Kooiman and Clarke.

The bill was referred to the Conference Committee on June 11, 2002.

House Bill No. 5361, entitled

A bill to amend 1974 PA 300, entitled "Motor vehicle service and repair act," by amending section 17 (MCL 257.1317), as amended by 1988 PA 254.

The Senate has passed the bill, ordered that it be given immediate effect and pursuant to Joint Rule 20, inserted the full title.

The House agreed to the full title.

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

House Bill No. 5587, entitled

A bill to amend 1893 PA 206, entitled "The general property tax act," by amending section 44 (MCL 211.44), as amended by 2000 PA 364.

The Senate has passed the bill, ordered that it be given immediate effect and pursuant to Joint Rule 20, inserted the full title.

The House agreed to the full title.

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

House Bill No. 5807, entitled

A bill to amend 1990 PA 345, entitled "State survey and remonumentation act," by amending sections 8 and 12 (MCL 54.268 and 54.272), as amended by 1998 PA 5.

The Senate has passed the bill, ordered that it be given immediate effect and pursuant to Joint Rule 20, inserted the full title.

The House agreed to the full title.

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

House Bill No. 5889, entitled

A bill to amend 1955 PA 10, entitled "An act to provide for the registration of historic sites," by amending the title and sections 1 and 2 (MCL 399.151 and 399.152) and by adding sections 3, 4, 5, 6, 7, 8, 9, and 10.

The Senate has passed the bill and ordered that it be given immediate effect.

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

House Bill No. 5991, entitled

A bill to amend 1962 PA 174, entitled "Uniform commercial code," by amending section 9201 (MCL 440.9201), as amended by 2002 PA 18.

The Senate has passed the bill, ordered that it be given immediate effect and pursuant to Joint Rule 20, inserted the full title.

The House agreed to the full title.

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

House Bill No. 5993, entitled

A bill to provide for and establish possession and ownership rights in special tools for use in the fabrication of metal parts under certain conditions; to require procedures to establish a lien; and to establish and maintain a lien on certain special tools.

The Senate has passed the bill and ordered that it be given immediate effect.

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

House Bill No. 6062, entitled

A bill to amend 1987 PA 230, entitled "Municipal health facilities corporations act," by amending section 305 (MCL 331.1305), as amended by 1988 PA 502.

The Senate has passed the bill, ordered that it be given immediate effect and pursuant to Joint Rule 20, inserted the full title.

The House agreed to the full title.

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

House Bill No. 5103, entitled

A bill to amend 1978 PA 368, entitled "Public health code," by amending sections 16105, 16106, 16108, 16128, 16163, 16174, 16186, 16261, 16323, and 16608 (MCL 333.16105, 333.16106, 333.16108, 333.16128, 333.16163, 333.16174, 333.16186, 333.16261, 333.16323, and 333.16608), section 16106 as amended by 1997 PA 153, sections 16108 and 16186 as amended and section 16323 as added by 1993 PA 80, section 16174 as amended by 1998 PA 227, and section 16608 as amended by 1990 PA 216.

The Senate has substituted (S-1) the bill.

The Senate has passed the bill as substituted (S-1), ordered that it be given immediate effect and amended the title to read as follows:

A bill to amend 1978 PA 368, entitled "An act to protect and promote the public health; to codify, revise, consolidate, classify, and add to the laws relating to public health; to provide for the prevention and control of diseases and disabilities; to provide for the classification, administration, regulation, financing, and maintenance of personal, environmental, and other health services and activities; to create or continue, and prescribe the powers and duties of, departments, boards, commissions, councils, committees, task forces, and other agencies; to prescribe the powers and duties of governmental entities and officials; to regulate occupations, facilities, and agencies affecting the public health; to regulate health maintenance organizations and certain third party administrators and insurers; to provide for the imposition of a regulatory fee; to promote the efficient and economical delivery of health care services, to provide for the appropriate utilization of health care facilities and services, and to provide for the closure of hospitals or consolidation of hospitals or services; to provide for the collection and use of data and information; to provide for the transfer of property; to provide certain immunity from liability; to regulate and prohibit the sale and offering for sale of drug paraphernalia under certain circumstances; to provide for the implementation of federal law; to provide for penalties and remedies; to provide for sanctions for violations of this act and local ordinances; to repeal certain acts and parts of acts; to repeal certain parts of this act; and to repeal certain parts of this act on specific dates," by amending sections 16105, 16106, 16108, 16128, 16163, 16174, 16186, 16261, 16323, 16608, and 20161 (MCL 333.16105, 333.16106, 333.16108, 333.16128, 333.16163, 333.16174, 333.16186, 333.16261, 333.16323, 333.16608, and 333.20161), section 16106 as amended by 1997 PA 153, sections 16108 and 16186 as amended and section 16323 as added by 1993 PA 80, section 16174 as amended by 1998 PA 227, section 16608 as amended by 1990 PA 216, and section 20161 as amended by 2002 PA 303.

The Speaker announced that pursuant to Rule 45, the bill was laid over one day.

House Bill No. 5336, entitled

A bill to amend 1989 PA 24, entitled "The district library establishment act," by amending sections 6, 12, 14, and 25 (MCL 397.176, 397.182, 397.184, and 397.195).

The Senate has substituted (S-2) the bill.

The Senate has passed the bill as substituted (S-2), ordered that it be given immediate effect and amended the title to read as follows:

A bill to amend 1989 PA 24, entitled "An act to provide for the establishment and maintenance of district libraries; to provide for district library boards; to define the powers and duties of certain state and local governmental entities; to prescribe penalties and provide remedies; and to repeal acts and parts of acts," by amending sections 6, 12, 14, and 25 (MCL 397.176, 397.182, 397.184, and 397.195), and by adding section 25a.

The Speaker announced that pursuant to Rule 45, the bill was laid over one day.

House Bill No. 5360, entitled

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending section 251 (MCL 257.251), as amended by 2000 PA 397.

The Senate has substituted (S-1) the bill.

The Senate has passed the bill as substituted (S-1), ordered that it be given immediate effect and pursuant to Joint Rule 20, inserted the full title.

The Speaker announced that pursuant to Rule 45, the bill was laid over one day.

House Bill No. 5362, entitled

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending section 803 (MCL 257.803).

The Senate has amended the bill as follows:

1. Amend page 1, following line 11, enacting section 1, after "effect" by striking out "July" and inserting "October".

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

The Speaker announced that pursuant to Rule 45, the bill was laid over one day.

House Bill No. 5380, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 16901, 16902, 16903, 16904a, 16905, 16906, 16908, and 16909 (MCL 324.16901, 324.16902, 324.16903, 324.16904a, 324.16905, 324.16906, 324.16908, and 324.16909), sections 16901 and 16903 as amended and section 16904a as added by 1997 PA 17 and section 16908 as amended by 1995 PA 268; and to repeal acts and parts of acts.

The Senate has substituted (S-4) the bill.

The Senate has passed the bill as substituted (S-4), ordered that it be given immediate effect and amended the title to read as follows:

A bill to amend 1994 PA 451, entitled "An act to protect the environment and natural resources of the state; to codify, revise, consolidate, and classify laws relating to the environment and natural resources of the state; to regulate the discharge of certain substances into the environment; to regulate the use of certain lands, waters, and other natural resources of the state; to prescribe the powers and duties of certain state and local agencies and officials; to provide for certain charges, fees, and assessments; to provide certain appropriations; to prescribe penalties and provide remedies; to repeal certain parts of this act on a specific date; and to repeal certain acts and parts of acts," by amending sections 16901, 16902, 16903, 16904a, 16905, 16906, 16908, and 16909 (MCL 324.16901, 324.16902, 324.16903, 324.16904a, 324.16905, 324.16906, 324.16908, and 324.16909), sections 16901 and 16903 as amended and section 16904a as added by 1997 PA 17 and section 16908 as amended by 1995 PA 268, and by adding sections 16903b and 16903c; and to repeal acts and parts of acts.

The Speaker announced that pursuant to Rule 45, the bill was laid over one day.

House Bill No. 5467, entitled

A bill to create the Detroit area regional transportation authority and to transfer certain powers of authorities to continue the suburban mobility authority for regional transportation; to prescribe certain powers and duties of the authorities; to provide for the addition and withdrawal of certain local entities from the authority; to provide for the powers and duties of certain state agencies with respect to the authority; to provide for the issuance of bonds and notes; to provide for the state to guarantee payment of certain claims against the authority and give the state a lien in satisfaction of payment; to protect the rights of employees of existing public transportation systems; to provide for the pledge of taxes, revenues, assessments, tax levies, and other funds for bond and note payments; to authorize certain local entities to levy property taxes and make special assessments to fulfill their obligations under certain contracts with the authority; and to repeal acts and parts of acts.

The Senate has substituted (S-5) the bill.

The Senate has passed the bill as substituted (S-5) and amended the title to read as follows:

A bill to create the Detroit area regional transportation authority; to transfer certain powers of authorities to the Detroit area regional transportation authority; to provide regional transportation for senior citizens, citizens with disabilities, citizens without the economic means to provide their own personal transportation, and all other citizens; to continue the suburban mobility authority for regional transportation; to prescribe certain powers and duties of the authorities; to provide for the addition and withdrawal of certain local entities from the authority; to provide for the powers and duties of certain state agencies with respect to the authority; to provide for the issuance of bonds and notes; to provide for the state to guarantee payment of certain claims against the authority and give the state a lien in satisfaction of payment; to protect the rights of employees of existing public transportation systems; to provide for the

pledge of taxes, revenues, assessments, tax levies, and other funds for bond and note payments; to authorize certain local entities to levy property taxes and make special assessments to fulfill their obligations under certain contracts with the authority; and to repeal acts and parts of acts.

The Speaker announced that pursuant to Rule 45, the bill was laid over one day.

House Bill No. 5591, entitled

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," by amending section 471 (MCL 206.471), as amended by 1996 PA 484.

The Senate has substituted (S-2) the bill.

The Senate has passed the bill as substituted (S-2), ordered that it be given immediate effect and pursuant to Joint Rule 20, inserted the full title.

The Speaker announced that pursuant to Rule 45, the bill was laid over one day.

House Bill No. 5819, entitled

A bill to amend 1980 PA 299, entitled "Occupational code," by amending sections 2012 and 2014 (MCL 339.2012 and 339.2014), as amended by 1992 PA 103.

The Senate has substituted (S-1) the bill.

The Senate has passed the bill as substituted (S-1), ordered that it be given immediate effect and pursuant to Joint Rule 20, inserted the full title.

The Speaker announced that pursuant to Rule 45, the bill was laid over one day.

House Bill No. 5860, entitled

A bill to amend 1893 PA 206, entitled "The general property tax act," by amending section 42a (MCL 211.42a), as amended by 1994 PA 415.

The Senate has amended the bill as follows:

1. Amend page 1, line 10, after "ROLL." by inserting "THIS SUBDIVISION SHALL NOT BE CONSTRUED TO PROHIBIT A LOCAL TAX COLLECTING UNIT FROM SEEKING AUTHORIZATION FROM THE STATE TAX COMMISSION TO USE A COMPUTERIZED DATA BASE SYSTEM DEVELOPED BY THE LOCAL TAX COLLECTING UNIT."

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

The Speaker announced that pursuant to Rule 45, the bill was laid over one day.

Senate Bill No. 1062, entitled

A bill to amend 1913 PA 380, entitled "An act to regulate gifts of real and personal property to cities, villages, townships, and counties, and the use of the those gifts; and to validate all such gifts made before the enactment of this act," by amending section 1 (MCL 123.871), as amended by 1985 PA 9; and to repeal acts and parts of acts.

The Senate has amended the House substitute (H-1) as follows:

1. Amend page 2, line 9, after "section 1." by striking out the balance of the line through "repealed." on line 10 and inserting "Section 3 of 1913 PA 380, MCL 123.873, is repealed."

The Senate has concurred in the House substitute (H-1) as amended, ordered that the bill be given immediate effect and agreed to the title as amended.

The Speaker announced that pursuant to Rule 45, the bill was laid over one day.

Senate Bill No. 1315, entitled

A bill to amend 1996 PA 376, entitled "Michigan renaissance zone act," by amending section 8a (MCL 125.2688a), as amended by 2000 PA 259.

The Senate has passed the bill.

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

Senate Bill No. 1316, entitled

A bill to create and provide for the operation of the Michigan next energy authority; to provide for the creation and appointment of a board to govern the authority and to prescribe its powers and duties; to provide for the powers and

duties of the authority; to extend protections against certain liabilities to the authority; to authorize the conveyance of state land and to confer authority and jurisdiction over state land to the authority; to provide for the issuance of certain bonds, notes, and other obligations; to facilitate the use and development of authority property; to promote alternative energy technology and economic growth; to authorize the acquisition, maintenance, and disposal of interests in real and personal property; to provide for the conveyance of land transferred to the authority; to allow for the creation of a center to manage the authority's land; to convey state land; and to exempt property, income, and operations of an authority from tax.

The Senate has passed the bill.

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

Senate Bill No. 1353, entitled

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," (MCL 206.1 to 206.532) by adding section 438.

The Senate has passed the bill.

The bill was read a first time by its title and referred to the Committee on Tax Policy.

Senate Bill No. 1354, entitled

A bill to establish the Amanda's fund for breast cancer research in the department of community health; to provide for the distribution of money from the fund; to prescribe the duties and powers of certain agencies and officials; and to provide for appropriations.

The Senate has passed the bill.

The bill was read a first time by its title and referred to the Committee on Tax Policy.

Senate Bill No. 1359, entitled

A bill to amend 1953 PA 232, entitled "Corrections code of 1953," by amending sections 25a and 36a (MCL 791.225a and 791.236a), section 25a as added by 1993 PA 184 and section 36a as amended by 1993 PA 346.

The Senate has passed the bill.

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

Introduction of Bills

Rep. Jacobs introduced

House Bill No. 6181, entitled

A bill to amend 1954 PA 116, entitled "Michigan election law," by amending section 683 (MCL 168.683).

The bill was read a first time by its title and referred to the Committee on Redistricting and Elections.

Reps. Bernero, Schauer and Dennis introduced

House Bill No. 6182, entitled

A bill to amend 1929 PA 16, entitled "An act to regulate the business of carrying or transporting, buying, selling or dealing in crude oil or petroleum or its products, through pipe lines; to authorize the use of public highways and the condemnation of private property; to regulate the purchase and storage of crude oil or petroleum; to provide for the control and regulation of all corporations, associations and persons engaged in such business, by the Michigan public utilities commission; to define the powers and duties of the commission in relation thereto; and to prescribe penalties for violations of the provisions hereof," (MCL 483.1 to 483.11) by adding section 3a.

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

Reps. Schauer, Bernero and Dennis introduced

House Bill No. 6183, entitled

A bill to amend 1929 PA 16, entitled "An act to regulate the business of carrying or transporting, buying, selling or dealing in crude oil or petroleum or its products, through pipe lines; to authorize the use of public highways and the condemnation of private property; to regulate the purchase and storage of crude oil or petroleum; to provide for the control and regulation of all corporations, associations and persons engaged in such business, by the Michigan public utilities commission; to define the powers and duties of the commission in relation thereto; and to prescribe penalties for violations of the provisions hereof," by amending section 2b (MCL 483.2b), as added by 1997 PA 125.

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

Reps. Pappageorge, Gosselin and George introduced

House Bill No. 6184, entitled

A bill to amend 1943 PA 184, entitled "Township zoning act," by amending sections 16b, 16c, 23, and 40 (MCL 125.286b, 125.286c, 125.293, and 125.310), section 40 as amended by 2001 PA 177, and by adding section 24b.

The bill was read a first time by its title and referred to the Committee on Local Government and Urban Policy.

Reps. Pappageorge, Gosselin and George introduced

House Bill No. 6185, entitled

A bill to amend 1943 PA 183, entitled "County zoning act," by amending sections 16b, 16c, 23, and 40 (MCL 125.216b, 125.216c, 125.223, and 125.240), section 16b as amended by 1989 PA 246 and section 40 as amended by 2001 PA 178, and by adding section 24b.

The bill was read a first time by its title and referred to the Committee on Local Government and Urban Policy.

Reps. Middaugh, Birkholz, Cameron Brown, Jelinek, Julian, Newell, Vander Roest, Kuipers, George, Vear, Hummel and Pumford introduced

House Bill No. 6186, entitled

A bill to amend 1927 PA 372, entitled "An act to regulate and license the selling, purchasing, possessing, and carrying of certain firearms and gas ejecting devices; to prohibit the buying, selling, or carrying of certain firearms and gas ejecting devices without a license or other authorization; to provide for the forfeiture of firearms under certain circumstances; to provide for penalties and remedies; to provide immunity from civil liability under certain circumstances; to prescribe the powers and duties of certain state and local agencies; to prohibit certain conduct against individuals who apply for or receive a license to carry a concealed pistol; to make appropriations; to prescribe certain conditions for the appropriations; and to repeal all acts and parts of acts inconsistent with this act," by amending section 1 (MCL 28.421), as amended by 2000 PA 381.

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

Reps. Stamas, Shackleton and Allen introduced

House Bill No. 6187, entitled

A bill to amend 1961 PA 236, entitled "Revised judicature act of 1961," by amending sections 524, 527, and 549e (MCL 600.524, 600.527, and 600.549e), as amended by 2002 PA 92.

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

Rep. Richner introduced

House Bill No. 6188, entitled

A bill to amend 1998 PA 58, entitled "Michigan liquor control code of 1998," by amending section 811 (MCL 436.1811), as amended by 1998 PA 416.

The bill was read a first time by its title and referred to the Committee on Insurance and Financial Services.

Reps. Switalski, Woodward and Gieleghem introduced

House Bill No. 6189, entitled

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

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

Reps. Kuipers, Tabor, Drolet, Van Woerkom, Toy and Bradstreet introduced

House Bill No. 6190, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 43503, 43509, 43532, 43533, 43537, 43546, and 43558 (MCL 324.43503, 324.43509, 324.43532, 324.43533, 324.43537, 324.43546, and 324.43558), section 43503 as added by 1995 PA 57, sections 43509, 43533, 43537, 43546, and 43558 as amended by 1996 PA 585, and section 43532 as amended by 2002 PA 108; and to repeal acts and parts of acts.

The bill was read a first time by its title and referred to the Committee on Conservation and Outdoor Recreation.

Reps. Kolb, Thomas and Phillips introduced

House Bill No. 6191, entitled

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," (MCL 206.1 to 206.532) by adding section 269. The bill was read a first time by its title and referred to the Committee on Tax Policy.

Reps. Bishop, Raczkowski, Koetje, Woronchak, Gilbert and Kowall introduced

House Bill No. 6192, entitled

A bill to amend 1931 PA 328, entitled "The Michigan penal code," (MCL 750.1 to 750.568) by adding section 360b. The bill was read a first time by its title and referred to the Committee on Criminal Justice.

Reps. Raczkowski, Bishop, Koetje, Woronchak, Gilbert and Kowall introduced

House Bill No. 6193, entitled

A bill to amend 1927 PA 175, entitled "The code of criminal procedure," by amending section 16r of chapter XVII (MCL 777.16r), as amended by 2002 PA 279.

The bill was read a first time by its title and referred to the Committee on Criminal Justice.

Rep. Vear introduced

House Bill No. 6194, entitled

A bill to amend 1935 PA 59, entitled "An act to provide for the public safety; to create the Michigan state police, and provide for the organization thereof; to transfer thereto the offices, duties and powers of the state fire marshal, the state oil inspector, the department of the Michigan state police as heretofore organized, and the department of public safety; to create the office of commissioner of the Michigan state police; to provide for an acting commissioner and for the appointment of the officers and members of said department; to prescribe their powers, duties, and immunities; to provide the manner of fixing their compensation; to provide for their removal from office; and to repeal Act No. 26 of the Public Acts of 1919, being sections 556 to 562, inclusive, of the Compiled Laws of 1929, and Act No. 123 of the Public Acts of 1921, as amended, being sections 545 to 555, inclusive, of the Compiled Laws of 1929," by amending section 7 (MCL 28.7).

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

Reps. Minore, Rison, Quarles, Hart, Adamini and Lemmons introduced

House Bill No. 6195, entitled

A bill to amend 1954 PA 116, entitled "Michigan election law," by amending section 961a (MCL 168.961a), as amended by 1999 PA 220.

The bill was read a first time by its title and referred to the Committee on Redistricting and Elections.

Reps. Kolb, Jamnick, Minore and Lemmons introduced

House Bill No. 6196, entitled

A bill to amend 1921 PA 207, entitled "City and village zoning act," by amending section 1 (MCL 125.581), as amended by 1995 PA 36.

The bill was read a first time by its title and referred to the Committee on Land Use and Environment.

Reps. Jamnick, Kolb, Minore and Lemmons introduced

House Bill No. 6197, entitled

A bill to amend 1943 PA 183, entitled "County zoning act," by amending section 1 (MCL 125.201), as amended by 1996 PA 46.

The bill was read a first time by its title and referred to the Committee on Land Use and Environment.

Reps. Jelinek, Kolb, Minore and Lemmons introduced

House Bill No. 6198, entitled

A bill to amend 1943 PA 184, entitled "Township zoning act," by amending section 1 (MCL 125.271), as amended by 1996 PA 47.

The bill was read a first time by its title and referred to the Committee on Land Use and Environment.

Rep. Ehardt introduced

House Bill No. 6199, entitled

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," by amending section 2030 (MCL 500.2030). The bill was read a first time by its title and referred to the Committee on Insurance and Financial Services.

Rep. Ehardt introduced

House Bill No. 6200, entitled

A bill to amend 1957 PA 261, entitled "Michigan legislative retirement system act," by amending section 75 (MCL 38.1075), as amended by 1998 PA 501.

The bill was read a first time by its title and referred to the Committee on Senior Health, Security and Retirement.

Rep. Ehardt introduced

House Bill No. 6201, entitled

A bill to amend 1957 PA 261, entitled "Michigan legislative retirement system act," by amending section 23 (MCL 38.1023) as amended by 2002 PA 97.

The bill was read a first time by its title and referred to the Committee on Senior Health, Security and Retirement.

Reps. Tabor, Woronchak, Garza, Bob Brown, Toy, Anderson, Vander Veen, Lipsey, Neumann, Sheltroun, Zelenko, Kowall, George, Spade, DeRossett, Meyer, Gielegem, Richardville, Patterson, Bovin, Hager, Gilbert, Caul and Hart introduced

House Bill No. 6202, entitled

A bill to amend 1973 PA 116, entitled "An act to provide for the protection of children through the licensing and regulation of child care organizations; to provide for the establishment of standards of care for child care organizations; to prescribe powers and duties of certain departments of this state and adoption facilitators; to provide penalties; and to repeal acts and parts of acts," (MCL 722.111 to 722.128) by adding section 9.

The bill was read a first time by its title and referred to the Committee on Family and Children Services.

Reps. Bob Brown, Tabor, Garza, Woronchak, Toy, Anderson, Vander Veen, Lipsey, Neumann, Sheltroun, Zelenko, Kowall, George, Spade, DeRossett, Meyer, Gielegem, Richardville, Patterson, Bovin, Hager, Gilbert, Caul and Hart introduced

House Bill No. 6203, entitled

A bill to amend 1973 PA 116, entitled "An act to provide for the protection of children through the licensing and regulation of child care organizations; to provide for the establishment of standards of care for child care organizations; to prescribe powers and duties of certain departments of this state and adoption facilitators; to provide penalties; and to repeal acts and parts of acts," by amending section 1 (MCL 722.111), as amended by 1994 PA 205.

The bill was read a first time by its title and referred to the Committee on Family and Children Services.

Reps. Woronchak, Tabor, Bob Brown, Toy, Anderson, Vander Veen, Neumann, Sheltroun, Zelenko, Kowall, George, Spade, DeRossett, Meyer, Gielegem, Richardville, Patterson, Bovin, Caul, Hager, Gilbert and Hart introduced

House Bill No. 6204, entitled

A bill to amend 1975 PA 238, entitled "Child protection law," (MCL 722.621 to 722.638) by adding section 7j.

The bill was read a first time by its title and referred to the Committee on Family and Children Services.

Reps. Garza, Tabor, Bob Brown, Woronchak, Toy, Anderson, Vander Veen, Lipsey, Neumann, Sheltroun, Zelenko, Kowall, George, Spade, DeRossett, Meyer, Gielegem, Richardville, Patterson, Bovin, Hager, Gilbert, Caul and Hart introduced

House Bill No. 6205, entitled

A bill to amend 1973 PA 116, entitled "An act to provide for the protection of children through the licensing and regulation of child care organizations; to provide for the establishment of standards of care for child care organizations; to prescribe powers and duties of certain departments of this state and adoption facilitators; to provide penalties; and to repeal acts and parts of acts," (MCL 722.111 to 722.128) by adding section 3e.

The bill was read a first time by its title and referred to the Committee on Family and Children Services.

Reps. Jacobs, Woodward, O'Neil, Kolb, Schauer, Garza, Dennis, Stallworth, Basham, Clarke, Howell, Hansen, Bovin, Minore, Bernero, Wojno, Williams, Murphy, Zelenko, Spade, Waters, Gielegem, Jamnick and Bogardus introduced

House Bill No. 6206, entitled

A bill to authorize the administration of an organ donor leave time program for certain persons employed by this state; to provide for implementation and operation; and to prescribe powers and duties of certain state officers and agencies.

The bill was read a first time by its title and referred to the Committee on Employment Relations, Training and Safety.

Rep. Vander Roest introduced

House Bill No. 6207, entitled

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

The bill was read a first time by its title and referred to the Committee on Tax Policy.

Rep. Vander Roest introduced

House Bill No. 6208, entitled

A bill to amend 1927 PA 175, entitled "The code of criminal procedure," by amending section 16b of chapter XVII (MCL 777.16b), as amended by 2000 PA 279.

The bill was read a first time by its title and referred to the Committee on Criminal Justice.

Reps. Pappageorge, Bishop, Hart and Quarles introduced

House Joint Resolution Z, entitled

A joint resolution proposing an amendment to the state constitution of 1963, by amending section 5 of article II, to permit county and township officers to be elected at other than the November general election.

The joint resolution was read a first time by its title and referred to the Committee on Redistricting and Elections.

By unanimous consent the House returned to the order of

Announcement by the Clerk of Printing and Enrollment

The Clerk announced that the following bill had been printed and placed upon the files of the members, Tuesday, June 4:

Senate Bill No. 1369

The Clerk announced that the following bills had been printed and placed upon the files of the members, Wednesday, June 5:

Senate Bill Nos. 1371 1372 1373

The Clerk announced the enrollment printing and presentation to the Governor on Thursday, June 6, for his approval of the following bills:

Enrolled House Bill No. 5556 at 9:14 a.m.

Enrolled House Bill No. 6114 at 9:16 a.m.

Enrolled House Bill No. 5466 at 9:18 a.m.

The Clerk announced that the following bills and joint resolution had been printed and placed upon the files of the members, Thursday, June 6:

House Bill Nos. 6167 6168 6169 6170 6171 6172 6173 6174 6175 6176 6177 6178 6179 6180

House Joint Resolution Y

The Clerk announced that the following Senate bills had been received on Thursday, June 6:

Senate Bill Nos. 1315 1316 1353 1354 1359

The Clerk announced the enrollment printing and presentation to the Governor on Monday, June 10, for his approval of the following bills:

Enrolled House Bill No. 5468 at 2:48 p.m.

Enrolled House Bill No. 5758 at 2:50 p.m.

Enrolled House Bill No. 5778 at 2:52 p.m.
Enrolled House Bill No. 5832 at 2:54 p.m.
Enrolled House Bill No. 5927 at 2:56 p.m.
Enrolled House Bill No. 5992 at 2:58 p.m.
Enrolled House Bill No. 6043 at 3:00 p.m.

The Clerk announced that the following bills had been printed and placed upon the files of the members, Thursday, June 13:

House Bill Nos. 6202 6203 6204 6205 6208

Communications from State Officers

The following communications from the Auditor General were received and read:

June 4, 2002

Enclosed is a copy of the following audit report and/or executive digest:
 Performance and Financial Related Audit of
 Selected Internal Service Funds
 Department of Management and Budget
 June 2002

June 6, 2002

Enclosed is a copy of the following audit report and/or executive digest:
 Performance Audit of the
 Uniform Services Bureau
 Michigan Department of State Police
 June 2002

Sincerely,
 Thomas H. McTavish, C.P.A.
 Auditor General

The communications were referred to the Clerk and the accompanying reports referred to the Committee on House Oversight and Operations.

The following communications from the Secretary of State were received and read:

Notices of Filing Administrative Rules

April 16, 2002

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6 this is to advise you that the Office of Regulatory Reform, Legal Division filed at 2:44 P.M. this date, administrative rule (02-04-07) for the Department of Agriculture, Fairs, Exhibitions and Racing Division, entitled "*Regulation No. 820. Michigan-bred Pari-mutuel Races*", effective 7 days hereafter.

May 20, 2002

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6 this is to advise you that the Office of Regulatory Reform, Legal Division filed at 2:55 P.M. this date, administrative rule (02-05-02) for the Department of Environmental Quality, Air Quality Division, entitled "*Part 9. Emission Limitations and Prohibitions - Miscellaneous*", effective 7 days hereafter.

May 20, 2002

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6 this is to advise you that the Office of Regulatory Reform, Legal Division filed at 3:00 P.M. this date, administrative rule (02-05-03) for the Department of Environmental Quality, Air Quality Division, entitled "*Part 1. General Provisions*", effective 7 days hereafter.

May 22, 2002

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6 this is to advise you that the Office of Regulatory Reform, Legal Division filed at 3:00 P.M. this date, administrative rule (02-05-04) for the Department of Environmental Quality, Drinking Water and Radiological Protection Division, entitled "*Supplying Water to the Public - Part 15. Operation Reports and Recordkeeping*", effective 7 days hereafter.

May 22, 2002

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6 this is to advise you that the Office of Regulatory Reform, Legal Division filed at 3:02 P.M. this date, administrative rule (02-05-05) for the Department of Environmental Quality, Drinking Water and Radiological Protection Division, entitled "*Supplying Water to the Public - Part 1. General Provisions*", effective 7 days hereafter.

May 22, 2002

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6 this is to advise you that the Office of Regulatory Reform, Legal Division filed at 3:04 P.M. this date, administrative rule (02-05-06) for the Department of Environmental Quality, Drinking Water and Radiological Protection Division, entitled "*Supplying Water to the Public - Part 7. Surveillance, Inspection and Monitoring*", effective 7 days hereafter.

May 22, 2002

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6 this is to advise you that the Office of Regulatory Reform, Legal Division filed at 3:06 P.M. this date, administrative rule (02-05-07) for the Department of Environmental Quality, Drinking Water and Radiological Protection Division, entitled "*Supplying Water to the Public - Part 4. Public Notification and Public Education*", effective 7 days hereafter.

May 22, 2002

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6 this is to advise you that the Office of Regulatory Reform, Legal Division filed at 3:08 P.M. this date, administrative rule (02-05-08) for the Department of Environmental Quality, Drinking Water and Radiological Protection Division, entitled "*Supplying Water to the Public - Part 6. State Drinking Water Standards and Analytical*", effective 7 days hereafter.

May 29, 2002

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6 this is to advise you that the Office of Regulatory Reform, Legal Division filed at 1:30 P.M. this date, administrative rule (02-05-09) for the Department of Education, State Board of Education, entitled "*Special Education Programs and Services*", effective 7 days hereafter.

Sincerely,
Candice S. Miller
Secretary of State
Elena L. Beasley, Manager
Office of the Great Seal

The communications were referred to the Clerk.

The following communication from the Department of Consumer and Industry Services was received and read:

June 5, 2002

Pursuant to Section 314 of P.A. 119 of 2001, we are enclosing a copy of the following report:

<u>Type of Report</u>	<u>Facility</u>	<u>Report #</u>	<u>License #</u>
Licensing Study Report	W. J. Maxey Boys Training School—Summit Ctr.	2002C0201023	CS 470201446

This report was performed in compliance with the requirements of P.A. 116 of 1973 as amended, and the Administrative Rules for Child Caring Institutions. The report may also be viewed on our web site at the following address: http://www.cis.state.mi.us/fast/leg_rep.htm.

If you have any questions regarding this information, please feel free to contact me at 373-3892.

Sincerely,
 John R. Suckow, C.P.A.
 Director, Finance and
 Administrative Services

The communication was referred to the Clerk.

The following communication from the Bureau of State Lottery was received and read:

June, 2002

Please find enclosed the 2001 Michigan Lottery annual report. We're proud to share the highlights of another successful year!

Sincerely,
 James E. Kipp
 Acting Lottery Commissioner

The communication was referred to the Clerk.

By unanimous consent the House returned to the order of
Reports of Select Committees

First Conference Report

The Committee of Conference on the matters of difference between the two Houses concerning
House Bill No. 5645, entitled

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

Recommends:

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

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

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the family independence agency for the fiscal year ending September 30, 2003, from the funds indicated in this part. The following is a summary of the appropriations in this part:

FAMILY INDEPENDENCE AGENCY

Full-time equated classified positions	12,495.1	
Full-time equated unclassified positions	6.0	
Total full-time equated positions	12,501.1	
GROSS APPROPRIATION		\$ 4,071,412,900
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		\$ 978,800
ADJUSTED GROSS APPROPRIATION		\$ 4,070,434,100
Federal revenues:		
Total federal revenues		2,754,816,050

For Fiscal Year
Ending Sept. 30,
2003

Special revenue funds:	
Total private revenues	9,856,850
Total local revenues	67,150,000
Total other state restricted revenues	65,388,800
State general fund/general purpose	\$ 1,173,222,400
Sec. 102. EXECUTIVE OPERATIONS	
Total full-time equated positions	589.8
Full-time equated unclassified positions	6.0
Full-time equated classified positions	583.8
Unclassified salaries—6.0 FTE positions	\$ 505,800
Salaries and wages—432.8 FTE positions.....	22,720,100
Contractual services, supplies, and materials	8,293,300
Demonstration projects—13.0 FTE positions	8,938,100
Child support distribution computer system—8.0 FTE positions	17,155,600
Supplemental security income advocates, salaries and wages—16.0 FTE positions	1,050,800
Commission on disability concerns—8.0 FTE positions	956,900
Commission for the blind—106.0 FTE positions	18,036,300
Youth low vision program.....	260,000
GROSS APPROPRIATION.....	\$ 77,916,900
Appropriated from:	
Interdepartmental grant revenues:	
ADJUSTED GROSS APPROPRIATION	\$ 77,916,900
Appropriated from:	
Federal revenues:	
Total federal revenues	51,097,800
Special revenue funds:	
Total private revenues	1,340,000
Total local revenues	275,000
Total other state restricted revenues	477,300
State general fund/general purpose	\$ 24,726,800
Sec. 103. FAMILY INDEPENDENCE SERVICES ADMINISTRATION	
Full-time equated classified positions	437.5
Salaries and wages—301.5 FTE positions.....	\$ 15,181,000
Contractual services, supplies, and materials	19,198,500
Child support incentive payments	32,409,600
Legal support contracts	135,896,400
Employment and training support services.....	14,851,700
Project Zero—84.0 FTE positions.....	12,132,500
Wage employment verification reporting—2.0 FTE positions	2,170,200
Urban and rural empowerment/enterprise zones.....	100
Training and staff development—50.0 FTE positions	9,881,200
Community services block grants	24,350,000
GROSS APPROPRIATION.....	\$ 266,071,200
Appropriated from:	
Interdepartmental grant revenues:	
ADJUSTED GROSS APPROPRIATION	\$ 266,071,200
Appropriated from:	
Federal revenues:	
Total federal revenues	244,534,200
Special revenue funds:	
Total local revenues	340,000
State general fund/general purpose	\$ 21,197,000
Sec. 104. CHILD AND FAMILY SERVICES	
Full-time equated classified positions	105.3
Salaries and wages—45.3 FTE positions.....	\$ 2,836,800
Contractual services, supplies, and materials	1,657,500

	For Fiscal Year Ending Sept. 30, 2003
Refugee assistance program—4.0 FTE positions.....	12,705,900
Foster care payments.....	151,378,900
Wayne County foster care payments	96,412,500
Adoption subsidies.....	204,952,800
Adoption support services—9.0 FTE positions	14,600,400
Youth in transition—10.0 FTE positions	13,353,500
Interstate compact.....	300,000
Children's benefit fund donations	21,000
Domestic violence prevention and treatment—6.0 FTE positions	13,149,000
Teenage parent counseling—4.0 FTE positions.....	4,426,700
Family preservation and prevention services—20.0 FTE positions	77,754,500
Black child and family institute	100,000
Rape prevention and services.....	2,600,000
Children's trust fund administration—7.0 FTE positions	495,000
Children's trust fund grants.....	3,615,000
Attorney general contract.....	2,481,000
Guardian contract.....	600,000
Prosecuting attorney contracts	1,061,700
GROSS APPROPRIATION	\$ 604,502,200
Appropriated from:	
Interdepartmental grant revenues:	
ADJUSTED GROSS APPROPRIATION	\$ 604,502,200
Appropriated from:	
Federal revenues:	
Total federal revenues	361,892,500
Special revenue funds:	
Private-children's benefit fund donations	21,000
Private-collections.....	5,054,600
Local funds - county payback	35,111,300
Children's trust fund	3,306,900
State general fund/general purpose	\$ 199,115,900
Sec. 105. JUVENILE JUSTICE SERVICES	
Full-time equated classified positions	960.1
Child care fund	\$ 139,500,000
Child care fund administration—7.5 FTE positions	884,000
Juvenile justice operations—932.6 FTE positions	82,215,700
Federally funded activities—12.0 FTE positions.....	1,865,200
W.J. Maxey memorial fund	45,000
Juvenile accountability incentive block grant—4.0 FTE positions	8,436,200
Juvenile boot camp program	1,600,000
Committee on juvenile justice administration—4.0 FTE positions.....	464,800
Committee on juvenile justice grants	5,000,000
GROSS APPROPRIATION	\$ 240,010,900
Appropriated from:	
Federal revenues:	
Total federal revenues	35,553,500
Special revenue funds:	
Total private revenues	645,000
Local funds - county payback	30,668,600
State general fund/general purpose	\$ 173,143,800
Sec. 106. LOCAL OFFICE STAFF AND OPERATIONS	
Full-time equated classified positions	9,778.4
Field staff, salaries and wages—9,627.9 FTE positions	\$ 401,875,600
Contractual services, supplies, and materials	27,936,400
Outstationed eligibility workers—60.0 FTE positions.....	5,392,500
Food stamp reinvestment	5,700,000

	For Fiscal Year Ending Sept. 30, 2003
Wayne County gifts and bequests.....	100,000
Volunteer services and reimbursement—90.5 FTE positions.....	7,455,300
GROSS APPROPRIATION	\$ 448,459,800
Appropriated from:	
Federal revenues:	
Total federal revenues.....	283,245,050
Special revenue funds:	
Local funds - donated funds.....	193,100
Private funds - Wayne County gifts.....	100,000
Private funds - hospital contributions.....	2,696,250
State general fund/general purpose.....	\$ 162,225,400
Sec. 107. DISABILITY DETERMINATION SERVICES	
Full-time equated classified positions.....620.0	
Disability determination operations—594.0 FTE positions.....	\$ 69,460,300
Medical consultation program—21.0 FTE positions.....	3,083,700
Retirement disability determination—5.0 FTE positions.....	828,800
GROSS APPROPRIATION	\$ 73,372,800
Appropriated from:	
Interdepartmental grant revenues:	
Department of management and budget - office of retirement systems.....	828,800
ADJUSTED GROSS APPROPRIATION	\$ 72,544,000
Federal revenues:	
Total federal revenues.....	69,466,000
State general fund/general purpose.....	\$ 3,078,000
Sec. 108. CENTRAL SUPPORT ACCOUNTS	
Rent.....	\$ 45,802,900
Occupancy charge.....	11,399,300
Grand tower facility reimbursement.....	2,150,000
Travel.....	7,189,100
Equipment.....	1,087,400
Worker's compensation.....	5,391,600
Advisory commissions.....	17,900
Payroll taxes and fringe benefits.....	179,687,900
GROSS APPROPRIATION	\$ 252,726,100
Appropriated from:	
Federal revenues:	
Total federal revenues.....	161,702,800
Special revenue funds:	
Local funds - county payback.....	304,400
State general fund/general purpose.....	\$ 90,718,900
Sec. 109. PUBLIC ASSISTANCE	
Full-time equated classified positions.....10.0	
Family independence program.....	\$ 376,339,600
Transitional work support.....	5,000,000
State disability assistance payments.....	22,139,900
Food assistance program benefits.....	833,011,200
State supplementation.....	59,038,000
State supplementation administration.....	2,624,300
Homestead property tax credit for low-income families.....	50,000,000
Low-income energy assistance program—10.0 FTE positions.....	86,003,600
State emergency relief.....	45,187,100
Weatherization assistance.....	10,900,000
Day care services.....	466,910,000
GROSS APPROPRIATION	\$ 1,957,153,700
Appropriated from:	
Interdepartmental grant revenues:	
ADJUSTED GROSS APPROPRIATION	\$ 1,957,153,700

For Fiscal Year
Ending Sept. 30,
2003

Appropriated from:	
Federal revenues:	
Total federal revenues	1,422,469,900
Special revenue funds:	
Child support collections	48,149,300
Supplemental security income recoveries.....	5,104,800
Public assistance recoupment revenue.....	2,300,000
State general fund/general purpose	\$ 479,129,700
Sec. 110. INFORMATION TECHNOLOGY	
Information technology services and projects	\$ 60,494,400
Child support automation	90,571,000
Client services system.....	12,721,200
Data system enhancement	22,040,900
GROSS APPROPRIATION.....	\$ 185,827,500
Appropriated from:	
Interdepartmental grant revenues:	
IDG from ADP.....	150,000
ADJUSTED GROSS APPROPRIATION	\$ 185,677,500
Appropriated from:	
Federal revenues:	
Total federal revenues	124,854,300
Local funds	257,600
Total private revenues	0
Total other state restricted revenues	6,050,500
State general fund/general purpose	\$ 54,515,100
Sec. 111. EARLY RETIREMENT AND BUDGETARY SAVINGS	
Early retirement savings.....	\$ (21,301,700)
Budgetary savings.....	(8,726,500)
Administrative budgetary savings	(4,600,000)
GROSS APPROPRIATION.....	\$ (34,628,200)
Appropriated from:	
Interdepartmental grant revenues:	
ADJUSTED GROSS APPROPRIATION	\$ (34,628,200)
Appropriated from:	
Federal revenues:	
Total federal revenues	0
Total private revenues	0
Total other state restricted revenues	0
State general fund/general purpose	\$ (34,628,200)

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2002-2003 is \$1,238,611,200.00 and state spending from state resources to be paid to local units of government for fiscal year 2002-2003 is \$207,056,200.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

FAMILY INDEPENDENCE AGENCY

CHILD AND FAMILY SERVICES

Adoption subsidies..... \$ 79,224,300

JUVENILE JUSTICE SERVICES

Child care fund. 123,700,000

County juvenile officers..... 2,973,200

PUBLIC ASSISTANCE

State disability program. 1,158,700

TOTAL \$ 207,056,200

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

Sec. 203. As used in this act:

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

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

Sec. 205. (1) 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 one position to another within a department.

(2) The state budget director shall grant exceptions to this hiring freeze when the state budget director believes that the hiring freeze will result in rendering a state department or agency unable to deliver basic services, cause loss of revenue to the state, result in the inability of the state to receive federal funds, or 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 standing committees on appropriations the number of exceptions to the hiring freeze approved during the previous quarter and the reasons to justify the exception.

Sec. 206. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$200,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

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

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

Sec. 207. At least 60 days before beginning any effort to privatize, the department shall submit a complete project plan to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies. The plan shall include the criteria under which the privatization initiative will be evaluated. The evaluation shall be completed and submitted to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies within 30 months.

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

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

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

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

Sec. 212. In addition to funds appropriated in part 1 for all programs and services, there is appropriated for write-offs of accounts receivable, deferrals, and for prior year obligations in excess of applicable prior year appropriations,

an amount equal to total write-offs and prior year obligations, but not to exceed amounts available in prior year revenues or current year revenues that are in excess of the authorized amount.

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

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

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

Sec. 214. (1) The department shall submit a report to the chairpersons of the senate and house appropriations subcommittees on the family independence agency budget and to the senate and house fiscal agencies on the details of allocations within program budgeting line items and within the salaries and wages line items in the field services appropriation unit. The report shall include a listing, by account, dollar amount, and fund source, of salaries and wages; longevity and insurance; retirement; contractual services, supplies, and materials; equipment; travel; and grants within each program line item appropriated for the fiscal year ending September 30, 2003.

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

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

Sec. 218. (1) The department shall prepare a semiannual report on the temporary assistance for needy families (TANF) federal block grant. The report shall include projected expenditures for the current fiscal year, an accounting of any previous year funds carried forward, and a summary of all interdepartmental or interagency agreements relating to the use of TANF funds. The report shall be forwarded to the state budget director and the house and senate appropriations subcommittees on the family independence agency budget, the house and senate fiscal agencies, and policy offices on or before January 15, 2003 and May 15, 2003.

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

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

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

(3) Notwithstanding subsections (1) and (2), the department shall cooperate with faith-based organizations so that they are able to compete on the same basis as any other private organization for contracts to provide services to recipients of department services, including, but not limited to, mentoring or supportive services. The department shall not discriminate against an organization that applies to become a contractor on the basis that the organization has a religious character.

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

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

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

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

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

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

(2) By October 15, 2002, the family independence agency shall report on the interagency agreement with the department of information technology to the house and senate appropriations subcommittees for the family independence agency budget, house and senate fiscal agencies, and policy offices. The report shall include the base service priorities in the agreement including, but not limited to, the following:

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

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

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

Sec. 260. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 261. The department shall consult with the house and senate appropriations subcommittees on the family independence agency regarding the planned restructuring of local offices in response to 2002 PA 93. Issues to be covered shall include service delivery structure, facility needs, and administrative support. The director of the department may organize 2 or more counties into a single administrative unit for the purpose of administrative efficiency. Any plan presented shall ensure that the department provides a presence and services in every county.

Sec. 263. The department shall replace all foster care workers and child protection services workers who take an early retirement on a 1-to-1 ratio.

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

Sec. 265. (1) The negative appropriation for early retirement savings in part 1 shall be satisfied by savings realized from not filling all of the positions lost due to the early retirement plan for state employees enacted in 2002 PA 93 amendments to the state employees retirement act, 1943 PA 240, MCL 38.1 to 38.69.

(2) The negative appropriation for budgetary savings in part 1 shall be satisfied by savings from the hiring freeze imposed under section 205, efficiencies, and other savings identified by the department director and approved by the state budget director.

(3) Appropriation authorization adjustments required due to negative appropriations for early retirement savings and budgetary savings shall be made only after the approval of transfers by the legislature pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 268. (1) Subject to subsection (2), in addition to the amounts appropriated under part 1, the following amounts are appropriated for the fiscal year ending September 30, 2003:

- (a) \$600,000.00 is appropriated to multicultural assimilation programs from the state general fund.
- (b) \$4,600,000.00 is appropriated to administrative budgetary savings from the state general fund.

(2) The appropriations in subsection (1) shall become effective only if the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 30 cents or more per pack of cigarettes on or before September 30, 2002.

(3) Appropriation authorization adjustments required due to negative appropriations for administrative budgetary savings shall be made only after the approval of transfers by the legislature pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

EXECUTIVE OPERATIONS

Sec. 301. (1) The department may distribute cash assistance to recipients electronically by using debit cards.

(2) The department shall appropriate up to \$4,300,000.00 for the annual school clothing allowance. The allowance shall be granted to all eligible children 4 to 18 years of age. The department shall encourage all recipients of the annual school clothing allowance to consider using that allowance at consignment stores or other stores that provide discounts to program recipients.

Sec. 302. The appropriation in part 1 for the Michigan commission for the blind includes funds for case services. These funds may be used for tuition payments for blind clients for the school year beginning September 2002.

Sec. 303. The appropriation in part 1 for commissions and boards may be used for per diem payments to members of commissions or boards for a full day of committee work at which a quorum is present for performing official business as authorized by each respective commission or board. The per diem payment for the Michigan commission for the blind shall be at a rate of \$50.00 per day.

FAMILY INDEPENDENCE SERVICES ADMINISTRATION

Sec. 401. (1) From the federal money received for child support incentive payments, up to \$10,415,700.00 shall be retained by the state and expended for legal support contracts and child support program expenses.

(2) In addition to the amount retained in subsection (1), additional incentives may be retained and used by the state for special, enhanced, or centralized initiatives or services that are reasonably calculated by the department, in consultation with the state court administrative office and the state budget office, to result in an equivalent or greater increase in child support collections or child support incentive payments received from the federal government. If payment from the federal government for collection performance incentives exceeds the amount received by the state for the fiscal year 2000, the amount in excess for the fiscal year 2000 payment shall be apportioned to the counties and the state in the same proportion as the base amount.

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

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

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

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

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

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

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

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

Sec. 404. The department shall develop a plan based on recommendations from the department of civil rights and from Native American organizations to assure that the community services block grant funds are equitably distributed. The plan must be developed by October 31, 2002, and the plan shall be delivered to the appropriations subcommittees on the family independence agency in the house and senate.

Sec. 407. From the funds appropriated in part 1 for family preservation and prevention services, the family independence agency shall contract with Created for Caring for \$150,000.00 in TANF funds allowable services. The department is authorized to make allocations of TANF funds only to the agency if that agency reports necessary data to the department for the purpose of meeting TANF eligibility reporting requirements. The use of TANF funds under this section should not be considered an ongoing commitment of funding.

Sec. 412. If title IV-D-related child support collections are escheated, the state budget director is authorized to adjust the sources of financing for the funds appropriated in part 1 for legal support contracts to reduce federal authorization by 66% of the escheated amount and increase general fund/general purpose authorization by the same amount. This budget adjustment is required to offset the loss of federal revenue due to the escheated amount being counted as title IV-D program income in accordance with federal regulations at 45 C.F.R. 304.50.

Sec. 413. (1) In addition to the funds appropriated in part 1, there is hereby appropriated up to \$28,785,700.00. This appropriation is contingent upon the receipt of a refund from the federal government related to penalties previously imposed for the child support enforcement system and upon certification from the state budget director that the funds are available for expenditure. Of this amount, up to: \$2,700,000.00 may be used to continue before- or after-school programs; \$8,785,700.00 may be used for the child support enforcement system; \$4,300,000.00 may be used for the family independence program school clothing allowance; \$650,000.00 may be used to supplement community services block grant funding for community action agencies; \$500,000.00 may be used to support a fatherhood initiative; \$4,300,000.00 may be used for family independence program caseload, state disability assistance, and child care fund costs; \$250,000.00 may be used to fund the food bank council; \$50,000.00 may be used to support the Michigan marriage and fatherhood commission; \$3,000,000.00 may be used to fund the transitional work support program; \$150,000.00 may be used for the northern Michigan Miracle Manor, an addiction treatment and rehabilitation services program for homeless women with dependent children; \$250,000.00 may be used for establishment or enhancement of domestic violence supervised parenting time centers; \$150,000.00 may be used for 3 emergency homeless shelter case management pilot programs; \$100,000.00 may be used for a Medicaid spend-down analysis; \$600,000.00 may be used for multicultural assimilation programs; and \$3,000,000.00 may be used for contracts, services, supplies, and materials.

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

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

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

Sec. 415. (1) From the funds appropriated in part 1 for employment and training support services, the family independence agency shall expend up to \$500,000.00 in TANF to fund a fatherhood initiative. The department may choose providers that will work with counties to help eligible fathers under TANF guidelines to acquire skills that will enable them to increase their responsible behavior toward their children and the mothers of their children. An increase of financial support for their children should be a very high priority as well as emotional support. Program components may include, but are not limited to, parental guidance, infant care, food preparation, effective communication, anger management, children's financial support, respect, drug-free lifestyle, and referrals to employment services.

(2) The providers will measure outcomes as agreed upon by the department and based on required TANF reporting guidelines.

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

Sec. 416. (1) From the funds appropriated in part 1 for employment and training support services, the family independence agency may expend up to \$250,000.00 in TANF to fund a marriage initiative. The department may choose providers to work with counties that will work to support and strengthen marriages of those eligible under the TANF guidelines. The areas of work may include, but are not limited to, marital counseling, domestic violence counseling, family counseling, effective communication, and anger management as well as parenting skills to improve the family structure.

(2) The providers will measure outcomes as agreed upon by the department and based on required TANF reporting guidelines.

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

(4) The department shall choose only providers who are licensed through the department of consumer and industry services and who meet the standards of the public health code, 1978 PA 368, MCL 333.1101 to 333.25211.

CHILD AND FAMILY SERVICES

Sec. 501. The following goal is established by state law. During the fiscal year ending September 30, 2003, not more than 3,000 children supervised by the department shall remain in foster care longer than 24 months. The department shall give priority to reducing the number of children under 1 year of age in foster care.

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

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

- (a) Has not yet graduated from high school or passed a high school equivalency examination.
- (b) Is making progress toward completing high school.
- (c) Has not yet reached his or her twenty-first birthday.

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

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

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

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

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

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

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

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

Sec. 512. From the funds appropriated in part 1 for foster care payments, the department may expend up to \$1,500,000.00 for foster care pilot projects that include ways to increase foster parent recruitment, improve foster parent retention, and increase delivery of training and supportive services to foster parents.

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

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

Sec. 514. The department shall make a comprehensive report concerning children's protective services (CPS) to the legislature, including the senate and house policy offices, by January 1, 2003, that shall include all of the following:

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

Sec. 515. From the funds appropriated in part 1 for foster care payments and related administrative costs, the department may implement the federally approved title IV-E child welfare waiver managed care demonstration project.

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

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

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

(3) The appropriation provided for in subsection (2) is to fund secondary prevention programs as defined in the children's trust fund's pre-application materials for fiscal year 2002-2003 direct services grants.

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

- (a) Be awarded through a joint request for proposal process established by the department in conjunction with the children's trust fund and the state human services directors.
- (b) Be secondary prevention initiatives. Funds are not intended to be expended in cases in which neglect or abuse has been substantiated.

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

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

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

Sec. 518. (1) The funds appropriated in part 1 for family preservation and prevention services in the 2002-2003 fiscal year reflect strong families/safe children allocations to local multipurpose collaborative bodies that are no less than the allocations in effect on April 1, 1997. The department shall work with the multipurpose collaborative bodies to address high out-of-home placement rates and through collaboration arrange a reward plan, penalty plan, or both, to achieve less child out-of-home placements, including placements for adjudicated youth in residential treatment programs.

(2) In order to maintain this level of funding, the department may use up to \$8,000,000.00 in TANF funds provided that the local multipurpose collaborative bodies submit data to the department that will enable the department to document potential federal claimable expenditures.

(3) No later than March 1, 2003, each local multipurpose collaborative body shall submit a report to the department that includes the number of people receiving strong families/safe children services, including services to adjudicated youth and their families, the local goals for this program, and a measure of the effectiveness in meeting these goals.

(4) The department shall provide during budget deliberation hearings the compilation of reports from the multipurpose collaborative bodies outlined in subsection (3).

Sec. 519. From the funds appropriated in part 1 for foster care payments, Wayne County foster care payments, and adoption support services, the department shall increase the rate of payments for child placing agencies and residential treatment facilities by 1% effective April 1, 2003. The rate increase may be used to support foster and adoptive parent resource centers.

Sec. 520. It is the intent of the legislature that the funds appropriated in part 1 for kinship care in the fiscal year ending September 30, 2003, reflect the legislature's commitment to reduce the benefit discrepancy between kinship care and a similar family size within the family independence agency program (FIP). The legislature recognizes the commitment of relatives to provide family continuity, nurturance, and care for this special population of children who can no longer remain in their parents' care due to abuse, neglect, or other social problems.

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

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

- (a) Whether program services have impacted the following issues areas:
 - (i) The number of teen participants having fewer repeat pregnancies.

- (ii) The completion rate for high school diplomas or GEDs.
- (iii) The teen participants' rate of self-sufficiency.
- (b) How many teens participate in the programs and have access to any or all of the following services:
 - (i) Adult supervised, supportive living arrangements.
 - (ii) Pregnancy prevention services or referrals.
 - (iii) Required completion of high school or receipt of GED, including child care to assist young mothers to focus on achievement.
 - (iv) Support services, including, but not limited to, health care, transportation, and counseling.
 - (v) Parenting and life-skills training.
 - (vi) Education, job training, and employment services.
 - (vii) Transition services in order to achieve self-sufficiency.
 - (viii) Instruction on self-protection.

Sec. 524. The department shall submit to the senate and house appropriations subcommittees on the family independence agency, the senate and house standing committees having jurisdiction over human services matters, the senate and house fiscal agencies, and the senate and house policy offices an annual report, beginning April 2, 2002, detailing the status of the prevention services program.

Sec. 530. Of funds available for foster care recruitment pilots, the department shall develop and implement foster parent recruitment and retention programs. The programs shall focus on diversity of foster parents, and recruitment of homes appropriate for teens and other high-risk placements. The programs should draw from models including, but not limited to, one church one child, foster home mentoring, neighborhood-based recruitment, and multimedia outreach.

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

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

- (a) Provide for the family independence agency to retain 50% of the federal revenues earned.
- (b) Provide for agency review and approval of the local unit's plan for allocating costs to title IV-E.
- (c) Provide for the local unit of government to submit bills at times, and in the format, specified by the family independence agency.
- (d) Specify that the local unit of government is responsible for meeting all federal title IV-E regulation requirements, including reporting requirements, with regard to the activities and costs being billed to title IV-E.
- (e) Provide for the local unit of government to pay the state for the amount of any federal revenues paid to the local unit which may subsequently be disallowed by the federal government.
- (f) Be signed by the director of the department, the chief executive officer of the local government agency providing the title IV-E services, the chair of the county board of commissioners, and the chief executive officer of the county.

Sec. 532. The family independence agency, in collaboration with the department of consumer and industry services and representatives of the Michigan federation of private child and family agencies, shall review policies, practices, and procedures involving the annual licensing review conducted by the department of consumer and industry services and the annual contract compliance review conducted by the department regarding child placing agencies and child caring institutions. The review shall include efforts to identify duplication of staff activities and information sought from child placing agencies and child caring institutions in the annual review process. The department shall report on its findings, conclusions, and any actions taken to ensure the maximum feasible coordination and efficiency in conducting these reviews. The report shall be presented to the senate and house appropriations subcommittees on the family independence agency and the department of consumer and industry services, the senate and house fiscal agencies, and the senate and house policy offices by April 1, 2003.

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

Sec. 534. Funding not distributed from the teen pregnancy prevention pilot performance bonus may be used to support teen pregnancy prevention programs in the city of Pontiac.

Sec. 535. It is the intent of the legislature that the department shall review the merits of increasing the per month guardianship fee.

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

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

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

PUBLIC ASSISTANCE

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 609. The state supplementation level under the supplemental security income program for the personal care/adult foster care and home for the aged categories shall not be reduced during the fiscal year beginning October 1, 2002 and ending September 30, 2003.

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

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

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

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

Sec. 613. (1) From the funds appropriated in part 1 for state emergency relief, the maximum allowable charge limit for indigent burials shall be \$1,114.00. The funds shall be distributed as follows: \$710.00 for funeral directors; \$234.00 for cemeteries or crematoriums; and \$170.00 for the provider of the vault.

(2) On December 31, 2002, participating funeral home directors or cemeteries or crematoriums shall submit on a quarterly basis a report on a form made available by the department that includes all of the following information:

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

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

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

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

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

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

(2) Any unencumbered balances of the weatherization program shall not lapse and may be carried forward to fiscal year 2004.

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

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

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

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

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

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

Sec. 624. The department shall maintain a plan to provide for the implementation of temporary assistance for needy families-funded individual development accounts.

Sec. 625. The department in collaboration with the Michigan state university center for urban affairs and its partner organizations, the Michigan credit union league and the national federation of community development credit unions, shall further the work begun in fiscal year 1999-2000 that implemented the individual development accounts programs in the growing number of low-income designated credit unions, i.e., community development credit unions (CDCUs) located in this state's poorest communities. This further work will extend capacity-building and technical assistance services to existing and emerging CDCUs serving low-income populations and will include:

- (a) Creation of a Michigan-based support system for the capacity-building of existing and emerging CDCUs serving low-income individuals and families, including development and testing of training, technical assistance, and professional development initiatives and related materials, and other capacity-building services to Michigan CDCUs.
- (b) Other related support to assist existing and emerging CDCUs in becoming self-supporting institutions to assist impoverished Michigan residents in becoming economically independent.
- (c) Training and technical assistance to CDCUs in the development of support services, such as economic literacy, credit counseling, budget counseling, and asset management programs for low-income individuals and families.

Sec. 627. (1) From the funds appropriated in section 109 for day care services, the department shall contract to administer an amount not to exceed \$1,350,000.00 for the "enhance quality improvement program" (EQUIP) grants. A priority for the expenditure of EQUIP funds shall be given to providers to expand access to child care, specifically 24-hour care and weekend care. A child care program shall not be eligible for an EQUIP grant unless 25% or more of its clients receive day care payments from the department.

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

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

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

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

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

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

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

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

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

Sec. 648. From the funds appropriated in part 1 for assistance payments, the department shall continue to make assistance payments to recipients beyond the federal 5-year limit set under the personal responsibility and work opportunity reconciliation act of 1996, Public Law 104-193, 110 Stat. 2105, providing the recipient is complying with asset, income, and participation standards set as a condition of eligibility to receive assistance.

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

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

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

(3) The department shall allocate through grants or contracts up to \$10,000,000.00 for pilot programs. A county shall receive no more than 20% of the funds appropriated in part 1 for this program. From the funds appropriated in part 1 for before- or after-school pilot programs within day care services, the department is authorized to make allocations of funds only to the agencies that report necessary data to the department for the purpose of meeting TANF and maintenance of effort eligibility reporting requirements. The use of funds under this section should not be considered an ongoing commitment of funding.

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

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

(5) The department may enter into grants or contracts with independent contractors including, but not limited to, faith-based organizations, boys or girls clubs, schools, or nonprofit organizations. The department shall grant priority

in funding independent contractors who secure at least 10% in matching funds. The matching funds may either be fulfilled through local, state, or federal funds, and/or through in-kind or other donations. An independent contractor who cannot fulfill the match described in this subsection shall not be excluded from applying for a before- or after-school program contract.

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

(7) By August 30, 2003, the department before- or after-school pilot program expenditures shall be audited and the department shall work in collaboration with independent contractors to provide a report on the before- or after-school pilot program to the senate and house standing committees dealing with human services, the senate and house appropriations subcommittees for the family independence agency budget, the senate and house fiscal agencies, and the senate and house policy offices. The report shall include the number of participants and the average cost per participant, as well as changes noted in program participants in any of the following categories:

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

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

Sec. 661. From the funds appropriated in part 1 for transitional work support, the department shall expend up to \$5,000,000.00 in general fund/general purpose funds to develop and fund a transitional work support program. The department shall provide the house and senate appropriations subcommittees on the family independence agency, the house and senate fiscal agencies, the house and senate policy offices, and the state budget director with a report that includes all of the following:

- (a) The number of participants served.
- (b) The average cost per program participant.
- (c) Any other information that the department considers relevant.

Sec. 665. The department shall continue to partner with the department of transportation to use TANF and other sources of available funding to support public transportation needs of TANF-eligible individuals.

Sec. 666. The department shall develop and implement a plan to increase the participation of eligible family independence program recipients in the federal earned income tax credit.

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

Sec. 668. In coordination with the Michigan alliance of boys and girls clubs, the department shall conduct a pilot program to develop a community-based child care program available to children ages 6 to 15. The pilot shall explore the ability to leverage child care funding by implementation of the SMART moves program, and with matching funds provided by the alliance. The pilot shall be funded through families selecting the program as their provider under the department's child day care programs, and through community-based matching funds.

JUVENILE JUSTICE SERVICES

Sec. 701. The department shall expend a portion of the federal juvenile accountability incentive block grant to support the boot camp program. The remainder of the state allocation of the juvenile accountability incentive block grant shall be used to provide funding to enable juvenile courts, juvenile probation offices, and community-based programs to be more effective and efficient in holding juvenile offenders accountable and reducing recidivism, treating substance abuse problems, and developing community-based alternatives for female offenders and the following:

- (a) To better address gang, drug, and youth violence.
- (b) For training, equipment, and technology.
- (c) For the establishment of programs that protect students and school personnel from drug, gang, and youth violence.

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

Sec. 703. A juvenile adjudicated and placed in a state-operated maximum security program funded under part 1 for juvenile justice services shall not be allowed to leave the property of the maximum security facility at which the program is located except when required to leave the property for medical treatment, court appearances, or other good

cause approved by the facility director. For purposes of this section, "juvenile" means that term as defined in section 115n of the social welfare act, 1939 PA 280, MCL 400.115n.

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

Sec. 705. (1) The department shall report on the W.J. Maxey facility to the house and senate appropriations subcommittees on the family independence agency budget as part of their annual budget presentation. The report shall include the following:

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

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

(c) Staff and resident safety.

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

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

(f) Quality control process for resident service and release plans.

(2) The department shall ensure that all juveniles coming into care receive an assessment that includes a review of dysfunctional behavior in adolescents. In addition, the department shall ensure that all treatment addresses:

(a) Dysfunctional family practices, such as substance abuse and domestic violence.

(b) Sexual harassment and gender bias.

(c) Cultural and ethnic sensitivity.

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

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

Sec. 708. It is the intent of the legislature that the department work with the department of education and all other state and local agencies necessary to ensure funding through the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, to educate pupils assigned by a court or the family independence agency to reside in a state-operated juvenile detention or treatment facility. Daily per diem rates for state-operated juvenile detention and treatment facilities shall reflect savings due to the use of school aid funds for education services.

Sec. 709. As a condition of receiving funds appropriated in part 1 for the child care fund, by February 15, 2003, counties shall have an approved service spending plan for the fiscal year ending September 30, 2003. Counties must submit the service spending plan to the department by December 15, 2002 for approval.

Sec. 710. From the funds appropriated in part 1 for juvenile justice services, the department shall continue contracts for county juvenile justice day treatment programs.

Sec. 712. Not more than 30 days after receiving a published report from the office of auditor general that states that the department has not complied with state or federal law, rule, or regulation, the department shall provide a report to the house and senate committees having jurisdiction over the family independence agency. The report shall state the reason for the noncompliance, a corrective action plan to bring the department into compliance, and the time frame for implementing and executing the plan.

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

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

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

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

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

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

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

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

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

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

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

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

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

(f) Multisystem therapy.

(g) Youth service projects.

(h) Community services projects.

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

DISABILITY DETERMINATION SERVICES

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

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

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

Mark Jansen
Laura Toy
Conferees for the House

Michael Goschka
Joel Gougeon
Conferees for the Senate

The Speaker announced that under Joint Rule 9 the conference report would lie over one day.

Rep. Patterson moved pursuant to Joint Rule 9, that the Journal printing requirement be suspended, printed copies of the conference report having been placed on the members' desks.

The motion prevailed.

The question being on the adoption of the conference report,

The conference report was then adopted, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 927

Yeas—57

Allen
Birkholz
Bisbee
Bishop
Bradstreet

Gilbert
Godchaux
Gosselin
Hager
Hart

Kowall
Kuipers
LaSata
Mead
Meyer

Rocca
Scranton
Shackleton
Shulman
Stamas

Brown, C.	Howell	Middaugh	Stewart
Cassis	Hummel	Mortimer	Tabor
Caul	Jansen	Newell	Toy
DeRossett	Jelinek	Pappageorge	Van Woerkom
DeVuyst	Johnson, Rick	Patterson	Vander Roest
DeWeese	Johnson, Ruth	Pumford	Vander Veen
Drolet	Julian	Raczkowski	Vear
Ehardt	Koetje	Richardville	Voorhees
Faunce	Kooiman	Richner	Woronchak
George			

Nays—46

Adamini	Dennis	Lockwood	Rivet
Anderson	Frank	Mans	Schauer
Basham	Garza	McConico	Spade
Bernero	Gielegem	Minore	Stallworth
Bogardus	Hale	Murphy	Switalski
Bovin	Hansen	Neumann	Thomas
Brown, B.	Hardman	O'Neil	Waters
Brown, R.	Jacobs	Pestka	Whitmer
Callahan	Jamnack	Phillips	Williams
Clark, I.	Kolb	Plakas	Wojno
Clarke, H.	Lemmons	Reeves	Zelenko
Daniels	Lipsey		

In The Chair: Julian

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

Rep. Phillips, having reserved the right to explain his nay vote, made the following statement:

“Mr. Speaker and members of the House:

I voted no on the conference report to House Bill 5645 because I do not believe that the burden of the budget should be carried on the backs of children and the poor. This bill reduces the school clothing allowance down to \$25 per school-aged child and cuts the indigent burial increase this chamber had supported.

I also voted no because this state is facing a \$480 million deficit for the current 2002 fiscal year and over \$350 million for next fiscal year, 2003. As it stands right now, a number of revenues, which contribute substantially to the state's General Fund, are down a full ten-percent from where they were a year ago.

Unfortunately, the Governor and Republican Legislature still cannot recommend actions to deal with the state's structural deficit. Until we receive a clearer indication on where our revenues are heading and how the Republican Legislative leadership intends to deal with the state's structural deficit, I cannot in good conscience vote to make cuts in essential programs.”

Reps. Clarke, Basham, Jacobs, Murphy, Daniels, Anderson, Plakas, Kolb, Reeves, Schauer, Callahan, Hardman, Minore, Jamnack, Bogardus, Adamini, Lockwood, Waters and Wojno having reserved the right to explain their nay vote, made the following statement:

“Mr. Speaker and members of the House:

I voted no on House Bill 5645 (CR-1) because I do not believe that the burden of the budget should be carried on the backs of children and the poor. This bill reduces the school clothing allowance down to \$25 per school-aged child and cuts the indigent burial increase that this chamber had supported.

I also voted no because this state is facing a \$480 million deficit for the current 2002 fiscal year and over \$350 million for the next fiscal year, 2003. As it stands right now, a number of revenues which contribute substantially to the state's General Fund are down a full ten percent from where they were a year ago.

Unfortunately, the Governor and Republican Legislature still cannot recommend actions to deal with the state's structural deficit. Until we receive a clearer indication of where our revenues are heading and how the Republican Legislative leadership intends to deal with the state's structural deficit, I cannot in good conscience vote to make cuts in essential programs."

Rep. Zelenko, having reserved the right to explain her nay vote, made the following statement:

"Mr. Speaker and members of the House:

I voted no because this state is facing a \$480 million deficit for the current 2002 fiscal year and over \$350 million for the next fiscal year, 2003. As it stands right now, a number of revenues which contribute substantially to the state's General Fund are down a full ten percent from where they were a year ago.

I believe that there are other measures that the Legislature could take in reducing spending by eliminating/reducing and or consolidating governmental departments rather than make cuts on programs and services that assist the poor and low income citizens. I question the use of the Read Act funding and our ability to utilize those dollars for purposes that I believe they were not intended."

Rep. Patterson moved that House Committees be given leave to meet during the balance of today's session. The motion prevailed.

By unanimous consent the House returned to the order of

Motions and Resolutions

Reps. LaSata, DeVuyst, Jelinek, Waters, Lipsey, Jamnick, Julian, Jacobs, Kolb, Hale, Middaugh, DeRossett, Gielegem, Wojno, McConico, Bovin, Thomas, Murphy, Meyer, Van Woerkom, Gosselin, Hansen, Stewart, Toy, Clarke, Faunce, Zelenko, Schauer, Dennis, Vander Roest, Hardman, Neumann, Scranton, Basham, DeWeese, Voorhees, Ehardt, Rich Brown, Bernero, Lemmons, Spade, Mead, Adamini, Anderson, Howell, Phillips, Daniels, Shackleton, Vander Veen, Whitmer, Switalski, Richner and Bogardus offered the following resolution

House Resolution No. 487.

A resolution endorsing the "Canine Good Citizen" program and supporting its efforts to promote responsible dog ownership in the state of Michigan.

Whereas, Dogs play an important role in the lives of many Michigan citizens by serving as companions, therapy dogs, and assistance animals. The 4-H dog programs educate children at a time in their lives when they are open to ideas about humane care and training; and

Whereas, It is recognized that dog-related problems are most often caused by irresponsible owners. Responsible dog ownership is encouraged in Michigan and responsible dog owners should properly control and provide adequate training for their dogs. The American Kennel Club "CANINE GOOD CITIZEN" program identifies and officially recognizes those dogs who behave as members in good standing with the community; and

Whereas, With dog bites and animal issues becoming a growing concern, there is a real need for dogs to remain well-behaved community members; now, therefore, be it

Resolved by the House of Representatives, That the members of this legislature body endorse the "Canine Good Citizen" program and support its efforts to promote responsible dog ownership in the state of Michigan; and be it further

Resolved, That a copy of this resolution be transmitted to Linda Shannon-Chaillet of the "Canine Good Citizen" program as a token of our esteem.

Pending the reference of the resolution to a committee,

Rep. Patterson moved that Rule 77 be suspended and the resolution be considered at this time.

The motion prevailed, 3/5 of the members present voting therefor.

The question being on the adoption of the resolution,

The resolution was adopted.

Reps. Minore, Kolb, Garza, Basham, Stallworth, Clark, Dennis, Zelenko, Spade, Mans, O'Neil, Wojno, Williams, Lipsey, Sheltroun, Pestka, Rivet, Switalski, Anderson, McConico, Hardman, Jamnick, Quarles, Phillips, Rich Brown, Gielegem, Bogardus, Hale, Callahan, Murphy, Schauer, Neumann, Jacobs, Lemmons, Waters, DeRossett, Bovin, Thomas, Hansen, Clarke, Scranton, Frank, Bernero, Daniels, Shackleton and Whitmer offered the following resolution:

House Resolution No. 488.

A resolution calling for the state to cease leasing extra office space as soon as possible for the justices and judges moving into the Hall of Justice.

Whereas, The state of Michigan is facing a large financial deficit for the fiscal year 2002-2003, and is expecting to face an even larger deficit in fiscal year 2003-2004; and

Whereas, The state of Michigan has financed and constructed the new Hall of Justice to provide facilities and office spaces for the justices of the Michigan Supreme Court, the judges of the Fourth District Court of Appeals, and other key units of our judicial branch of government. The opening of the Hall of Justice will make it unnecessary for the state to continue to pay for other offices these justices and judges currently have in other locales; and

Whereas, The state's fiscal crisis can be partially solved by cutting extraneous expenditures such as the state of Michigan paying double for offices of some justices and appellate court judges; and

Whereas, It has been reported that office space currently leased by the state for justices and judges who will be moving to the Hall of Justice will continue to be leased until they leave the bench, not only until their current terms end; now, therefore, be it

Resolved by the House of Representatives, That we call for the state to cease leasing extra office space as soon as possible for the justices and judges moving into the Hall of Justice. We urge that the extra office space not be provided beyond the conclusion of the current terms these justices and judges are serving; and be it further

Resolved, That a copy of this resolution be transmitted to the Department of Management and Budget.

The resolution was referred to the Committee on Appropriations.

Reps. Dennis, Waters, Lipsey, Jacobs, Kolb, Clark, Hale, DeRossett, Gielegem, Wojno, McConico, Bovin, Thomas, Murphy, Van Woerkom, Hansen, Clarke, Faunce, Zelenko, Schauer, Hardman, Neumann, Scranton, Basham, DeWeese, Voorhees, Ehardt, Rich Brown, Bernero, Lemmons, Minore, Spade, Adamini, Anderson, Howell, Phillips, Daniels, Vander Veen, Whitmer, Switalski, Richner and Bogardus offered the following resolution:

House Resolution No. 489.

A resolution commemorating the dedication of the Monet Garden of Muskegon and recognizing the commitment of the hundreds of individuals and groups necessary to bring this to fruition.

Whereas, It is with deep appreciation for all of the hard work, commitment, and planning this occasion represents that we commemorate the dedication of the Monet Garden of Muskegon in downtown Muskegon on June 18, 2002. As members of the community and the people behind this project gather to celebrate this event, we are proud to add our voice to commend everyone who has worked to make this day possible; and

Whereas, The Muskegon County Chapter of the Michigan Gardener Association coordinated the collaboration of this park in the Historic District on the corner of Fifth and Clay Streets, evolving from a vision of Advanced Master Gardener Florence Bright into a partnership with the city of Muskegon, Community Foundation for Muskegon County, and the members of the Master Gardener Association; and

Whereas, The famous Monet Garden in Giverny, France, provided the inspiration to transform a vacant city lot into a picturesque pocket park, which is free to the public and built to beautify the downtown area. It gives students a place to paint and learn, provides training for Master Gardeners, and builds awareness and recognition for the extensive voluntarism by the Master Gardener Association. We join in saluting the culmination of thousands of hours of work that went into creating this park; and

Whereas, Without any prior advertisement, the Monet Garden is already impacting the Muskegon economy by drawing groups to schedule visits and by attracting couples to conduct their wedding ceremonies in the enchanting scenery of the Garden; now, therefore, be it

Resolved by the House of Representatives, That the members of this legislative body commemorate the dedication of the Monet Garden of Muskegon and recognizing the commitment of the hundreds of individuals and groups necessary to bring this to fruition. May the future bring great success and satisfaction; and be it further

Resolved, That a copy of this resolution be transmitted to the Muskegon County Chapter of the Michigan Gardener Association, city of Muskegon, Community Foundation for Muskegon County, Master Gardener Association, and the Historic District Commission as a token of our esteem.

Pending the reference of the resolution to a committee,

Rep. Patterson moved that Rule 77 be suspended and the resolution be considered at this time.

The motion prevailed, 3/5 of the members present voting therefor.

The question being on the adoption of the resolution,

The resolution was adopted.

Reps. Hardman, Waters, Lipsey, Jamnick, Julian, Jacobs, Kolb, Clark, Hale, Jansen, DeRossett, Gielegem, Wojno, McConico, Bovin, Thomas, Murphy, Van Woerkom, Gosselin, Hansen, Toy, Clarke, Faunce, Zelenko, Schauer, Dennis, Vander Roest, Neumann, Scranton, Basham, DeWeese, Voorhees, Ehardt, Frank, Rich Brown, Lemmons, Minore, Spade, Reeves, Adamini, Anderson, Howell, Phillips, Daniels, Vander Veen, Whitmer, Switalski, Richner, Bogardus and Callahan offered the following resolution:

House Resolution No. 490.

A resolution honoring the Coca-Cola Bottling Company of Michigan on its 100th anniversary of doing business in Detroit.

Whereas, It is a great privilege to congratulate the Coca-Cola Bottling Company of Michigan upon the occasion of their 100th year of doing business with the great city of Detroit. We are pleased to join with the city of Detroit's customers to honor and thank Coca-Cola for the many years of service they have given to the community; and

Whereas, In 1886, the Coca-Cola Company in Atlanta created the refreshing drink. In 1902, Williams J. Young Sr., a local bottler brought the taste of Coca-Cola to Detroit. Detroit's first company plant was located on Second Avenue near the Masonic Temple. After several moves, the company found its present home at 5981 West Warren. Under the bottling agreement, local bottlers purchased Coca-Cola syrup from the Coca-Cola Company. Workers manually filled 24 bottles per minute. By the end of World War I, this type of bottling had changed and soon automatic machinery replaced manual production. Delivery equipment progressed from horse and wagon to streamlined motorized trucks. In 1916, Coca-Cola changed the design from a diamond-shaped paper label bottle to the famous "hobble skirt" bottle. The bottle had a package that could be recognized even by touch. The taste of Coke and the idea of refreshment became associated closely with the uniquely shaped 6 1/2 ounce "hobble skirt" Coke bottle. At 5¢ a bottle, Coca-Cola was considered the premier soft drink of the era; and

Whereas, Until 1923, Coca-Cola was sold only in 24 bottle cases or from half barrels located in stores. In 1923, the Coca-Cola Company introduced the first six bottle cardboard carton, thus creating an entirely new home market for bottled Coca-Cola. The new carton was marketed and promoted with coupons delivered from door-to-door. The introduction of an exclusive type cooler designed only for Coca-Cola gave added impetus to increase sales. In 1930, the bottler placed cooler and vending machines of coke in gas stations across the country; and

Whereas, World War II brought a change in consumer habits nationwide and a tremendous growth in the Detroit area population. In 1955, to meet the growing demand, the Coca-Cola Company, in collaboration with the bottlers, introduced the first king size bottle of Coke (10 and 12 ounces) and the family size bottle (26-ounces). Other new bottles included a 16-ounce in 1963, 32-ounce in 1973, and 64-ounce in 1974. Some of Coca-Cola's popular brands are Coca-Cola Classic, Diet Coke, Sprite, Minute Maid, Squirt, Powerade, Fruitopia, Fanta, and Nestea; and

Whereas, Local bottler ownership changed hands several times. The Stroh Brewery Company bought the Detroit Coca-Cola Bottling company in 1970 under the leadership of the Peter W. Stroh family. In 1986, Coca-Cola Enterprises, the current bottler, purchased the operation from the Stroh family. In 1999, Coca-Cola Enterprises opened a sales distribution center at 1600 East Grand Blvd. to better serve the Detroit market; and

Whereas, Coca-Cola has been involved in the community for 100 years. Coca-Cola supports numerous organizations including the NAACP, PAL, City-wide Student Council for Detroit Public Schools, Mach Alive, Detroit Urban League, James Tatum Foundation, Focus Hope, United Way, Boys and Girls Clubs, Metro Girl Scouts, Red Cross, Youth Connection, and numerous community-based programs. Coca-Cola has awarded numerous scholarships through the Coca-Cola Scholar Foundation and UNCF Coca-Cola School Program. Coca-Cola also supports the Arts with the Art and Essay Contest and the Art of Harmony Program; now, therefore, be it

Resolved by the House of Representatives, That the members of this legislative body honor the Coca-Cola Bottling Company of Michigan on its 100th anniversary of doing business in Detroit; and be it further

Resolved, That a copy of this resolution be transmitted to the Coca-Cola Bottling Company of Michigan as a token of our esteem.

Pending the reference of the resolution to a committee,

Rep. Patterson moved that Rule 77 be suspended and the resolution be considered at this time.

The motion prevailed, 3/5 of the members present voting therefor.

The question being on the adoption of the resolution,

The resolution was adopted.

Reps. Thomas, Waters, Lipsey, Jamnick, Julian, Jacobs, Kolb, Stallworth, Clark, Hale, Jansen, DeRossett, Gielegem, Wojno, McConico, Bovin, Murphy, Van Woerkom, Gosselin, Hansen, Toy, Clarke, Faunce, Zelenko, Schauer, Jelinek, Dennis, Vander Roest, Hardman, Neumann, Scranton, Basham, DeWeese, Voorhees, Ehardt, Frank, Rich Brown, Bernero, Lemmons, Minore, Spade, Reeves, Adamini, Anderson, Howell, Phillips, Daniels, Vander Veen, Whitmer, Switalski, Richner and Bogardus offered the following resolution:

House Resolution No. 491.

A resolution congratulating the members and coaches of the Mumford High School Boys Track Team upon the occasion of their Division 1 State Track Championship.

Whereas, It is a pleasure to join with their families, entire school, and all of Detroit in celebrating the achievements of the Mumford High School Boys Track Team on its wonderful success over the season. With the fine record this squad attained, which has culminated in a Division 1 State Championship Track Title, this group of disciplined student-athletes has generated great pride throughout the southwestern part of our state; and

Whereas, Much to the delight of their loyal fans, the Mumford High School Boys Track Team has also earned the respect of prep sports followers throughout Michigan with their talent, teamwork, and determination. As opponents found out all season long, this is a team that brings unity and a positive outlook to all levels of competition. In the face of challenge and pressure, this is a group of young people who maintained their focus on making their dreams come true and accepting nothing less than their very best effort; and

Whereas, Winning titles or compiling outstanding seasons is never a fluke. While anything can happen in a single meet, all teams show their true abilities and dedication over a long season or a difficult tournament. What distinguishes the best, however, is usually the effort that appears in practice, far removed from the excitement of game day. We admire the efforts, team spirit, and preparation of these talented young people; now, therefore, be it

Resolved by the House of Representatives, That the members of this legislative body congratulate the members and coaches of the Mumford High School Boys Track Team upon the occasion of their Division 1 State Track Championship; and be it further

Resolved, That a copy of this resolution be transmitted to Mumford High School Boys Track Team as a token of our admiration.

Pending the reference of the resolution to a committee,

Rep. Patterson moved that Rule 77 be suspended and the resolution be considered at this time.

The motion prevailed, 3/5 of the members present voting therefor.

The question being on the adoption of the resolution,

The resolution was adopted.

Reps. Murphy, Waters, Lipsey, Jamnick, Julian, Jacobs, Kolb, Stallworth, Clark, Hale, DeRossett, Gielegem, Wojno, McConico, Bovin, Thomas, Hansen, Toy, Clarke, Faunce, Zelenko, Schauer, Dennis, Vander Roest, Hardman, Neumann, Scranton, Basham, DeWeese, Voorhees, Ehardt, Frank, Rich Brown, Bernero, Lemmons, Minore, Spade, Adamini, Anderson, Howell, Phillips, Daniels, Whitmer, Switalski, Richner and Bogardus offered the following resolution:

House Resolution No. 492.

A resolution observing July 16-24, 2002, as National Apollo Anniversary observance week in Michigan.

Whereas, The Apollo missions began in 1960 with a mission to fly a manned orbit around the moon. Following President John F. Kennedy's speech on May 25, 1961, the goal shifted to landing a man on the moon; and

Whereas, Many consider the Apollo program the greatest technological achievement in history. It overcame technical challenges and the tragic fire of Apollo One in which three astronauts perished, including Lieutenant Commander Roger Bruce Chaffee of Grand Rapids and Mission Pilot Edward Higgins White II, a graduate of the University of Michigan; and

Whereas, The Apollo program completed six surface landings that put a total of 12 men on the moon in a module which was designed to be its own launchpad and returned those men to the command module orbiting the moon; and

Whereas, The world was riveted by the historic Apollo 11 Mission when, on July 25, 1969, man first stepped onto a heavenly body other than our Earth, leaving the words of Mission Commander Neil Armstrong forever etched in our memory when he said, "One small step for man, one giant leap for mankind"; and

Whereas, The Apollo missions still inspire us today with the belief that great technological achievements are possible and encourage us in the belief that this nation can overcome great challenges; now, therefore, be it

Resolved by the House of Representatives, That members of this legislative body observe July 16-24, 2002, as National Apollo Anniversary observance in Michigan so that the citizens of this state remember the heroic and historic efforts of our astronauts and our space program. May their achievements inspire us all.

Pending the reference of the resolution to a committee,

Rep. Patterson moved that Rule 77 be suspended and the resolution be considered at this time.

The motion prevailed, 3/5 of the members present voting therefor.

The question being on the adoption of the resolution,

The resolution was adopted.

Reps. Adamini, Rich Brown, Bovin, Waters, Lipsey, Jamnick, Julian, Jacobs, Kolb, Clark, Hale, DeRossett, Gielegem, Wojno, McConico, Thomas, Murphy, Hansen, Toy, Clarke, Faunce, Zelenko, Schauer, Dennis, Hardman, Neumann, Basham, DeWeese, Ehardt, Frank, Lemmons, Minore, Spade, Anderson, Phillips, Daniels, Shackleton, Whitmer, Switalski, Richner, Bogardus and Callahan offered the following resolution:

House Resolution No. 493.

A resolution honoring William Retaskie, Business Manager of the Upper Peninsula Plumber and Pipefitters Local 506 upon the occasion of his retirement.

Whereas, It is with great respect and admiration for his outstanding contributions to the Plumber and Pipefitters Union and the entire Upper Peninsula that we are pleased to honor William Retaskie on the occasion of his retirement. Almost forty years after his initiation into the Plumbers and Pipefitters Union, he brings to a close a career of exemplary service, commitment, and excellence. We commend and thank him; and

Whereas, Bill Retaskie received his initiation into the United Association (UA) of Plumbers and Pipefitters on September 23, 1963, and completed five years of UA apprenticeship training. He served seven years as President of Local 414 of Marquette, one year as the Business Agent, and five and a half years as the Business Manager. He also served three years as business agent to Local 506 of Escanaba before he became business manager. Bill completed his training to be an apprenticeship instructor from Purdue University. He was an apprentice instructor for seven years, served 14 years on the Joint Apprenticeship Training Committee, and 16 years as a representative on the Upper Peninsula Plumbers and Pipefitters, Local 414/506 Fringe Benefit Fund. Bill also dedicated 11 years to serve on the Upper Peninsula Construction Labor Management Council and as trustee for the Upper Peninsula Building Trades Council. We all truly benefit from the dedication, leadership, and tenacity of men like Bill Retaskie; and

Whereas, Bill Retaskie is a man of firm beliefs and has an unselfish commitment to assisting others. His values and beliefs are reflected in his dedication to his work and his relationships with his family, friends, and people in the community. Bill Retaskie has proven he is an excellent teacher, concerned citizen, and a great friend to his community. He deserves our highest praise; and

Whereas, Bill Retaskie is expected to retire on July 1, 2002. Bill and his wife Lola, plan to live in Marquette but have not yet finalized retirement plans. We extend our very best wishes to them for a happy and healthy retirement, as well as wishing Bill the best of luck in finding the perfect brook trout fishing spot; now, therefore, be it

Resolved by the House of Representatives, That the members of this legislative body honor William Retaskie, Business Manager of the Upper Peninsula Plumber and Pipefitters Local 506 upon the occasion of his retirement. May his family and friends know of our gratitude for his contributions to the Great Lakes State; and be it further

Resolved, That a copy of this resolution be forwarded to William Retaskie as a token of our esteem.

Pending the reference of the resolution to a committee,

Rep. Patterson moved that Rule 77 be suspended and the resolution be considered at this time.

The motion prevailed, 3/5 of the members present voting therefor.

The question being on the adoption of the resolution,

The resolution was adopted.

Reps. Jacobs, Waters, Lipsey, Jamnick, Kolb, Clark, Hale, DeRossett, Gielegem, Wojno, McConico, Bovin, Thomas, Murphy, Hansen, Toy, Clarke, Faunce, Zelenko, Schauer, Dennis, Hardman, Neumann, Basham, DeWeese, Ehardt, Rich Brown, Bernero, Lemmons, Minore, Spade, Adamini, Anderson, Howell, Phillips, Daniels, Whitmer, Switalski, Richner, Bogardus and Callahan offered the following resolution:

House Resolution No. 494.

A resolution congratulating Raymond M. Abrams on his retirement from the Oak Park City Council.

Whereas, It is a great pleasure to join with his family, friends, colleagues, and the people of Oak Park in saluting Raymond M. Abrams in recognition of his exemplary record of public service. With decades of distinguished membership on the Oak Park City Council, Community Services Advisory Board, Emergency Services Council, and Cable Television Advisory Commission, he has earned the respect of many as a professional who has contributed greatly to his community and state. We thank him for all that he has done on behalf of the people he has served so well; and

Whereas, It is with a strong sense of admiration for all of the sacrifices he has made on behalf of the people of Oak Park that we salute Mr. Abrams. His retirement from the Oak Park City Council marks the end of an era of effectiveness and efficiency in public service. We thank this conscientious individual on this occasion with confidence that Oak Park will long benefit; and

Whereas, In the many years since Mr. Abrams began his responsibilities as City Councilman, the people of Oak Park have appreciated the dedication and belief in this community's future that have marked all elements of his work. At a time in our history in which local officials face many challenges and changes, Mr. Abrams has responded with energy and a heartfelt concern for the citizens, businesses, and institutions of Oak Park; and

Whereas, Sound judgment, loyalty, and a penchant for hard work are just some of the qualities that Mr. Abrams exhibited during his years of public service. He takes with him into retirement, the gratitude of the people of the state of Michigan and those in his community. We are proud to join with his many admirers, friends, and beloved family in saluting his successful career; now, therefore, be it

Resolved by the House of Representatives, That the members of this legislative body congratulate Raymond M. Abrams on his retirement from the Oak Park City Council. May health and happiness be his in the future; and be it further

Resolved, That a copy of this resolution be transmitted to Raymond M. Abrams in appreciation of his exemplary career and the high esteem we have for him.

Pending the reference of the resolution to a committee,

Rep. Patterson moved that Rule 77 be suspended and the resolution be considered at this time.

The motion prevailed, 3/5 of the members present voting therefor.

The question being on the adoption of the resolution,

The resolution was adopted.

Reps. Shackleton, Waters, Lipsey, Jamnick, Julian, Jacobs, Hale, Jansen, Middaugh, DeRossett, Gielegem, Wojno, Bovin, Thomas, Murphy, Bradstreet, Meyer, Van Woerkom, Gosselin, Hansen, Toy, Clarke, Faunce, Zelenko, Schauer, Jelinek, Dennis, Vander Roest, Neumann, Basham, DeWeese, Voorhees, Ehardt, Rich Brown, Lemmons, Minore, Spade, Mead, Allen, Adamini, Anderson, Howell, Phillips, Daniels, Vander Veen, Whitmer, Switalski, Richner and Bogardus offered the following resolution:

House Resolution No. 495.

A resolution recognizing John and Mary Jo Parker and the employees of Parker Motor Freight, Inc. (PMF) on the 75th anniversary of the company's establishment.

Whereas, It is a great privilege to join with the people of northern Michigan to recognize John and Mary Jo Parker and the employees of PMF for providing 75 years of exemplary transportation service to companies in Michigan, Illinois, Indiana, Ohio, and Wisconsin; and

Whereas, Parker Motor Freight, Inc. was formed by 20 year-old Harry Parker in 1927. It began as Harry's Trucking in Boyne City, Michigan, with one secondhand 1 1/2 ton truck. Parker Motor Freight's records include a certificate issued by the Michigan Public Utilities Commission dated August 9, 1927, authorizing the service between East Jordan and Petoskey, via Boyne City; and

Whereas, Harry's Trucking company continued to grow as it serviced a larger and larger area in Michigan. On one of his trips to Grand Rapids, Harry Parker met Lucille Stang, a woman he would later marry in 1932 and who would work alongside Harry in making Harry's Trucking an even better transport provider. The firm continued to grow and in 1936 the Parkers moved the business from Boyne City to Petoskey to be closer to the center of their operation. A terminal had earlier been established in Cadillac, and others were added in Traverse City in 1938 and Grand Rapids in 1939; and

Whereas, In 1947, the business received a severe blow when its founder was killed in an automobile accident. With Harry's death, Lucille Parker assumed leadership of the company for the next 20 years. The business grew and prospered under the leadership of Mrs. Parker. She was one of the few women presidents of a trucking firm in the country. Mrs. Parker was assisted by the keen management skills of her top executives, Mr. George Betteridge and Mr. Gil Haas, Sr., whose sons would later follow in their father's path to become top management of the firm; and

Whereas, Mr. John Parker, the second generation of the Parker family, began working in his parents' business while still in high school. He worked in almost all phases of the operation including, dock worker, billing clerk, and greasing trucks in the garage. Following graduation from the University of Notre Dame in 1960, John entered into the business full-time, becoming President of PMF following the death of his mother in 1967; and

Whereas, The third generation of Parkers are now active in Parker Motor Freight and the Parker family has no intention of leaving the trucking business. John and his wife Mary Jo have eleven children, eight boys and three girls, to help carry on the rich trucking tradition of their family. Currently, five sons and one daughter are active in the business. These include Patrick, President; Jim, Vice President of Logistics; Steve, Director of Operations; Matt, Maintenance Director in Grand Rapids, Michigan; Anne, Human Resources Manager; and Joe, Management Representative for Quality; and

Whereas, PMF has grown from its modest Boyne City beginning into a highly effective regional transport provider. Its transportation fleet now operates in Michigan, Illinois, Indiana, Ohio and Wisconsin. Terminal facilities are located in Petoskey, Traverse City, Grand Rapids, Saginaw, Jackson, Warren, Chicago, Cleveland, Columbus, Cincinnati, Dayton, Warsaw, and Indianapolis. PMF currently employs 305 people and operates a modern fleet of 199 pickup/delivery and highway tractors, 11 straight trucks, 78 service trucks, yard trucks, sales vehicles, and 452 semi-trailers; and

Whereas, PMF exemplifies a thriving family-owned business. Its success has been fueled by its commitment to excellence, its pledge to provide customers with the best service possible, and most importantly, a sense of family pride; now, therefore, be it

Resolved by the House of Representatives, That the members of this legislative body recognize John and Mary Jo Parker and the employees of Parker Motor Freight, Inc. on the 75th Anniversary of the company's establishment; and be it further

Resolved, That a copy of this resolution be transmitted to John and Mary Jo Parker and Parker Motor Freight, Inc. as an expression of our respect for the achievements of this family and business and our best wishes for their future.

Pending the reference of the resolution to a committee,
Rep. Patterson moved that Rule 77 be suspended and the resolution be considered at this time.
The motion prevailed, 3/5 of the members present voting therefor.
The question being on the adoption of the resolution,
The resolution was adopted.

Rep. DeRossett offered the following resolution:

House Resolution No. 496.

A resolution honoring V. Lehr Roe for being named the Village of Dundee's Citizen of the Year.

Whereas, It is with a strong sense of admiration for all of the sacrifices he has made on behalf of the people of Village of Dundee, that we salute V. Lehr Roe as their Citizen of the Year. His commitment to public office as the Monroe County Commissioner will forever leave a mark of effectiveness and efficiency in public service. We thank this conscientious individual on this occasion with confidence that Village of Dundee will long benefit by all of his hard work; and

Whereas, In the years since V. Lehr Roe began his responsibilities as the Monroe County Commissioner, the people of the Village of Dundee have appreciated his dedication. His belief in their community's future have marked all elements of his work. At a time in our history in which local officials face many challenges and changes, V. Lehr Roe has responded with energy and a heartfelt concern for all the citizens, businesses, and institutions of the Village of Dundee; and

Whereas, V. Lehr Roe has faced many difficult tasks that have fallen to him and has gained valuable insights into the complexity of our system of self-government. With all that he has given to the people of the Village of Dundee, he can take a great deal of personal pride and satisfaction; now, therefore, be it

Resolved by the House of Representatives, That the members of this legislative body honor V. Lehr Roe for being named the Village of Dundee's Citizen of the Year; and be it further

Resolved, That a copy of this resolution be transmitted to V. Lehr Roe as a token of our esteem.

Pending the reference of the resolution to a committee,

Rep. Patterson moved that Rule 77 be suspended and the resolution be considered at this time.

The motion prevailed, 3/5 of the members present voting therefor.

The question being on the adoption of the resolution,

The resolution was adopted.

Messages from the Governor

The following messages from the Governor, approving and signing the following bills at the times designated below, were received and read:

Date: June 5, 2002
Time: 12:22 p.m.

To the Speaker of the House of Representatives:

Sir—I have this day approved and signed

Enrolled House Bill No. 5475 (Public Act No. 420, I.E.), being

An act to amend 1993 PA 354, entitled "An act to revise, consolidate, and codify the laws relating to railroads and their employees; to prescribe powers and duties of certain state and local agencies and officials; to prescribe fees; to create certain funds; to provide for the disposition of certain money; to provide remedies and penalties; and to repeal certain acts and parts of acts," by amending section 309 (MCL 462.309).

(Filed with the Secretary of State June 5, 2002, at 3:28 p.m.)

Date: June 5, 2002
Time: 12:30 p.m.

To the Speaker of the House of Representatives:

Sir—I have this day approved and signed

Enrolled House Bill No. 5521 (Public Act No. 421), being

An act to amend 1927 PA 175, entitled "An act to revise, consolidate, and codify the laws relating to criminal procedure and to define the jurisdiction, powers, and duties of courts, judges, and other officers of the court under the

provisions of this act; to provide laws relative to the rights of persons accused of criminal offenses and ordinance violations; to provide for the arrest of persons charged with or suspected of criminal offenses and ordinance violations; to provide for bail of persons arrested for or accused of criminal offenses and ordinance violations; to provide for the examination of persons accused of criminal offenses; to regulate the procedure relative to grand juries, indictments, informations, and proceedings before trial; to provide for trials of persons complained of or indicted for criminal offenses and ordinance violations and to provide for the procedure in those trials; to provide for judgments and sentences of persons convicted of criminal offenses and ordinance violations; to establish a sentencing commission and to prescribe its powers and duties; to provide for procedure relating to new trials and appeals in criminal and ordinance violation cases; to provide a uniform system of probation throughout this state and the appointment of probation officers; to prescribe the powers, duties, and compensation of probation officers; to provide penalties for the violation of the duties of probation officers; to provide for procedure governing proceedings to prevent crime and proceedings for the discovery of crime; to provide for fees of officers, witnesses, and others in criminal and ordinance violation cases; to set forth miscellaneous provisions as to criminal procedure in certain cases; to provide penalties for the violation of certain provisions of this act; and to repeal all acts and parts of acts inconsistent with or contravening any of the provisions of this act,” by amending section 12m of chapter XVII (MCL 777.12m), as added by 2002 PA 34.

(Filed with the Secretary of State June 5, 2002, at 3:30 p.m.)

Date: June 5, 2002

Time: 12:45 p.m.

To the Speaker of the House of Representatives:

Sir—I have this day approved and signed

Enrolled House Bill No. 4217 (Public Act No. 424, I.E.), being

An act to provide for standards for contracts involving certain residential and care services; and to provide for remedies.

(Filed with the Secretary of State June 5, 2002, at 3:36 p.m.)

Date: June 5, 2002

Time: 12:47 p.m.

To the Speaker of the House of Representatives:

Sir—I have this day approved and signed

Enrolled House Bill No. 5750 (Public Act No. 425, I.E.), being

An act to amend 1984 PA 44, entitled “An act to provide purity and quality standards for motor fuels; to regulate the transfer, sale, dispensing, or offering motor fuels for sale; to provide for an inspection and testing program; to provide for the powers and duties of certain state agencies; to provide for the licensing of certain persons engaged in the transfer, sale, dispensing, or offering of motor fuels for sale; to regulate stage I and stage II vapor-recovery systems at certain facilities; to provide for fees; and to provide remedies and prescribe penalties,” by amending section 4a (MCL 290.644a), as amended by 2002 PA 13.

(Filed with the Secretary of State June 5, 2002, at 3:38 p.m.)

Date: June 5, 2002

Time: 12:52 p.m.

To the Speaker of the House of Representatives:

Sir—I have this day approved and signed

Enrolled House Bill No. 5107 (Public Act No. 427, I.E.), being

An act to amend 1969 PA 317, entitled “An act to revise and consolidate the laws relating to worker’s disability compensation; to increase the administrative efficiency of the adjudicative processes of the worker’s compensation system; to improve the qualifications of the persons having adjudicative functions within the worker’s compensation system; to prescribe certain powers and duties; to create the board of worker’s compensation magistrates and the worker’s compensation appellate commission; to create certain other boards; to provide certain procedures for the resolution of claims, including mediation and arbitration; to prescribe certain benefits for persons suffering a personal injury under the act; to prescribe certain limitations on obtaining benefits under the act; to create, and provide for the transfer of, certain funds; to prescribe certain fees; to prescribe certain remedies and penalties; to repeal certain parts of this act on specific dates; and to repeal certain acts and parts of acts,” by amending section 161 (MCL 418.161), as amended by 1996 PA 460.

(Filed with the Secretary of State June 5, 2002, at 3:42 p.m.)

Date: June 6, 2002

Time: 9:45 a.m.

To the Speaker of the House of Representatives:

Sir—I have this day approved and signed

Enrolled House Bill No. 5466 (Public Act No. 431, I.E.), being

An act to amend 1954 PA 116, entitled “An act to reorganize, consolidate, and add to the election laws; to provide for election officials and prescribe their powers and duties; to prescribe the powers and duties of certain state departments, state agencies, and state and local officials and employees; to provide for the nomination and election of candidates for public office; to provide for the resignation, removal, and recall of certain public officers; to provide for the filling of vacancies in public office; to provide for and regulate primaries and elections; to provide for the purity of elections; to guard against the abuse of the elective franchise; to define violations of this act; to provide appropriations; to prescribe penalties and provide remedies; and to repeal certain acts and all other acts inconsistent with this act,” by amending sections 46, 544c, 590h, and 646a (MCL 168.46, 168.544c, 168.590h, and 168.646a), section 544c as amended by 1999 PA 219, section 590h as added by 1988 PA 116, and section 646a as amended by 1990 PA 7.

(Filed with the Secretary of State June 6, 2002, at 10:20 a.m.)

Date: June 6, 2002

Time: 9:50 a.m.

To the Speaker of the House of Representatives:

Sir—I have this day approved and signed

Enrolled House Bill No. 6114 (Public Act No. 432, I.E.), being

An act to amend 1909 PA 279, entitled “An act to provide for the incorporation of cities and for revising and amending their charters; to provide for certain powers and duties; to provide for the levy and collection of taxes by cities, borrowing of money, and issuance of bonds or other evidences of indebtedness; to validate actions taken, bonds issued, and obligations heretofore incurred; to prescribe penalties and provide remedies; and to repeal acts and parts of acts on specific dates,” (MCL 117.1 to 117.38) by adding section 3a.

(Filed with the Secretary of State June 6, 2002, at 10:22 a.m.)

Date: June 10, 2002

Time: 12:35 p.m.

To the Speaker of the House of Representatives:

Sir—I have this day approved and signed

Enrolled House Bill No. 5556 (Public Act No. 434, I.E.), being

An act to amend 1994 PA 451, entitled “An act to protect the environment and natural resources of the state; to codify, revise, consolidate, and classify laws relating to the environment and natural resources of the state; to regulate the discharge of certain substances into the environment; to regulate the use of certain lands, waters, and other natural resources of the state; to prescribe the powers and duties of certain state and local agencies and officials; to provide for certain charges, fees, and assessments; to provide certain appropriations; to prescribe penalties and provide remedies; to repeal certain parts of this act on a specific date; and to repeal certain acts and parts of acts,” by amending section 48701 (MCL 324.48701), as added by 1995 PA 57.

(Filed with the Secretary of State June 10, 2002, at 4:22 p.m.)

Date: June 10, 2002

Time: 6:00 p.m.

To the Speaker of the House of Representatives:

Sir—I have this day approved and signed

Enrolled House Bill No. 4874 (Public Act No. 437, I.E.), being

An act to amend 1976 PA 442, entitled “An act to provide for public access to certain public records of public bodies; to permit certain fees; to prescribe the powers and duties of certain public officers and public bodies; to provide remedies and penalties; and to repeal certain acts and parts of acts,” by amending section 13 (MCL 15.243), as amended by 2002 PA 130.

(Filed with the Secretary of State June 11, 2002, at 9:36 a.m.)

By unanimous consent the House returned to the order of
Reports of Standing Committees

The Committee on Civil Law and the Judiciary, by Rep. Howell, Chair, reported
Senate Bill No. 184, entitled

A bill to amend 1963 PA 17, entitled "An act to relieve certain persons from civil liability when rendering emergency care, when rendering care to persons involved in competitive sports under certain circumstances, or when participating in a mass immunization program approved by the department of public health," by amending sections 1 and 2 (MCL 691.1501 and 691.1502), section 1 as amended by 1987 PA 30.

With the recommendation that the following amendment be adopted and that the bill then pass.

1. Amend page 5, following line 11, by inserting:

"(3) THE EXEMPTION FROM LIABILITY UNDER SUBSECTION (1) DOES NOT APPLY TO A PHYSICIAN'S ASSISTANT UNLESS THE RESPONSE BY THE PHYSICIAN'S ASSISTANT IS WITHIN THE SCOPE OF THE LICENSE HELD BY THE PHYSICIAN'S ASSISTANT OR WITHIN THE EXPERTISE OR TRAINING OF THE PHYSICIAN'S ASSISTANT." and renumbering the remaining subsection.

The bill and amendment were referred to the order of Second Reading of Bills.

Favorable Roll Call

SB 184 To Report Out:

Yeas: Reps. Howell, Hummel, Faunce, Koetje, Voorhees, Adamini, Lipsey, McConico,
 Nays: None.

COMMITTEE ATTENDANCE REPORT

The following report, submitted by Rep. Howell, Chair of the Committee on Civil Law and the Judiciary, was received and read:

Meeting held on: Thursday, June 13, 2002, at 10:30 a.m.,

Present: Reps. Howell, Hummel, Faunce, Koetje, Voorhees, Adamini, Lipsey, McConico,

Absent: Reps. Palmer, Richner, Waters,

Excused: Reps. Palmer, Richner, Waters.

COMMITTEE ATTENDANCE REPORT

The following report, submitted by Rep. Tabor, Acting Chair of the Committee on Family and Children Services, was received and read:

Meeting held on: Thursday, June 13, 2002, at 12:00 p.m.,

Present: Reps. DeWeese, Hager, Tabor, Murphy, Bernero,

Absent: Reps. Hart, Vander Veen, Garza, Rison.

By unanimous consent the House returned to the order of
Reports of Select Committees

First Conference Report

The Committee of Conference on the matters of difference between the two Houses concerning
House Bill No. 5643, entitled

A bill to make appropriations for the department of career development and the Michigan strategic fund and certain other state purposes for the fiscal year ending September 30, 2003; to provide for the expenditure of the appropriations; to provide for the disposition of fees and other income received by the state agencies; and to repeal acts and parts of acts.

Recommends:

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

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

A bill to make appropriations for the department of career development and the Michigan strategic fund and certain other state purposes for the fiscal year ending September 30, 2003; to provide for the expenditure of the appropriations; and to provide for the disposition of fees and other income received by the state agencies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of career development and the Michigan strategic fund for the fiscal year ending September 30, 2003, from the funds indicated in this part, the following:

TOTAL APPROPRIATIONS

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	1,320.5	
GROSS APPROPRIATION		\$ 606,028,100
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		\$ 100,900
ADJUSTED GROSS APPROPRIATION		\$ 605,927,200
Federal revenues:		
Total federal revenues		469,422,500
Special revenue funds:		
Total local revenues		15,011,900
Total private revenues		3,249,400
Total other state restricted revenues		53,711,500
State general fund/general purpose		\$ 64,531,900

Sec. 102. DEPARTMENT OF CAREER DEVELOPMENT

(1) APPROPRIATION SUMMARY:

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	1,089.0	
GROSS APPROPRIATION		\$ 459,846,600
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION		\$ 459,846,600
Federal revenues:		
Total federal revenues		406,469,200
Special revenue funds:		
Total local revenues		15,011,900
Total private revenues		2,396,300
Total other state restricted revenues		8,661,500
State general fund/general purpose		\$ 27,307,700

(2) DEPARTMENTAL ADMINISTRATION

Full-time equated unclassified positions	6.0	
Unclassified salaries		\$ 506,800
GROSS APPROPRIATION		\$ 506,800
Appropriated from:		
State general fund/general purpose		\$ 506,800

(3) DEPARTMENT OPERATIONS

Full-time equated classified positions	60.0	
Administration—60.0 FTE positions		\$ 7,054,200
Building occupancy charges - property development services.....		923,400
Special project advances		200,000
Workers' compensation		217,800
GROSS APPROPRIATION		\$ 8,395,400

Appropriated from:

Federal revenues:		
CNS		205,800
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants		2,578,200
DOL-ETA, workforce investment act.....		355,300
DOL, federal funds		1,708,500
Federal revenues		135,500

	For Fiscal Year Ending Sept. 30, 2003
HHS, temporary assistance for needy families	337,700
Special revenue funds:	
Private-special project advances	200,000
Contingent fund, penalty and interest account	436,100
State general fund/general purpose	\$ 2,438,300
(4) WORKFORCE DEVELOPMENT	
Full-time equated classified positions	659.0
Employment training services—566.0 FTE positions	\$ 70,836,500
Michigan career and technical institute—93.0 FTE positions	10,993,600
GROSS APPROPRIATION	\$ 81,830,100
Appropriated from:	
Federal revenues:	
CNS	1,663,800
DAG, employment and training	167,600
DED-OPSE, multiple grants	815,500
DED-OSERS, centers for independent living	58,200
DED-OSERS, rehabilitation long-term training	566,900
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants	46,245,900
DED-OSERS, state grants for technical related assistance	56,000
DED, Perkins act	173,600
DOL-ETA, workforce investment act	3,994,000
DOL, federal funds	5,000,000
HHS-SSA, supplemental security income	4,394,800
HHS, temporary assistance for needy families	3,128,400
Special revenue funds:	
Local vocational rehabilitation match	3,247,100
Private-gifts, bequests, and donations	1,396,300
Rehabilitation services fees	1,245,900
Second injury fund	51,500
Student fees	308,000
Training material fees	256,300
State general fund/general purpose	\$ 9,060,300
(5) CAREER EDUCATION PROGRAMS	
Full-time equated classified positions	72.0
Career and technical education—32.0 FTE positions	\$ 3,494,300
Postsecondary education—23.0 FTE positions	2,490,300
Adult education—15.0 FTE positions	2,180,000
Commission on Spanish speaking affairs—2.0 FTE positions	220,500
GROSS APPROPRIATION	\$ 8,385,100
Federal revenues:	
Federal revenues	6,108,400
Special revenue funds:	
Defaulted loan collection fees	100,000
Private occupational school license fees	378,900
State general fund/general purpose	\$ 1,797,800
(6) DEPARTMENT GRANTS	
Adult basic education	\$ 13,500,000
Council of Michigan foundations	3,000,000
Focus:HOPE	5,744,300
Gear up program grants	3,000,000
Job training programs subgrantees	98,802,700
Michigan community service commission subgrantees	6,757,300
Personal assistance services	462,000
Pre-college programs in engineering and the sciences	940,200
Supported employment grants	1,441,300
Technology assistance grants	1,378,700

	For Fiscal Year Ending Sept. 30, 2003
Carl D. Perkins grants.....	42,500,000
Vocational rehabilitation client services/facilities	51,339,200
Vocational rehabilitation independent living	3,190,700
Welfare-to-work programs	72,898,600
Michigan virtual university	1,000,000
GROSS APPROPRIATION.....	\$ 305,955,000
Appropriated from:	
Interdepartmental grant revenues:	
Federal revenues:	
CNS	5,500,000
DAG, employment and training	13,000,000
DED-OESE, gear-up	3,000,000
DED-OSERS, centers for independent living.....	525,000
DED-OSERS, client assistance for individuals with disabilities	440,000
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants	35,972,900
DED-OSERS, rehabilitation services facilities.....	2,272,500
DED-OSERS, supported employment	1,441,300
DED-OSERS, state grants for technical related assistance	1,378,700
DED-OVAE, adult education.....	13,500,000
DED-OVAE, basic grants to states	42,500,000
DOL-ETA, welfare-to-work	20,000,000
DOL-ETA, workforce investment act.....	104,602,700
HHS-SSA, supplemental security income	2,480,600
HHS, temporary assistance for needy families	32,399,000
Special revenue funds:	
Local vocational rehabilitation facilities match.....	1,278,300
Local vocational rehabilitation match	6,437,400
Private-gifts, bequests, and donations	800,000
Contingent fund, penalty and interest account	1,000,000
Tobacco settlement revenue	3,000,000
State general fund/general purpose	\$ 14,426,600
(7) EMPLOYMENT SERVICE AGENCY	
Full-time equated classified positions	298.0
Building occupancy charges - property development service	\$ 858,100
Worker's compensation	53,800
Employment service—246.0 FTE positions	43,798,800
Labor market information—52.0 FTE positions	4,492,900
GROSS APPROPRIATION.....	\$ 49,203,600
Appropriated from:	
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants	1,317,400
DOL, federal funds	41,952,300
Special revenue funds:	
Local revenues	4,049,100
Contingent fund, penalty and interest account	1,884,800
State general fund/general purpose	\$ 0
(8) INFORMATION TECHNOLOGY	
Information technology services	\$ 6,492,700
GROSS APPROPRIATION.....	\$ 6,492,700
Appropriated from:	
Federal revenue.....	6,492,700
State general fund/general purpose	\$ 0
(9) EARLY RETIREMENT AND BUDGETARY SAVINGS	
Early retirement savings.....	\$ (575,300)
Budgetary savings.....	(346,800)
GROSS APPROPRIATION.....	\$ (922,100)

For Fiscal Year
Ending Sept. 30,
2003

Appropriated from:	
State general fund/general purpose	\$ (922,100)
Sec. 103. MICHIGAN STRATEGIC FUND	
(1) APPROPRIATION SUMMARY	
Full-time equated classified positions	231.5
GROSS APPROPRIATION	\$ 146,181,500
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	100,900
ADJUSTED GROSS APPROPRIATION	\$ 146,080,600
Federal revenues:	
Total federal revenues	62,953,300
Special revenue funds:	
Total local revenues	0
Total private revenues	853,100
Total other state restricted revenues	45,050,000
State general fund/general purpose	\$ 37,224,200
(2) MICHIGAN STRATEGIC FUND	
Full-time equated classified positions	231.5
Administration—40.0 FTE positions	\$ 5,228,100
Job creation services—191.5 FTE positions	23,818,900
Michigan promotion program.....	6,742,500
Economic development job training grants	6,748,000
Community development block grants	60,000,000
Life sciences corridor initiative.....	45,000,000
GROSS APPROPRIATION	\$ 147,537,500
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDEQ, air quality fees	100,900
Federal revenues:	
DOL-ETA, employment service	783,700
HUD-CPD, community development block grant.....	62,169,600
Special revenue funds:	
Private-Michigan certified development corporation fees	353,100
Private-special project advances	500,000
Industry support fees.....	50,000
Tobacco settlement trust fund	45,000,000
State general fund/general purpose	\$ 38,580,200
(3) EARLY RETIREMENT AND BUDGETARY SAVINGS	
Early retirement savings.....	\$ (895,200)
Budgetary savings.....	(460,800)
GROSS APPROPRIATION	\$ (1,356,000)
Appropriated from:	
State general fund/general purpose	\$ (1,356,000)

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2002-2003 is \$123,036,000.00 and state spending from state resources to be paid to local units of government for fiscal year 2002-2003 is \$4,500,000.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

MICHIGAN STRATEGIC FUND

Economic development job training grants	\$ 4,500,000
Total Michigan strategic fund	\$ 4,500,000

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

Sec. 203. As used in this appropriation act:

- (a) "CDBG" means community development block grant.

- (b) "CEO" means chief executive officer of the Michigan strategic fund.
- (c) "CNS" means the corporation for national services.
- (d) "DAG" means the United States department of agriculture.
- (e) "DED" means the United States department of education.
- (f) "DED-OESE" means the DED office of elementary and secondary education.
- (g) "DED-OPSE" means the DED office of postsecondary education.
- (h) "DED-OSERS" means the DED office of special education rehabilitation services.
- (i) "DED-OVAE" means the DED office of vocational and adult education.
- (j) "Department" means the department of career development.
- (k) "Director" means the director of the department of career development.
- (l) "DOL" means the United States department of labor.
- (m) "DOL-ETA" means the DOL employment and training act.
- (n) "DOL-NOICC" means the DOL national occupational information coordinating committee.
- (o) "Fiscal agencies" means the Michigan house fiscal agency and the Michigan senate fiscal agency.
- (p) "FTE" means full-time equated.
- (q) "Fund" means the Michigan strategic fund.
- (r) "GED" means general education degree.
- (s) "HHS" means the United States department of health and human services.
- (t) "HHS-SSA" means HHS social security administration.
- (u) "HUD-CPD" means HUD community planning and development.
- (v) "IDG" means interdepartmental grant.
- (w) "MDEQ" means the Michigan department of environmental quality.
- (x) "MDOC" means the Michigan department of corrections.
- (y) "Subcommittees" means all members of the subcommittees of the house and senate appropriations committees with jurisdiction over the budgets for the department and the fund.

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

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

(2) The state budget director shall grant exceptions to this hiring freeze when the state budget director believes that the hiring freeze will result in rendering a state department or agency unable to deliver basic services, cause a loss of revenue to the state, result in the inability of the state to receive federal funds, or would necessitate additional expenditures that exceed any savings from maintaining a vacancy. The state budget director shall report quarterly to the chairpersons of the senate and house of representatives standing committees on appropriations the number of exceptions to the hiring freeze approved during the previous month and the reasons to justify the exception.

Sec. 206. (1) In addition to the funds appropriated for the department and the fund in part 1, there is appropriated an amount not to exceed \$41,000,000.00 for the department and \$7,000,000.00 for the fund for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$8,000,000.00 for the department for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(4) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$1,000,000.00 for the department and \$500,000.00 for the fund for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 207. At least 60 days before beginning any effort to privatize, the department shall submit a complete project plan to the subcommittees and the fiscal agencies. The plan shall include the criteria under which the privatization initiative will be evaluated. The evaluation shall be completed and submitted to the fiscal agencies and to the subcommittees within 30 months.

Sec. 208. Unless otherwise specified, the department and fund shall use the internet to fulfill the reporting requirements of this act. This may include transmission of reports via electronic mail to the recipients identified for each reporting requirement or it may include placement of reports on an Internet or Intranet site. Quarterly, the department and fund shall provide to the subcommittee, state budget office, and the fiscal agencies an electronic and paper copy listing of the reports submitted during the most recent 3-month period along with the internet or intranet site of each report, if any.

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

Sec. 210. The director or the CEO of each department and agency 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 or CEO shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

Sec. 211. Of the funds appropriated in part 1 that are in units other than the grants unit, the department and the fund shall not provide grants to local government agencies, institutions of higher education, or nonprofit organizations unless the department or the fund provides notice of the grant to the subcommittees at least 10 days before the grant is issued or at least 72 hours before any announcement to local governmental units or the public.

Sec. 212. The department and the fund 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.

Sec. 213. The departments and state agencies receiving appropriations under this act shall receive and retain copies of all reports funded from appropriations in part 1. These departments and state agencies shall follow federal and state guidelines for short-term and long-term retention of these reports and records.

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

Sec. 260. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 261. (1) The negative appropriation for early retirement savings in part 1 shall be satisfied by savings realized from not filling all of the positions lost due to the early retirement plan for state employees enacted in 2002 PA 93 amendments to the state employees' retirement act, 1943 PA 240, MCL 38.1 to 38.69.

(2) The negative appropriation for budgetary savings in part 1 shall be satisfied by savings from the hiring freeze imposed under section 205, efficiencies, and other savings identified by the department director and approved by the state budget director.

(3) Appropriation authorization adjustments required due to negative appropriations for early retirement savings and budgetary savings shall be made only after the approval of transfers by the legislature pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 262. (1) Subject to subsection (2), in addition to the amounts appropriated under part 1, the following amounts are appropriated for the fiscal year ending September 30, 2003:

- (a) \$1,000,000.00 is appropriated to the council of Michigan foundations from the tobacco settlement trust fund.
- (b) \$250,000.00 is appropriated to focus:HOPE from the state general fund.
- (c) \$225,000 is appropriated to adult education learning grants from the state general fund.
- (d) \$6,800,000.00 is appropriated to economic development job training grants from the state general fund.
- (e) \$700,000.00 is appropriated to the Michigan promotion program from the state general fund.

(2) The appropriations in subsection (1) shall become effective only if the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 30 cents or more per pack of cigarettes on or before September 30, 2002.

DEPARTMENT OF CAREER DEVELOPMENT

Sec. 301. The Michigan career and technical institute may receive equipment and in-kind contributions for the direct support of staff services through the Pine Lake fund, the Delton-Kellogg school district or other local or intermediate school district, or any combination of local or intermediate school districts in addition to those authorized in part 1.

Sec. 302. The Michigan rehabilitation service shall make every effort to ensure that all sources of matching funds in this state are used to obtain federal vocational rehabilitation funds. All sources include, but are not limited to, privately raised funds to support public nonprofit rehabilitation centers as permitted by the rehabilitation act of 1973, Public Law 93-112, 29 U.S.C. 701 to 718, 720 to 751, 760 to 765, 771 to 776, 780 to 785, 791 to 794e, 795 to 795n, and 796 to 796l.

Sec. 303. The local match requirements for vocational rehabilitation facilities establishment grants shall not exceed 21.3% for the fiscal year ending September 30, 2003.

Sec. 304. (1) Of the funds appropriated in part 1 for vocational rehabilitation independent living, all general fund/general purpose revenue not used to match federal funds shall be used for the support of centers for independent living which are in compliance with federal standards for such centers, for the development of new centers in areas presently unserved or underserved, for technical assistance to centers, and for projects to build capacity of centers to deliver independent living services. Applications for such funds shall be reviewed in accordance with criteria and procedures established by the statewide independent living council, the Michigan rehabilitation services unit within the department, and the Michigan commission for the blind. Funds must be used in a manner consistent with the priorities established in the state plan for independent living. The department is directed to work with the Michigan association of centers for independent living and the local workforce development boards to identify other competitive sources of funding.

(2) The statewide independent living council and the Michigan association of centers for independent living shall jointly produce a report providing the following information:

(a) Results in terms of enhanced statewide access to independent living services to individuals who do not have access to such services through other existing public agencies, including measures by which these results can be monitored over time. These measures shall include:

(i) Total number of persons assisted by the centers and a comparison to the number assisted in the previous year.

(ii) Number of persons moved out of nursing homes into independent living situations and a comparison to the number assisted in the previous year.

(iii) Number of persons for whom accommodations were provided to enable independent living or access to employment and a comparison to the number assisted in the previous year.

(iv) The total number of disabled individuals served by personal care attendants and the number of personal care attendants provided through the use of any funds appropriated in part 1 administered by a center for independent living and a comparison to the number served in the previous year.

(b) Information from each center for independent living receiving funding through appropriations in part 1 detailing their total budget for their most recently completed fiscal year as well as the amount within that budget funded through the vocational rehabilitation independent living grant program referenced in part 1, the total amount funded through other state agencies, the amount funded through federal sources, and the amount funded through local and private sources.

(c) Savings to state taxpayers in other specific areas that can be shown to be the direct result of activities funded from the vocational rehabilitation independent living grant program during the most recently completed state fiscal year.

(3) The report required in subsection (2) shall be submitted to the appropriate appropriations subcommittees, the fiscal agencies, and the state budget director on or before January 30, 2003.

Sec. 305. (1) The appropriation in part 1 to the department for the work first program shall be expended for grants which provide employment and training services to family independence program applicants and recipients and may be expended for grants which provide employment and training services to former family independence program recipients, as well as to recipients of noncash public assistance, specifically child day care, Medicaid, or food stamp benefits. The work first program, however, shall not be construed to be an entitlement to services.

(2) An applicant may be a school district, intermediate school district, community college, public or private nonprofit college or university, nonprofit organization that provides school-to-work transition programs or that provides employment and training services or vocational rehabilitation programs or state licensed accredited vocational or technical education programs, proprietary school licensed by the state board of education, local workforce development board, or a consortium consisting of any combination of school districts, intermediate school districts, community colleges, nonprofit organizations described in this subsection, licensed proprietary schools, or public or private nonprofit colleges or universities described in this subsection.

(3) When the work first job search requirements have been completed, if the participant has not found employment, the work first site shall identify the barriers which may have prevented the participant from obtaining employment and assist the client in removing those barriers. The work first site shall also identify appropriate education and job training programs which would be available to the participant. The department shall encourage the Michigan works agencies to consider transportation challenges for work first participants placed in employment. When an individual is re-referred to work first because of an inability to retain employment, the department shall confer with the Michigan rehabilitation services, the family independence agency, or other professionals if deemed appropriate by the Michigan works agency to screen for and identify issues that are preventing the participant from succeeding in the labor market. Each Michigan works agency shall determine locally the number of times an individual may be re-referred back to the program before consulting with other service agencies. If no prohibitive barriers to work are found, the individual shall comply with the work first program, or be subject to appropriate penalties.

(4) Work first program participants shall include applicants and recipients of the family independence program established under section 57a of the social welfare act, 1939 PA 280, MCL 400.57a, and such individuals referred to a job club program by a county family independence agency board or a county friend of the court as long as the participation in the job club is part of an application made under this section.

(5) Participants in the work first program shall not be enrolled and counted in membership in a school district or intermediate school district.

(6) The department will work with the family independence agency to coordinate support services to work first participants relating to special/emergency needs.

(7) Work first program participants must receive or be provided an explanation of the program including their benefits and responsibilities before the job interview phase of the program. This explanation shall include clear guidelines with regard to an individual's eligibility for postemployment training support and for applying hours in training toward federal work requirements.

(8) The department shall make every effort to place a minimum of 50% of clients who participate in the work first program in positions that provide wages of \$6.00 per hour or more.

(9) The department shall submit to the fiscal agencies and the state budget director by March 15, 2003, a report on the work first program, including the number of participants served under this section, the number of persons who located employment through work first, the average wage of participants who found employment, the number of persons who retained jobs for 90 days, the number of participants placed in employment training and education programs, the number of clients referred to work first who failed to report, a compilation of barriers to employment by incidence and type experienced by participants, and the number of participants referred back to the family independence agency.

(10) The department shall provide to the state budget director and the fiscal agencies by May 15 and November 15 of each year a report on the work first grants. The report due by May 15 shall provide the information described in this subsection for each grant or contract awarded during the preceding 2 quarters of the state fiscal year. The report due by November 15 shall provide this information for each grant or contract awarded during the preceding full fiscal year. The report shall contain both of the following:

(a) The amount and recipient of each grant or contract.

(b) The number of participants in each service delivery area and the number of clients placed in employment in each service delivery area.

(11) The department shall make available to work first participants guidelines on eligibility for postemployment training and how training/education hours are applied toward federal work participation requirements. These guidelines will be presented during joint orientation conducted by the family independence agency and the department contracted staff in accordance with department policy issuances and family independence agency program bulletins. These guidelines presented by the department and the family independence agency shall balance the ability of participants to obtain training and subsequent long-term high-wage employment with the need to connect participants with the workplace. Any and all training/education, with the exception of high school completion and GED preparation, must be occupationally relevant and in demand in the labor market as determined by the workforce development board. Participants must make satisfactory progress to continue in a training/education component.

(12) The work participation requirement is up to 40 hours per week. However, work first participants may meet the work participation requirement by combining a minimum of 10 hours per week of work with training/education. Training/education may last up to 12 months and the calculated hours may include actual classroom seat time up to 10 hours per week plus up to 1 hour of study time for each hour of classroom seat time. The combined work and training/education hours must equal the minimum number of hours required to meet the federal work participation requirements, 30 hours per week for a single parent, 35 hours per week for 2-parent families, 55 hours if utilizing federally funded day care, and 20 hours per week for single parents with a child under the age of 6. Work first participants may enroll in additional hours of classroom seat time beyond 10 hours. However, these hours and the related study time will not count toward the work participation requirement. The training may be no longer than a 1-year program or the final year of a 2- or 4-year undergraduate program designed to lead to immediate labor force attachment.

(13) Work first participants may meet the federal work participation requirement through enrollment in a short-term vocational program requiring 30 hours of classroom seat time per week for a period not to exceed 6 months, or by enrollment in full-time internships, practicums, or clinicals required by an academic or training institution for licensure, professional certification, or degree completion, without an additional work requirement. Two-parent families who receive federally funded day care must work an additional 25 hours per week to meet the federal work participation requirement. In cases where a short-term vocational program lasts less than 6 months, the participant shall be eligible to enroll in 1 additional short-term vocational program for a combined period not to exceed a total of 6 months.

(14) Work first participants who lack a high school diploma or GED and who enroll in high school completion or classes to obtain a GED may count up to 10 hours of classroom seat time, combined with a minimum number of hours of work per week, to meet their federal work participation requirement. There shall be no time limit on high school completion. GED preparation shall be limited to 6 months.

Sec. 306. (1) Using all relevant state data sources, the department shall conduct a 3-year longitudinal study of all former work first participants, whose family independence program cases closed due to earnings during fiscal year 1999 and in succeeding fiscal years. The data will include the following:

(a) The number and percentage employed.

- (b) The average hourly wage of those employed.
 - (c) The current hourly wage of those employed.
 - (d) The range of wages earned by those employed.
 - (e) The number of individuals that earned each wage amount.
 - (f) The number and percentage receiving health care benefits from their employer.
 - (g) The number and percentage receiving tuition reimbursement from their employer.
 - (h) The number and percentage receiving training benefits from their employer.
 - (i) The type of jobs obtained by former participants in general categories.
 - (j) The length of time former participants have retained their jobs, or if participants have had more than 1 job, the length of time employed at each job.
 - (k) The number and percentage continuing to receive any type of public assistance.
 - (l) If the former recipient has children, whether the children are enrolled in and attending school.
 - (m) The extent to which the former participant feels that they and their family are better off now than when they were on cash assistance with regard to household income, housing, food and nutritional needs, child health care, and access to health insurance coverage.
- (2) The department shall file a report containing the identified data with the subcommittees, fiscal agencies, and state budget director by March 15, 2003.
- (3) The department shall cooperate with the family independence agency in formulating and acquiring the identified data.
- (4) The department may retain a third party to conduct the studies to obtain the data identified under this section.

Sec. 307. State and federal funds allocated to local workforce development boards for disbursement shall not be expended unless the local workforce development boards maintain a partnership with governmental agencies, public school districts, and public colleges located within the local service delivery area. Each board shall appoint an education advisory group made up of high-level administrators within local educational institutions, workforce development board members, other employers, labor, academic educators, and parents of public school pupils.

Sec. 309. (1) Of the funds appropriated in part 1 for precollege programs in engineering and the sciences, \$558,000.00 shall be provided in the form of a grant to the Detroit precollege engineering program, incorporated and \$382,200.00 shall be provided in the form of a grant to the Grand Rapids area precollege engineering program.

(2) The department shall submit a report to the subcommittees and the fiscal agencies by February 1, 2003 regarding dropout rates, grade point averages, enrollment in science, engineering, and math-based curricula, and employment in science, engineering, and math-based fields for students within the programs. The report shall continue to evaluate the effectiveness of the precollege programs in engineering and sciences funded through part 1 appropriations and shall make recommendations on whether state support to expand such programs to other areas of the state is warranted in future fiscal years.

Sec. 310. Funds earned or authorized by the United States department of labor in excess of the gross appropriation in part 1 for the employment service agency from the United States department of labor are appropriated and may be expended for staffing and related expenses incurred in the operation of its programs. These funds may be spent after the department notifies the subcommittees, fiscal agencies, and the state budget office of the purpose and amount of each grant award.

Sec. 311. (1) The department shall have at least 1 disabled veterans outreach program specialist or local veterans employment representative present, if able and willing to serve, at each Michigan works! employment services office on a full- or part-time basis during hours of operation.

(2) The department shall ensure that each Michigan works! employment services office shall have the necessary equipment to allow the disabled veterans outreach specialist or local veterans employment representative to perform his or her duties in the same manner they were performed prior to February 1, 1999.

(3) The department shall require each Michigan works! employment services office to have an employee available to ask each individual who enters the office for service whether that individual is a veteran and to refer each veteran to the disabled veterans outreach program specialist or local veterans employment representative on duty at the time.

(4) The department shall require that each Michigan works! employment services office shall have posted in a conspicuous place within the office a notice advising veterans that a disabled veterans outreach program specialist or a local veterans employment representative is available to assist him or her.

(5) The department shall require each Michigan works! employment services office to provide free mediated services to employers wishing to hire a veteran.

(6) The department shall continue to make the appropriate placement of veterans and disabled veterans a priority.

Sec. 312. The department shall report to the subcommittees by September 30, 2003, on the distribution of the Michigan community service commission volunteer investment grants.

Sec. 313. The funds appropriated in part 1 for the council of Michigan foundations from tobacco settlement revenue shall be distributed to the council of Michigan foundations as a grant to support local community efforts to address youth and senior health needs. The council may distribute the funds according to a formula determined by the council

or may invest these funds. Any investment earnings from this appropriation shall be used for the same purpose as the original appropriation.

Sec. 314. The department may carry into the succeeding fiscal year unexpended federal pass-through funds to local institutions and governments that do not require additional state matching funds. Federal pass-through funds to local institutions and governments that are received in amounts in addition to those included in part 1 and that do not require additional state matching funds are appropriated for the purposes intended.

Sec. 315. Of the amounts appropriated in part 1 for postsecondary education, private occupational school license fees shall fund related administrative costs of the proprietary schools oversight unit within the department.

Sec. 316. Money in the school fee fund that is unexpended at the end of the fiscal year may be carried over to the succeeding fiscal year.

Sec. 317. The department is appropriated an amount not to exceed \$100,000.00 from collection of defaulted loans under the future faculty program in the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks programs to offset costs of administering the loan collections.

Sec. 318. From the funds appropriated in part 1 for postsecondary education, the department shall compile data from each university that receives funding for the future faculty program within the King-Chavez-Parks initiative on employment outcomes for program participants. The report shall be distributed to the house and senate appropriations committees by February 1 of each year. The report shall include data from each participating university covering the most recently completed fiscal year. The data shall include all of the following:

- (a) The number of participants receiving support under the program.
- (b) The number of participants obtaining full-time employment.
- (c) The number of participants obtaining full-time employment in college faculty positions.
- (d) The number of participants obtaining full-time employment in college faculty positions within the university through which they received future faculty program support for graduate studies.

Sec. 319. The appropriation in part 1 for adult education shall be utilized to support the administration of up to \$100,000,000.00 in general fund/general purpose revenue for adult education programs. It is the intent of the legislature that department staff funded through the appropriation in part 1 ensure that at least \$75,000,000.00 in adult education program funding be distributed through the existing grant process as outlined in section 107 of the state school aid act of 1979, 1979 PA 94, MCL 388.1707. No more than \$20,000,000.00 may be administered through any alternative process.

Sec. 320. The department shall work with the department of community health to establish a Medicaid buy-in program for the working disabled through the options available under the federal ticket to work and work incentives improvement act of 1999.

Sec. 321. The King-Chavez-Parks initiative shall be marketed by the department to Michigan parents and high school and college students, to promote the benefits and the availability of the college day, select student support services, college/university partnership, visiting professors, Morris Hood, Jr. educator development, and future faculty programs. The department shall provide a report to the subcommittees on December 30, 2002, identifying all efforts taken to market these programs, including, but not limited to, the amount of funding allocated for this purpose, the fund source and any expenditures or encumbrances relating to this marketing effort. It is the intent of the legislature that the department administer the King-Chavez-Parks initiative in the same manner as when it was previously contained in the department of education and consistent with all boilerplate language pertaining to the above listed programs as included in the appropriations act for higher education institutions.

Sec. 325. The department shall work cooperatively with the department of civil service to identify state employees who will lose their jobs as a result of an agency or program being reorganized, modified, or eliminated and shall develop training programs and provide training to these individuals that will provide them an opportunity and skills necessary to secure new employment within state government or the private sector. It shall be a priority of the department to provide training and employment opportunities to these individuals through their employment service locations.

Sec. 326. From the funds appropriated in part 1 to job training programs subgrantees, the department shall allocate sufficient funds to the Michigan works! service centers to allow these centers to remain fully operational.

Sec. 327. It is the intent of the legislature that the department shall work with the disability rights coalition to identify all sources of state funding that may be used to match federal or private funding to create a loan program for assistive technology for persons with disabilities.

Sec. 328. From the funds appropriated in part 1 for the Michigan virtual university, the department shall work with the Michigan virtual university to do the following:

- (a) Promote the use of education technology to accelerate career and workforce development by improving the learning environment, stimulating innovative teaching methods, and providing residents of this state with greater technology-based career choices.
- (b) Promote technology-based training to public and private sector organizations that emphasize partnerships between public education and the business sector.

(c) Support and encourage various collaborative efforts among educational institutions and government agencies to meet the training needs of the state's workforce.

Sec. 329. (1) Focus hope shall submit a report on the use of the grants funds appropriated in part 1 to the chairs of the house and senate subcommittees and the fiscal agencies that includes, but is not limited to, the following:

(a) Detailed expenditures for administration including salaries and wages of employees.

(b) Amount allocated for education and training programs including number of students served by each program.

(c) Amount allocated for job search assistance and career planning including the number of students served by each program.

(d) Detailed expenditures for any contracts entered into with the use of these funds.

(e) Detailed expenditures for any program enhancements including number of new hires and capital expenditures.

(2) The report shall be submitted on or before January 31, 2003.

MICHIGAN STRATEGIC FUND

Sec. 401. (1) The appropriation in part 1 to the fund for economic development job training shall be expended for competitive grants that ensure employers have the trained workers they need to compete in the global economy. The fund shall expedite grant awards for employers locating or expanding in Michigan and thereby creating significant numbers of new jobs in the state. The fund shall award all grants in the first 2 quarters of the state fiscal year but this requirement shall not be applicable to funds available for the rapid response grants as allowed in subsection (10), funds contained in the Michigan growth capital fund as allowed in subsection (22), and the university research grant match as allowed in subsection (21).

(2) Not more than 5% of the total grant, administration, and operating funds appropriated in part 1 for the fund's economic development job training grants program may be expended for administrative costs. Not more than 12% of the total grant awarded to recipients may be expended for administration costs.

(3) No funds appropriated in part 1 to the fund for economic development job training grants may be expended for the training of permanent striker replacement workers.

(4) Of the total funds appropriated in part 1 for economic development job training grants, at least 90% of the funds shall be awarded to community colleges or a consortium of community colleges and other eligible applicants pursuant to subsection (6).

(5) Training grants provided by private sector trainers may reach or exceed 20% of total grants, but not less than 10%.

(6) An applicant may be a school district, intermediate school district, community college, public or private nonprofit college or university, nonprofit organization whose primary purpose is to provide education programs or employment and training services or vocational rehabilitation programs or school-to-work transition programs, local workforce development board, the headquarters of a federal and state sponsored manufacturing technology center, or a consortium consisting of any combination of school districts, intermediate school districts, community colleges, nonprofit organizations described in this subsection, or public or private nonprofit colleges or universities described in this subsection.

(7) On or before October 1, 2002, the fund shall publish proposed application criteria, instructions, and forms for use by eligible applicants. The fund shall provide at least a 2-week period for public comment prior to finalization of the application criteria, instructions, and forms.

(8) The award process will include a simple notice of intent to be reviewed to see if the application merits further consideration. If so, a full application may be submitted. Applications for all grants shall be submitted to the fund, and each application shall contain at least all of the following:

(a) The name, address, and total number of employees of each business organization whose employees are receiving job training.

(b) A description of the specific job skills that will be taught.

(c) A clear statement of the project's scope of activities and number of participants to be involved.

(d) A commitment to maintain participant records in a form and manner required by the fund.

(e) A budget which relates to the proposed activities and various program components.

(9) Priority in the fund's awarding of grants shall be based on the following criteria:

(a) Demonstrated need for the type of training offered.

(b) Creation and/or retention of high wage and high skilled level jobs.

(c) Other criteria determined by the fund to be important.

(10) Not more than \$5,000,000.00 of the amount appropriated in part 1 for economic development job training may be allocated to rapid response grants for employee training programs which maintain or attract permanent jobs for Michigan residents. A grant under this subsection shall be awarded to eligible applicants under subsection (1).

(11) Participants in economic development job training programs shall be 16 years or older and not enrolled and counted in membership in a school district or intermediate school district.

(12) Funds allocated under this section shall be for the purpose of ensuring that employers have trained workers they need to compete in the global economy. The fund shall have on file a specific plan to accomplish its objectives.

(13) A recipient of a grant under this section shall not charge tuition or fees to participants in the program funded by the grant. However, a nonprofit organization may charge tuition or fees if the tuition plan or fees are recognized by the state and the nonprofit organization receives additional funding from other governmental or private funding sources for its programs.

(14) For incumbent worker training, the business organization shall provide 25% of the program costs in matching funds as determined by the program.

(15) Grant funds shall be expended on a cost reimbursement basis.

(16) A recipient of a grant under this section shall allow the fund or the agency's designee to audit all records related to the grant for all entities that receive money, either directly or indirectly through a contract, from the grant funds. A grant recipient or contractor shall reimburse the state for all disallowances found in the audit.

(17) The fund shall provide to the state budget director and the fiscal agencies by April 15 and November 1 of each year a report on the economic development job training grants. The report due by April 15 shall provide the information described in this subsection for each grant or contract awarded during the preceding 2 quarters of the state fiscal year. The report due by November 1 shall provide this information for each grant or contract awarded during the preceding full fiscal year. The report shall contain all of the following:

(a) The amount and recipient of each grant or contract.

(b) The number of participants under each grant or contract and the number of new hires who are in training under the grant.

(c) The names, addresses, and total number of employees of all business organizations for whom training is or will be provided.

(d) The matching funds, if any, to be provided by a business organization.

(18) Of the funds appropriated in part 1 for economic development job training grants, the fund shall not use these funds to finance the startup or in any way subsidize any private distributor of liquor products in Michigan.

(19) As a condition of receiving funds under part 1 of this act, the fund shall not expend any of the economic development job training grant funds to train any employee who is an officer of a corporation in a corporation employing more than 250 employees.

(20) Of the funds appropriated in part 1, \$1,000,000.00 may be used for a recruitment program. This will be a program that provides worker recruitment assistance to companies in Michigan. Priority for using the funds shall be to recruit workers from outside the state of Michigan. However, in the event funds are available for in-state recruitment efforts, the Michigan works! agencies shall be utilized unless they indicate they are unable to provide the service.

(21) The Michigan growth capital fund shall be used to develop the technology business sector in Michigan. The fund will be used to encourage private and public investment in the technology business sector, and all of the following apply:

(a) An applicant must match state funds on a 1:1 basis.

(b) Eligible uses of the fund include investments in organizations and programs that promote the development of new industry sectors in Michigan; inducements to attract additional venture capital funds to finance technology development; support organizations, initiatives, or events that promote entrepreneurship; provide match for university federal research grants; and support technology transfer and commercialization programs with universities and the private sector.

(c) The Michigan economic development corporation shall administer the Michigan growth capital fund.

(d) All funds received from repayment of loans, unused grants, revenues received from sales or cash flow participation agreements, guarantees, or any combination thereof or interest thereon, originally distributed as part of the Michigan growth capital fund, shall be received, held, and applied by the Michigan strategic fund for the purposes described in this subsection.

(e) Michigan economic development corporation shall provide an annual report on the status of Michigan growth capital fund to the subcommittees, the fiscal agencies, and the state budget office by January 31, 2003.

(22) Of the funds appropriated in part 1, \$1,000,000.00 may be used to provide match for federal research grants made to Michigan public universities. These funds shall be distributed through a competitive grant program. No grant shall be greater than \$500,000.00 and no university shall receive more than 1 grant in a fiscal year.

(23) It is the intent of the legislature that the fiscal year 2003 economic development job training grant program be continued in fiscal year 2004 and be funded at a level not less than that in effect in fiscal year 2002.

Sec. 402. Travel Michigan may establish and collect a fee to cover the cost of materials and processing of photographic prints, slides, videotapes, and travel product database information that are requested by the media and other segments of the public and private sectors. The fees collected shall be appropriated for all expenses necessary to purchase and distribute these photographic prints, slides, videotapes, and travel product database information. The funds are available for expenditure when they are received by the department of treasury.

Sec. 403. The fund shall submit an annual status report to the subcommittees, fiscal agencies, and the state budget director on all activities, grants, and investment programs financed from the strategic fund using investment or Indian gaming revenues. The report shall provide a list of individual grants and loans made from the fund.

Sec. 404. Travel Michigan may receive and expend private revenue related to the use of the "Michigan Great Lakes. Great Times." copyrighted slogan and image. This revenue may come from the direct licensing of the name and image or from the royalty payments from various merchandise sales. Revenue collected is appropriated for the marketing of the state as a travel destination. The funds are available for expenditure when they are received by the department of treasury.

Sec. 405. Of the funds appropriated in part 1 for the Michigan promotion program, at least 25% of all program funds shall be used to promote cultural tourism opportunities in Michigan. In addition, \$25,000.00 shall be used to promote tourism activities in the northeast region of this state.

Sec. 406. The fund shall submit on or before May 1, 2003, and November 1, 2003, to the subcommittees, state budget office, and the fiscal agencies a listing of all grants which have been awarded by the fund or by the Michigan economic development corporation from the funds appropriated in part 1. The list shall include all of the following:

- (a) The name of the recipient.
- (b) The amount awarded to the recipient.
- (c) The purpose of the grant.

Sec. 407. (1) The fund shall provide reports to the relevant subcommittees, the state budget director, and the fiscal agencies concerning the activities of the Michigan economic development corporation. The report shall include, but not be limited to, the following programs funded in part 1:

- (a) Travel Michigan.
- (b) Michigan business development.
- (c) Global business development.
- (d) Small, minority, and disabled business services.
- (e) Community development block grants.
- (f) Strategic fund administration.
- (g) Renaissance zones.
- (h) Business roundtables.
- (i) Business and clean air ombudsman.
- (j) Economic development job training grants.
- (k) Health and aging research and development initiative.
- (l) Community assistance team.
- (m) Any other programs of the fund.

(2) The reports in subsection (1) shall be submitted by January 1, 2003. The report for each program in subsection (1)(a) through (m) shall include details on the actual spending and number of FTEs for that program for the previous fiscal year.

Sec. 408. As a condition of receiving funds under part 1, any interlocal agreement entered into by the fund shall include language which states that if a local unit of government has a contract or memorandum of understanding with a private economic development agency, the Michigan economic development corporation will work cooperatively with that private organization in that local area.

Sec. 409. (1) Of the funds appropriated to the fund or through grants to the Michigan economic development corporation, no funds shall be expended for the purchase of options on land or the purchase of land unless at least 1 of the following conditions applies:

- (a) The land is located in an economically distressed area.
- (b) The land is obtained through a purchase or exercise of an option at the invitation of the local unit of government and local economic development agency.

(2) Consideration may be given to purchases where the proposed use of the land is consistent with a regional land use plan, will result in the redevelopment of an economically distressed area, can be supported by existing infrastructure, and will not cause shifts in population away from the area's population centers.

(3) As used in this section, "economically distressed area" means an area in a city, village, or township that has been designated as blighted; a city, village, or township that shows negative population change from 1970 and a poverty rate and unemployment rate greater than the statewide average; or an area certified as a neighborhood enterprise zone.

Sec. 410. (1) The funds appropriated in part 1 for the life sciences corridor initiative are appropriated to support basic and applied research in health-related areas, with emphasis on issues related to aging. The program shall be administered by the Michigan economic development corporation.

(2) A life sciences steering committee, appointed by the governor, shall consist of 14 members including the CEO of the Michigan economic development corporation, a member from Michigan State University, the University of Michigan, Wayne State University, the Van Andel Institute, and 2 members from the private sector. The remaining members shall be appointed at large and may include members from the private sector, public sector, or other Michigan universities. Committee members are authorized to designate alternate members. The purpose of the steering committee is to provide advice and oversight of the initiative, including the development of criteria for the award of contracts or grants to qualifying universities, institutions, or individuals. The steering committee will make decisions

regarding distribution of these grant funds and has the authority to make adjustments to the category funding percentage from basic research and collaborative research grants to the commercialization fund based upon the demands within categories and the quality of the applications received.

(3) Of the funds appropriated, up to \$2,500,000.00 may be used for administering the initiative and not less than \$5,000,000.00 shall be used to support a commercial development fund to support commercialization opportunities for life science research in Michigan. In allocating funding to the commercial development fund, it is the intent of the legislature that the life sciences steering committee give maximum priority to supporting all potential commercialization opportunities that appear to have merit. Of the remaining funds appropriated, 45% are allocated for a basic research fund, to be distributed on a competitive basis to Michigan universities or Michigan nonprofit research institutes, or both, for basic research in health-related areas. Not less than \$4,000,000.00 is allocated to research related to aging diseases and health problems. In addition, 55% of the remaining appropriated funds are earmarked for a collaborative research fund to support peer-reviewed collaborative grants among Michigan universities and/or private research facilities, with emphasis on testing or developing emerging discoveries.

(4) Repayment of any funds received as a result of awards made under 1999 PA 120, 2000 PA 292, 2001 PA 80, or this act including, but not limited to, funds received as interest or return on investment shall be deposited in the fund described in subsection (3) from which it was awarded to be expended for the same purposes. These funds are authorized for expenditure upon receipt and shall not lapse to the general fund.

(5) The records of the life sciences steering committee involving a proposal submitted by an eligible entity that are of a scientific, technical, or proprietary nature, the release of which could cause competitive harm to the eligible entity as determined by the health and aging steering committee, are exempt from disclosure under the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

Sec. 411. The money appropriated in part 1 to the fund is subject to the condition that none is spent for premiums or advertising material involving personal effects or apparel including, but not limited to, t-shirts, hats, coffee mugs, or other promotional items, except travel Michigan.

Sec. 412. (1) From the general fund/general purpose appropriations in part 1 to the fund and granted or transferred to the Michigan economic development corporation, any unexpended or unencumbered balance shall be disposed of in accordance with the requirements in the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, unless carryforward authorization has been otherwise provided for.

(2) Any encumbered funds shall be used for the same purposes for which funding was originally appropriated in this act.

Sec. 413. As a condition of receiving funds under part 1, the fund shall ensure that a public body corporate, created under section 28 of article VII of the state constitution of 1963, and the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, by a contractual interlocal agreement between local participating economic development corporations formed under the economic development corporations act, 1974 PA 338, MCL 125.1601 to 125.1636, and the Michigan strategic fund, complies with all of the following:

- (a) The freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.
- (b) The open meetings act, 1976 PA 267, MCL 15.261 to 15.275.
- (c) Annual audits of all financial records by the auditor general or his or her designee.
- (d) All reports required by law to be submitted to the legislature.

Sec. 414. As a condition for receiving the appropriations in part 1, any staff of the Michigan economic development corporation involved in private fund-raising activities shall not be party to any decisions regarding the awarding of grants or tax abatements from the Michigan strategic fund, Michigan economic development corporation, or the Michigan economic growth authority.

Sec. 415. (1) All funds received from repayment of loans, unused grants, revenues received from sales or cash flow participation agreements, guarantees, or any combination thereof or interest thereon, originally distributed as part of the core communities fund, shall be received, held, and applied by the Michigan strategic fund for the purposes described in this act.

(2) The fund shall provide an annual report on the status of this fund. The report shall be provided to the subcommittees, the fiscal agencies, and the state budget office by January 31, 2003.

Sec. 416. Travel Michigan shall coordinate with Michigan-based ethnic destination marketing organizations to promote ethnic festivals and events in Michigan target markets.

Sec. 418. (1) The funding appropriated in part 1 of 2000 PA 291 for the Michigan core communities fund will be used to create an urban revitalization infrastructure program in the Michigan strategic fund for economic development awards to create new jobs or contribute to redevelopment and encourage private investment in core communities.

(2) Awards will be provided to qualified local governmental units as defined in the obsolete property rehabilitation act, 2000 PA 146, or certified technology parks, as defined in the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174.

(3) Awards can be used for land and property acquisition and assembly, demolition, site development, utility modifications and improvements, street and road improvements, telecommunication infrastructure, site location and

relocation, infrastructure improvements, and any other costs related to the successful development and implementation of core community or certified technology park projects, at the discretion of the Michigan economic development corporation.

(4) Funding may be provided in the form of loans, grants, sales or cash flow participation agreements, guarantees, or any combination of these. A cash match of at least 10%, or local repayment guarantee with a dedicated funding source, is required. Priority shall be given to projects which are integrated with existing economic development programs, and to projects in proportion to the amount that local matching rates exceed 10%.

(5) The Michigan economic development corporation shall have all administrative responsibility for the Michigan core communities fund and shall establish application and application scoring criteria and approve awards. The Michigan economic development corporation may utilize up to 1/2 of 1% of the fund for administrative purposes.

(6) Funds will be awarded through an open competitive process based on criteria including the following: project impact, project marketability, lack of adequate infrastructure or land assembly financing sources, local administrative capacity, and the level of local matching funds. Awardees shall agree to expedite the local development process, such as fast-track permitting procedures, streamlined regulatory requirements, standardized construction and building codes, and the use of competitive construction permitting fees.

(7) No single applicant shall be awarded more than \$10,000,000.00 per project.

(8) Fifteen days prior to the award of the funds, notification shall be provided to the speaker of the house of representatives, the senate majority leader, the members of the house and senate appropriations committees, and the house and senate fiscal agencies.

(9) Funds shall not be awarded for any of the following purposes:

(a) Land sited for use as, or support for, a gaming facility.

(b) Land or other facilities owned or operated by a gaming facility.

(c) Publicly owned land or facilities which may directly or indirectly support a gaming facility.

(10) As used in this section, "Michigan economic development corporation" means the public body corporate created under section 28 of article VII of the state constitution of 1963 and the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, by a contractual interlocal agreement effective April 5, 1999, between local participating economic development corporations formed under the economic development corporations act, 1974 PA 338, MCL 125.1601 to 125.1636, and the Michigan strategic fund. If the Michigan economic development corporation is unable for any reason to perform its duties under this act, the Michigan strategic fund may exercise those duties.

(11) Up to \$1,000,000.00 of any unexpended and unencumbered funds in the Michigan core communities fund and any funds received from the repayment of loans, unused grants, revenues received from sales or cash flow participation agreements, guarantees, or the payment of interest on these funds shall be used to support the capital access program.

Sec. 419. Of the funds appropriated in part 1 for job creation services, \$20,000.00 shall be allocated in fiscal year 2003 to the Michigan technical assistance center in Port Huron.

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

A bill to make appropriations for the department of career development and the Michigan strategic fund and certain other state purposes for the fiscal year ending September 30, 2003; to provide for the expenditure of the appropriations; and to provide for the disposition of fees and other income received by the state agencies.

Sandra Caul
Gary Newell
Conferees for the House

Shirley Johnson
Leon Stille
Conferees for the Senate

The Speaker announced that under Joint Rule 9 the conference report would lie over one day.

First Conference Report

The Committee of Conference on the matters of difference between the two Houses concerning
House Bill No. 5644, entitled

A bill to make appropriations for the department of consumer and industry services and certain other state purposes for the fiscal year ending September 30, 2003; to provide for the expenditure of those appropriations; to provide for the imposition of certain fees; to provide for the disposition of fees and other income received by the state agencies; to provide for reports to certain persons; and to prescribe powers and duties of certain state departments and certain state and local agencies and officers.

Recommends:

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

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

A bill to make appropriations for the department of consumer and industry services and certain other state purposes for the fiscal year ending September 30, 2003; to provide for the expenditure of those appropriations; to provide for the imposition of certain fees; to provide for the disposition of fees and other income received by the state agencies; to provide for reports to certain persons; and to prescribe powers and duties of certain state departments and certain state and local agencies and officers.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. The amounts listed in this part are appropriated for the department of consumer and industry services, subject to the conditions set forth in this act, for the fiscal year ending September 30, 2003, from the funds identified in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES

APPROPRIATION SUMMARY:

Full-time equated unclassified positions	63.5	
Full-time equated classified positions	3,948.9	
GROSS APPROPRIATION		\$ 555,001,500
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		111,100
ADJUSTED GROSS APPROPRIATION		\$ 554,890,400
Federal revenues:		
Total federal revenues		242,311,500
Special revenue funds:		
Total local revenues		0
Total private revenues		770,000
Total other state restricted revenues		275,832,600
State general fund/general purpose		\$ 35,976,300

Sec. 102. EXECUTIVE DIRECTION

Full-time equated unclassified positions	63.5	
Full-time equated classified positions	90.0	
Unclassified salaries		\$ 5,615,700
Energy office—10.0 FTE positions		2,655,600
Executive director programs—11.0 FTE positions		1,766,900
Policy development—13.0 FTE positions		1,649,800
Utility consumer representation		550,000
Regulatory efficiency improvements/backlog reduction initiative		750,000
MES board of review program—21.0 FTE positions		1,773,900
Bureau of hearings—35.0 FTE positions.....		3,556,200
GROSS APPROPRIATION		\$ 18,318,100

Appropriated from:

Federal revenues:		
DOE-OEERE, multiple grants		2,179,100
DOL-ETA, unemployment insurance		2,325,300
DOL, multiple grants for safety and health		160,300
Special revenue funds:		
Private-oil overcharge		30,000
Bank fees		139,500
Boiler fee revenue		33,500
Construction code fund		442,000
Consumer finance fees		49,700
Corporation fees.....		1,902,000
Credit union fees.....		96,600
Elevator fees		37,400
Fees and collections/asbestos		11,100
Health professions regulatory fund		1,297,800
Health systems fees and collections		69,300

	For Fiscal Year Ending Sept. 30, 2003
Insurance regulatory fees	559,300
Licensing and regulation fees.....	682,800
Liquor license fees.....	100,000
Liquor purchase revolving fund	1,526,700
Manufactured housing commission fees.....	144,300
Michigan state housing development authority fees and charges	428,000
Motor carrier fees	37,000
Public utility assessments	1,212,000
Safety education and training fund.....	241,200
Second injury fund.....	80,900
Securities fees.....	1,768,400
Self-insurers security fund	20,400
Silicosis and dust disease fund.....	30,000
Tax tribunal fees	1,100
Utility consumer representation fund	550,000
Worker's compensation administrative revolving fund.....	89,400
State general fund/general purpose	\$ 2,073,000
Sec. 103. FIRE SAFETY	
Full-time equated classified positions	60.0
Office of fire safety—60.0 FTE positions	\$ 4,808,300
GROSS APPROPRIATION	\$ 4,808,300
Appropriated from:	
Interdepartmental grant revenues:	
IDG from department of community health, inspection contract.....	111,100
Federal revenues:	
Federal funds	872,300
Special revenue funds:	
Fire alarm regulation fees	91,600
Fire service fees	2,134,800
State general fund/general purpose	\$ 1,598,500
Sec. 104. MANAGEMENT SERVICES	
Full-time equated classified positions	84.0
Administrative services—84.0 FTE positions	\$ 5,907,100
Building occupancy charges - property development services.....	9,117,300
Rent	7,061,400
Workers' compensation	1,148,000
Special project advances	740,000
GROSS APPROPRIATION	\$ 23,973,800
Appropriated from:	
Federal revenues:	
DOL-ETA, unemployment insurance	387,600
DOL, multiple grants for safety and health.....	640,400
Federal funds	469,700
HHS, federal funds	57,000
Special revenue funds:	
Private-special project advances	740,000
Bank fees	450,000
Boiler fee revenue.....	198,200
Construction code fund.....	1,031,800
Consumer finance fees	166,300
Corporation fees.....	2,253,600
Credit union fees.....	332,100
Elevator fees	209,100
Fees and collections/asbestos.....	61,500
Fire service fees	62,000
Health professions regulatory fund	985,200

	For Fiscal Year Ending Sept. 30, 2003
Health systems fees and collections	356,700
Insurance regulatory fees	786,900
Licensing and regulation fees.....	663,600
Licensing fees	7,700
Liquor purchase revolving fund	4,085,900
Manufactured housing commission fees.....	264,700
Michigan state housing development authority fees and charges	3,536,500
Motor carrier fees	174,300
Public utility assessments	1,400,200
Safety education and training fund.....	475,500
Second injury fund.....	185,900
Securities fees.....	1,470,600
Self-insurers security fund	50,800
Silicosis and dust disease fund.....	75,000
Tax tribunal fees	33,800
Worker's compensation administrative revolving fund.....	710,600
State general fund/general purpose	\$ 1,650,600
Sec. 105. OFFICE OF FINANCIAL AND INSURANCE SERVICES	
Full-time equated classified positions	279.0
Administration—14.0 FTE positions.....	\$ 2,583,300
Financial evaluation—145.0 FTE positions.....	16,892,100
Policy conduct and consumer assistance—120.0 FTE positions.....	12,158,900
GROSS APPROPRIATION.....	\$ 31,634,300
Appropriated from:	
Federal revenues:	
Federal regulatory project revenue.....	50,400
Special revenue funds:	
Bank fees	6,151,000
Consumer finance fees	3,102,000
Credit union fees.....	4,303,100
Insurance continuing education fees.....	700,900
Insurance licensing and regulation fees.....	3,112,000
Insurance regulatory fees	11,523,100
Multiple employer welfare arrangement.....	65,700
Securities fees.....	2,626,100
State general fund/general purpose	\$ 0
Sec. 106. PUBLIC SERVICE COMMISSION	
Full-time equated classified positions	148.0
Administration, planning and regulation—148.0 FTE positions.....	\$ 16,691,900
Low-income/energy efficiency assistance fund	60,000,000
GROSS APPROPRIATION.....	\$ 76,691,900
Appropriated from:	
Federal revenues:	
DOE-OEERE, multiple grants.....	149,000
DOT-RSPA, gas pipeline safety	287,000
Special revenue funds:	
Low-income and energy efficiency assistance fund.....	60,000,000
Motor carrier fees	1,856,600
Public utility assessments	14,399,300
State general fund/general purpose	\$ 0
Sec. 107. LIQUOR CONTROL COMMISSION	
Full-time equated classified positions	179.0
Management support services—39.0 FTE positions.....	\$ 2,709,300
Liquor licensing and enforcement—140.0 FTE positions.....	10,985,700
Liquor law enforcement grants.....	6,000,000
Grant to department of agriculture for wine industry council.....	457,200
GROSS APPROPRIATION.....	\$ 20,152,200

For Fiscal Year
Ending Sept. 30,
2003

Appropriated from:	
Special revenue funds:	
Liquor license revenue	11,086,200
Liquor purchase revolving fund	8,608,800
Nonretail liquor license revenue	457,200
State general fund/general purpose	\$ 0
Sec. 108. MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY	
Full-time equated classified positions	226.0
Payments on behalf of tenants	\$ 78,000,000
Housing and rental assistance program—226.0 FTE positions	23,345,900
Homeless program	5,290,800
GROSS APPROPRIATION	\$ 106,636,700
Appropriated from:	
Federal revenues:	
HUD, lower income housing assistance program	92,574,900
Special revenue funds:	
Michigan state housing development authority fees and charges	14,061,800
State general fund/general purpose	\$ 0
Sec. 109. TAX TRIBUNAL	
Full-time equated classified positions	13.0
Operations—13.0 FTE positions	\$ 1,353,200
GROSS APPROPRIATION	\$ 1,353,200
Appropriated from:	
Special revenue funds:	
Tax tribunal fees	641,600
State general fund/general purpose	\$ 711,600
Sec. 110. GRANTS	
Fire protection grants	\$ 3,721,000
GROSS APPROPRIATION	\$ 3,721,000
Appropriated from:	
Special revenue funds:	
Liquor purchase revolving fund	3,721,000
State general fund/general purpose	\$ 0
Sec. 111. HEALTH REGULATORY SYSTEMS	
Full-time equated classified positions	342.0
Health systems administration—179.0 FTE positions	\$ 17,253,300
Emergency medical services program state staff—7.0 FTE positions	904,700
Radiological health administration and projects—24.0 FTE positions	2,025,800
Substance abuse program administration—4.0 FTE positions	409,600
Emergency medical services grants and contracts	1,062,100
Health services—128.0 FTE positions	14,245,200
GROSS APPROPRIATION	\$ 35,900,700
Appropriated from:	
Federal revenues:	
Federal funds	13,001,100
Special revenue funds:	
Pain management education and controlled substances, electronic monitoring and antidiver sion fund	1,362,300
Health professions regulatory fund	11,189,000
Health systems fees and collections	3,870,100
Nurse professional fund	823,100
State general fund/general purpose	\$ 5,655,100
Sec. 112. REGULATORY SERVICES	
Full-time equated classified positions	306.0
AFC, children's welfare and day care licensure—306.0 FTE positions	\$ 26,034,700
GROSS APPROPRIATION	\$ 26,034,700

For Fiscal Year
Ending Sept. 30,
2003

Appropriated from:	
Federal revenues:	
HHS, federal funds	10,664,800
Special revenue funds:	
Health systems fees and collections	94,200
Licensing fees	490,500
State general fund/general purpose	\$ 14,785,200
Sec. 113. OCCUPATIONAL REGULATION	
Full-time equated classified positions	345.0
Commissions and boards	\$ 49,700
Code enforcement—98.0 FTE positions	7,902,000
Code enforcement flexibility	1,141,900
Boiler inspection program—24.0 FTE positions	2,201,800
Elevator inspection program—26.0 FTE positions	2,287,000
Commercial services—159.0 FTE positions	13,994,800
Local manufactured housing communities inspections	250,000
Manufactured housing and land resources program—26.0 FTE positions	2,635,000
Property development group—12.0 FTE positions	1,338,700
Remonumentation grants	6,000,000
GROSS APPROPRIATION	\$ 37,800,900
Appropriated from:	
Special revenue funds:	
Boiler fee revenue	2,350,600
Construction code fund	9,433,500
Corporation fees	4,837,100
Elevator fees	2,396,400
Homeowner construction lien recovery fund	1,532,800
Licensing and regulation fees	7,844,500
Limited liability partnership revenue	10,000
Manufactured housing commission fees	2,276,900
Property development fees	241,300
Remonumentation fees	6,605,300
Real estate appraiser continuing education fund	45,000
Real estate education fund	217,500
State general fund/general purpose	\$ 10,000
Sec. 114. EMPLOYMENT RELATIONS	
Full-time equated classified positions	28.0
Fact finding and arbitration	\$ 144,300
Employment and labor relations—28.0 FTE positions	2,944,000
GROSS APPROPRIATION	\$ 3,088,300
Appropriated from:	
Federal revenues:	
EEOC, federal funds	10,000
Special revenue funds:	
State general fund/general purpose	\$ 3,078,300
Sec. 115. SAFETY AND REGULATION	
Full-time equated classified positions	240.0
Commissions and boards	\$ 21,400
Subgrantees	1,226,900
Occupational safety and health—240.0 FTE positions	21,357,500
GROSS APPROPRIATION	\$ 22,605,800
Appropriated from:	
Federal revenues:	
DOL, multiple grants for safety and health	10,377,200
Special revenue funds:	
Fees and collections/asbestos	704,300

	For Fiscal Year Ending Sept. 30, 2003
Safety education and training fund.....	6,690,900
State general fund/general purpose	\$ 4,833,400
Sec. 116. BUREAU OF WORKERS' AND UNEMPLOYMENT COMPENSATION	
Full-time equated classified positions	1,608.9
Administration—118.0 FTE positions	\$ 8,530,100
Appellate commission administration—11.4 FTE positions	889,900
Board of magistrates administration—8.0 FTE positions	1,916,900
Employment standards enforcement—38.0 FTE positions	2,621,900
Insurance funds administration—32.0 FTE positions	5,500,800
Supplemental benefit fund	1,300,000
Grant to department of career development, hire the handicapped program.....	50,000
Unemployment program—1,324.2 FTE positions	78,421,300
Workers' compensation	589,000
Building occupancy charges - property development service	4,245,500
Rent	5,915,100
Advocacy assistance program—8.0 FTE positions	1,500,000
Expanded fraud control program—33.2 FTE positions	2,566,200
Special audit and collections program—34.0 FTE positions	2,245,900
Training program for agency staff—2.1 FTE positions	1,756,400
GROSS APPROPRIATION.....	\$ 118,049,000
Appropriated from:	
Federal revenues:	
DOL, employment and training administration	529,200
DOL-ETA, unemployment insurance	92,887,900
Federal Reed act funds.....	4,233,500
Special revenue funds:	
Corporation fees.....	361,000
Contingent fund, penalty and interest account	9,388,400
Second injury fund.....	3,321,500
Securities fees	360,900
Self-insurers security fund	886,500
Silicosis and dust disease fund.....	1,342,800
Worker's compensation administrative revolving fund.....	2,115,400
State general fund/general purpose	\$ 2,621,900
Sec. 117. INFORMATION TECHNOLOGY	
Information technology services and projects	\$ 26,244,200
GROSS APPROPRIATION.....	\$ 26,244,200
Appropriated from:	
Federal revenues:	
DOL-ETA, unemployment insurance	10,360,300
DOL, multiple grants for safety and health	38,000
Federal funds	56,500
Special revenue funds:	
Bank fees	223,800
Boiler fee revenue.....	94,300
Construction code fund	724,600
Consumer finance fees	85,800
Contingent fund, penalty and interest account	122,800
Corporation fees.....	1,598,400
Credit union fees.....	157,900
Elevator fees	89,800
Fees and collections/asbestos	17,500
Health professions regulatory fund	484,800
Health systems fees and collections	244,500
Insurance regulatory fees	471,700
Licensing and regulation fees.....	979,700

	For Fiscal Year Ending Sept. 30, 2003
Liquor purchase revolving fund	4,270,300
Manufactured housing commission fees	47,500
Michigan state housing development authority fees and charges	1,182,400
Motor carrier fees	164,700
Public utility assessments	1,092,200
Safety education and training fund.....	178,200
Second injury fund.....	215,300
Securities fees.....	1,337,200
Self-insurers security fund	76,800
Silicosis and dust disease fund.....	99,600
Worker’s compensation administrative revolving fund.....	859,300
State general fund/general purpose	\$ 970,300
Sec. 118. EARLY RETIREMENT AND BUDGETARY SAVINGS	
Early retirement savings.....	\$ (1,631,700)
Budgetary savings.....	(379,900)
GROSS APPROPRIATION.....	\$ (2,011,600)
Appropriated from:	
State general fund/general purpose	\$ (2,011,600)

PART 2
PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2002-2003 is \$311,808,900.00 and state spending from state resources to be paid to local units of government for fiscal year 2002-2003 is \$16,221,000.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES

Fire protection grants	\$ 3,721,000
Liquor law enforcement	6,000,000
Local manufactured housing inspections.....	250,000
Remonumentation grants.....	6,000,000
Subgrantees.....	250,000
Total department of consumer and industry services.....	\$ 16,221,000

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

Sec. 203. As used in this appropriation act:

- (a) “AFC” means adult foster care.
- (b) “Department” means the department of consumer and industry services.
- (c) “DOE” means the United States department of energy.
- (d) “DOE-OEERE” means the DOE office of energy efficiency and renewable energy.
- (e) “DOL” means the United States department of labor.
- (f) “DOL-ETA” means the DOL employment and training administration.
- (g) “DOT” means the United States department of transportation.
- (h) “DOT-RSPA” means the DOT research and special programs administration.
- (i) “EEOC” means equal employment opportunity commission.
- (j) “Fiscal agencies” means Michigan house fiscal agency and Michigan senate fiscal agency.
- (k) “FTE” means full-time equated.
- (l) “HHS” means the United States department of health and human services.
- (m) “HUD” means the United States department of housing and urban development.
- (n) “IDG” means interdepartmental grant.
- (o) “MES” means Michigan employment security.
- (p) “Subcommittees” means all members of the subcommittees of the house and senate appropriations committees with jurisdiction over the budget for the department.

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

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

(2) The state budget director shall grant exceptions to this hiring freeze when the state budget director believes that the hiring freeze will result in rendering a state department or agency unable to deliver basic services, cause a loss of revenue to the state, result in the inability of the state to receive federal funds, or would necessitate additional expenditures that exceed any savings from maintaining a vacancy. The state budget director shall report quarterly to the chairpersons of the senate and house of representatives standing committees on appropriations the number of exceptions to the hiring freeze approved during the previous month and the reasons to justify the exception.

Sec. 206. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$23,500,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$12,200,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$180,800.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(4) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$50,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 207. At least 60 days before beginning any effort to privatize, the department shall submit a complete project plan to the subcommittees and the fiscal agencies. The plan shall include the criteria under which the privatization initiative will be evaluated. The evaluation shall be completed and submitted to the fiscal agencies and to the subcommittees within 30 months.

Sec. 208. Unless otherwise specified, the department shall use the Internet to fulfill the reporting requirements of this act. This may include transmission of reports via electronic mail to the recipients identified for each reporting requirement or it may include placement of reports on the Internet or Intranet site. Quarterly, the department shall provide to the subcommittees, state budget office, and the fiscal agencies an electronic and paper copy listing of the reports submitted during the most recent 3-month period along with the Internet or Intranet site of each report, if any.

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

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

Sec. 211. The 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.

Sec. 212. The departments and state agencies receiving appropriations under this act shall receive and retain copies of all reports funded from appropriations in part 1. These departments and state agencies shall follow federal and state guidelines for short-term and long-term retention of these reports and records.

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

Sec. 260. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 261. (1) The negative appropriation for early retirement savings in part 1 shall be satisfied by savings realized from not filling all of the positions lost due to the early retirement plan for state employees enacted in 2002 PA 93 amendments to the state employees' retirement act, 1943 PA 240, MCL 38.1 to 38.69.

(2) The negative appropriation for budgetary savings in part 1 shall be satisfied by savings from the hiring freeze imposed under section 205, efficiencies, and other savings identified by the department director and approved by the state budget director.

(3) Appropriation authorization adjustments required due to negative appropriations for early retirement savings and budgetary savings shall be made only after the approval of transfers by the legislature pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 262. (1) Subject to subsection (2), in addition to the amounts appropriated under part 1, \$3,700,000.00 is appropriated to fire protection grants from the state general fund for the fiscal year ending September 30, 2003.

(2) The appropriations in subsection (1) shall become effective only if the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 30 cents or more per pack of cigarettes on or before September 30, 2002.

DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES

Sec. 301. The appropriation in part 1 for fire protection grants from the liquor purchase revolving fund shall be appropriated to cities, villages, and townships with state-owned facilities for fire services, instead of taxes, in accordance with 1977 PA 289, MCL 141.951 to 141.956.

Sec. 302. The funds collected by the office of financial and insurance services in connection with a conservatorship pursuant to section 32 of the mortgage brokers, lenders, and servicers licensing act, 1987 PA 173, MCL 445.1682, shall be appropriated for all expenses necessary to provide for the required services. Funds are available for expenditure when they are received by the department of treasury and shall not lapse to the general fund at the end of the fiscal year.

Sec. 303. The funds collected by the department from corporations being liquidated pursuant to the insurance code of 1956, 1956 PA 218, MCL 500.100 to 500.8302, shall be appropriated for all expenses necessary to provide for the required services. Funds are available for expenditure when they are received by the department of treasury and shall not lapse to the general fund at the end of the fiscal year.

Sec. 304. The department may make available to interested entities otherwise unavailable customized listings of nonconfidential information in its possession, such as names and addresses of licensees, and charge for this information as follows: base fee for 1 to 1,000 records at the cost to the department; 1,001 to 10,000 records at 2.5 cents per record; and 10,001 or more records at .5 cents per record. The revenue received from this service may be used to offset expenses of programs as appropriated in part 1. The balance of this revenue collected and unexpended at the end of the fiscal year shall revert to the appropriate restricted revenue account or fund or, in absence of such an account or fund, to the general fund. The department shall submit an annual report on or before December 1 of each year to the state budget office and the subcommittees that states the amount of revenue received from the sale of information.

Sec. 305. The appropriation in part 1 may be used for per diem payments to the members of commissions or boards for a full day of committee work at which a quorum is present or for performing official business as authorized by each respective commission or board. The per diem payments shall be \$50.00 per day.

Sec. 306. The Michigan state housing development authority shall annually present a report to the state budget office and the subcommittees on the status of the authority's housing production goals under all financing programs established or administered by the authority. The report shall give special attention to efforts to raise affordable multifamily housing production goals.

Sec. 307. The department shall assess and collect fees in the licensing and regulation of child care organizations as defined in 1973 PA 116, MCL 722.111 to 722.128, and adult foster care facilities as defined in the adult foster care facility licensing act, 1979 PA 218, MCL 400.701 to 400.737. Fees collected by the department shall be used exclusively for the purpose of licensing and regulating child care organizations and adult foster care facilities.

Sec. 308. The funds collected by the department for licenses, permits, and other elevator regulation fees set forth in R 408.8151 of the Michigan administrative code and as determined under section 8 of 1976 PA 333, MCL 338.2158, and section 16 of 1967 PA 227, MCL 408.816, that are unexpended at the end of the fiscal year shall carry forward to the subsequent fiscal year. The department shall submit a report on an annual basis to the state budget office and the subcommittees on the amount of funds available under this section.

Sec. 309. If the revenue collected by the department for occupational safety and health, health systems administration, or radiological health administration and projects from fees and collections exceeds the amount appropriated in part 1, the revenue may be carried forward into the subsequent fiscal year. The revenue carried forward under this section shall be used as the first source of funds in the subsequent fiscal year.

Sec. 310. Money appropriated under this act for fire safety programs shall not be expended unless, in accordance with section 2c of the fire prevention code, 1941 PA 207, MCL 29.2c, inspection and plan review fees will be charged according to the following schedule:

<u>Operation and maintenance inspection fee</u>		
<u>Facility type</u>	<u>Facility size</u>	<u>Fee</u>
Hospitals	Any	\$8.00 per bed
<u>Plan review and construction inspection fees for hospitals and schools</u>		
<u>Project cost range</u>		<u>Fee</u>
\$101,000.00 or less		minimum fee of \$155.00
\$101,001.00 to \$1,500,000.00		\$1.60 per \$1,000.00
\$1,500,001.00 to \$10,000,000.00		\$1.30 per \$1,000.00
\$10,000,001.00 or more		\$1.10 per \$1,000.00
		or a maximum fee of \$60,000.00.

Sec. 311. The department shall furnish the clerk of the house, the secretary of the senate, the state budget office, and all members of the house and senate appropriations committees with a summary of any evaluation reports and subsequent approvals or disapprovals of juvenile residential facilities operated by the family independence agency, as required by section 6 of 1973 PA 116, MCL 722.116. If no evaluations are conducted during the fiscal year, the department shall notify the fiscal agencies and all members of the appropriate subcommittees of the house and senate appropriation committees.

Sec. 312. (1) From the amount appropriated in part 1 to health systems administration, the department shall provide funding for not less than 113 inspectors to annually survey and investigate the care and services delivered in nursing homes, county medical care facilities, and hospital long-term care units in accordance with provisions in the public health code, 1978 PA 368, MCL 333.1101 to 333.25211, and federal Medicare and Medicaid certification standards.

(2) The department, in keeping with the severity of the allegations, shall investigate complaints alleging poor care and services occurring on nights or weekends in nursing homes, county medical care facilities, and hospital long-term care units by conducting on-site investigations on nights or weekends.

Sec. 313. If the revenue collected by the department from licensing and regulation fees exceeds the amount appropriated in part 1, the revenue may be carried forward into the subsequent fiscal year. The revenue carried forward under this section shall be used as the first source of funds in the subsequent fiscal year.

Sec. 314. Funds earned or authorized by the United States department of labor in excess of the gross appropriation in part 1 for the Michigan unemployment agency from the United States department of labor are appropriated and may be expended for staffing and related expenses incurred in the operation of its programs. These funds may be spent after the department notifies the state budget office and the subcommittees of the purpose and amount of each grant award.

Sec. 315. The department shall sell documents at a price not to exceed the cost of production and distribution. Money received from the sale of these documents shall revert to the department. The funds are available for expenditure when they are received by the department of treasury and may only be used for costs directly related to the continued updating and distribution of the documents pursuant to this section. This section applies only for the following documents:

(a) Corporation and securities division documents, reports, and papers required or permitted by law pursuant to section 1060(5) of the business corporation act, 1972 PA 284, MCL 450.2060.

(b) The subdivision control manual, the state boundary commission operations manual, and other local government assistance manuals.

(c) The Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1101 to 436.2303.

(d) The mobile home commission act, 1987 PA 96, MCL 125.2301 to 125.2349; the business corporation act, 1972 PA 284, MCL 450.1101 to 450.2098; the nonprofit corporation act, 1982 PA 162, MCL 450.2101 to 450.3192; and the uniform securities act, 1964 PA 265, MCL 451.501 to 451.818.

(e) Labor law books.

(f) Worker's compensation health care services rules.

(g) Minimum design standards for health care facilities.

(h) Construction code manuals.

(i) Copies of transcripts from administrative law hearings.

Sec. 316. The department shall report to the state budget office, the fiscal agencies, and the subcommittees on April 30, 2003 and October 31, 2003 on the initial and follow-up surveys conducted on all nursing homes in this state. The report shall include all of the following information:

(a) The number of surveys conducted.

(b) The number requiring follow-up surveys.

(c) The number referred to the Michigan public health institute for remediation.

(d) The number of citations per home.

(e) The number of night and weekend complaints filed.

(f) The number of night and weekend responses to complaints conducted by the department.

(g) The average length of time for the department to respond to a complaint filed against a nursing home.

(h) The number and percentage of citations appealed.

(i) The number and percentage of citations overturned and/or modified.

Sec. 317. The department, bureau of safety and regulation, shall provide an annual report by February 1 of each year to the state budget office, the fiscal agencies, and the subcommittees on the number of individuals killed and the number of individuals injured on the job within industries regulated by the bureau during the preceding calendar year.

Sec. 318. The department shall report by November 1, 2002 to the state budget office, the legislature, and the fiscal agencies the status of the nursing home complaint investigation backlog.

Sec. 319. As a condition for receiving the general fund/general purpose appropriations in part 1 for health systems administration, the department shall provide assistance to any person making an oral request for a nursing home investigation in putting his or her request into writing, shall initiate investigations on all written nursing home complaints filed with the department within 15 days of receipt of the complaint, and shall provide a written response to the complainant within 30 days of receipt of the written complaint.

Sec. 320. The unemployment agency, during its transition to the remote initial claims system, may operate a sufficient number of unemployment agency offices, including itinerant or satellite offices, within Michigan's Upper Peninsula to ensure that the citizens of the Upper Peninsula can access these offices without excessive travel or, in cases where unemployment claims are filed or renewed by phone, without excessive long-distance toll charges.

Sec. 321. The department shall continue to work with grantees supported through the appropriation in part 1 for emergency medical services grants and contracts to ensure that a sufficient number of qualified emergency medical services personnel exist to serve rural areas of the state.

Sec. 322. From the funds appropriated in part 1 for utility consumer representation, the department shall produce and facilitate the airing of public service announcements that inform utility customers of the availability and purpose of these funds. The utility consumer participation board shall report to the subcommittees, fiscal agencies, and state budget office by September 30, 2003 on its efforts in this area, including the amount of expenditures made for this purpose.

Sec. 323. (1) The department in consultation with nursing home provider groups, the department of community health, the state long-term care ombudsman, and the federal health care finance administration shall continue to work to clarify the following terms as those terms are used in title XVIII and title XIX and applied by the department to provide more consistent regulation of nursing homes in Michigan:

- (a) Immediate jeopardy.
- (b) Harm.
- (c) Potential harm.
- (d) Avoidable.
- (e) Unavoidable.

(2) The department shall semiannually provide for joint training with nursing home surveyors and providers on at least 1 of the 10 most frequently issued federal citations in this state during the past calendar year. The department shall provide a mechanism to measure the effect of the training and shall report to the legislature and the state budget office on the effect of the training by January 15, 2003.

Sec. 324. The unemployment agency shall work collaboratively with the department of career development to ensure each 1-stop center has the ability to assist individuals or respond to inquiries regarding unemployment benefits and the remote initial claims system.

Sec. 325. (1) The department shall post on the Internet the executive summary of the latest inspection for each licensed nursing home.

(2) The department shall work toward posting inspection summaries for licensed day care centers on the Internet.

Sec. 326. From the appropriations in part 1 for occupational safety and health, the department shall provide funding for at least 76 general industry safety inspectors, construction industry safety inspectors, and industrial hygienists. The department shall submit a report to the subcommittees, fiscal agencies, and state budget office by February 15, 2003 on the staffing levels for these categories. No budgetary savings shall be taken from the funding for inspection staffing.

Sec. 327. When hiring any new nursing home inspectors funded through appropriations in part 1, the department shall make every effort to hire individuals with past experience in the long-term care industry.

Sec. 328. It is the intent of this legislature that beginning January 1, 2004, the board of psychology shall require a licensee seeking renewal of a license to furnish the board with satisfactory evidence that during the 2 years before application for renewal the licensee has attended continuing education courses or programs approved by the board totaling not less than 36 credits. The applicant shall be responsible for maintaining records of continuing education attendance. The board is authorized to request verification of continuing education records at the time of renewal of application. Verification may be conducted periodically by sample or by means other than reviewing every application.

Sec. 329. The department shall work to promote the nursing scholarship program funded from appropriations in part 1 to health services. The department shall focus its promotional efforts on recruiting undergraduate students into the nursing field in order to address the current nursing shortage. The department shall also make every effort to utilize scholarship funds in a manner which encourages undergraduate students to enter the nursing field.

Sec. 330. (1) The unemployment agency shall include in the remote initial claims center (RICCS) automated phone system a choice to speak with an employee of the unemployment agency as an option. This option should be provided in the system as early as possible as deemed appropriate in the system design. The department shall monitor the system to ensure compliance with these guidelines.

(2) The unemployment agency should continue to provide training opportunities to employees affected with the implementation of the RICCS.

Sec. 331. Nursing facilities shall report in the quarterly staff report to the department, the total patient care hours provided each month, by state licensure and certification classification, and the percentage of pool staff, by state licensure and certification classification, used each month during the preceding quarter. The department shall make available to the public, the quarterly staff report compiled for all facilities including the total patient care hours and the percentage of pool staff used, by classification.

Sec. 332. It is the intent of the legislature that the department make every effort to hold administrative law hearings on actions initiated by the department against regulated businesses or against individuals in regulated occupations in locations that are within 150 miles of the regulated business or of the office of the individual in a regulated occupation. In addition, it is the intent of the legislature that the department make every effort to hold administrative law hearings on actions initiated by an individual outside the department in locations within 150 miles of the home of the individual bringing the action if that individual wishes to testify at the hearing.

Sec. 333. The department shall work cooperatively with the department of civil service to identify state employees who will lose their jobs as a result of an agency program being reorganized, modified, or eliminated and shall develop training programs and provide training to these individuals that will provide them with the opportunity and skills necessary to secure new employment within the state government or the private sector. It shall be a priority of the department to provide training and employment opportunities to these displaced state employees through Michigan's employment service locations.

Sec. 334. From the funds appropriated in part 1 for adult foster care, children's welfare, and day care licensure, the department shall make every effort to maintain a day care facility to day care inspector ratio of no more than 210 to 1.

Sec. 335. (1) The public service commission shall report by June 1 of each year to the subcommittees, the state budget office, and the fiscal agencies on the distribution of funds appropriated in part 1 for the low-income/energy efficiency assistance program.

(2) Of the funds appropriated in part 1 for low-income/energy efficiency assistance, \$3,000,000.00 shall be allocated to community action agencies across the state to support shut-off protection programs for low-income individuals. Funds shall be distributed to the community action agencies no later than November 1 of each year. The community action agencies shall abide by any reporting and monitoring requirements imposed by the public service commission on other grant recipients receiving funding through this program.

Sec. 336. The department shall provide the subcommittees, fiscal agencies, and state budget director with a report on or before December 1, 2002 outlining actual expenditures for the last completed fiscal year for each division within the office of financial and insurance services.

Sec. 337. The department shall work cooperatively with the family independence agency and with representatives from the Michigan federation of private child and family agencies to form a licensing and contract compliance review team pilot to coordinate and conduct joint reviews of 1 child placing agency and 1 child caring institution between October 1, 2002 and February 1, 2003. The Michigan federation of private child and family agencies will survey team participants and involved agencies regarding the process and provide feedback to the department. The department shall report during the annual budget presentation to the subcommittees regarding pilot outcomes.

Sec. 338. Of the funds appropriated in part 1 for health services, \$125,000.00 shall be allocated to the center for nursing to conduct research that will address nurse workforce planning, the supply of and demand for nurses, and nurse recruitment and retention issues. The center for nursing shall recommend ways to address the shortage of nurses.

Sec. 339. From the amount appropriated in part 1 for administration of the bureau of worker's and unemployment compensation, the department shall provide funding for 6 worker's compensation mediators positions annually.

Sec. 340. The office of financial and insurance services shall provide copies of the quarterly and annual financial filings of health maintenance organizations to the senate and house fiscal agencies on a timely basis.

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

A bill to make appropriations for the department of consumer and industry services and certain other state purposes for the fiscal year ending September 30, 2003; to provide for the expenditure of those appropriations; to provide for the imposition of certain fees; to provide for the disposition of fees and other income received by the state agencies; to provide for reports to certain persons; and to prescribe powers and duties of certain state departments and certain state and local agencies and officers.

Marc Shulman
Charles LaSata
Conferees for the House

Loren Bennett
Leon Stille
Conferees for the Senate

The Speaker announced that under Joint Rule 9 the conference report would lie over one day.

First Conference Report

The Committee of Conference on the matters of difference between the two Houses concerning
House Bill No. 5647, entitled

A bill to make appropriations for the department of history, arts, and libraries for the fiscal year ending September 30, 2003; to provide for the expenditure of those appropriations; to provide for the disposition of fees and other income

received by the state agencies; 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.

Recommends:

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

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

A bill to make appropriations for the department of history, arts, and libraries for the fiscal year ending September 30, 2003; to provide for the expenditure of those appropriations; to provide for the disposition of fees and other income received by the state agencies; 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

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, 2003, 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	241.5	
GROSS APPROPRIATION		\$ 59,586,200
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION		\$ 59,586,200
Federal revenues:		
Total federal revenues		8,111,300
Special revenue funds:		
Total local revenues		0
Total private revenues		577,400
Total other state restricted revenues		1,900,900
State general fund/general purpose		\$ 48,996,600

Sec. 102. DEPARTMENT OPERATIONS

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	26.0	
Unclassified salaries—6.0 FTE positions		\$ 219,400
Management services—25.0 FTE positions.....		2,103,600
Building occupancy charges and rent.....		2,739,300
Worker’s compensation.....		34,000
Office of film and television services—1.0 FTE positions.....		143,500
GROSS APPROPRIATION		\$ 5,239,800
Appropriated from:		
State general fund/general purpose		\$ 5,239,800

Sec. 103. INFORMATION TECHNOLOGY

Information technology services and projects		\$ 1,166,100
GROSS APPROPRIATION		\$ 1,166,100
Appropriated from:		
State general fund/general purpose		\$ 1,166,100

Sec. 104. MICHIGAN COUNCIL FOR ARTS AND CULTURAL AFFAIRS

Full-time equated classified positions	10.0	
Administration—10.0 FTE positions.....		\$ 839,100
Arts and cultural grants.....		11,642,600
GROSS APPROPRIATION		\$ 12,481,700

Appropriated from:

Federal revenues:		
NFAH-NEA, promotion of the arts, partnership agreements		700,000
State general fund/general purpose		\$ 11,781,700

Sec. 105. MACKINAC ISLAND STATE PARK COMMISSION

Full-time equated classified positions	47.8	
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	For Fiscal Year Ending Sept. 30, 2003
Mackinac Island park operation—22.8 FTE positions.....	\$ 1,541,300
Historical facilities system—25.0 FTE positions	1,409,500
GROSS APPROPRIATION	\$ 2,950,800
Appropriated from:	
Special revenue funds:	
Airport and park operation fees.....	76,400
Mackinac Island state park fund	1,037,600
State general fund/general purpose	\$ 1,836,800
Sec. 106. MICHIGAN HISTORICAL PROGRAM	
Full-time equated classified positions	78.7
Federal programs—14.9 FTE positions	\$ 1,853,900
Heritage publications	700,000
Historical administration and services—63.8 FTE positions	4,940,800
Private grants and gifts	502,400
Thunder Bay national marine sanctuary and underwater preserve.....	250,000
GROSS APPROPRIATION	\$ 8,247,100
Appropriated from:	
Federal revenues:	
DOI-NPS, historic preservation grants-in-aid.....	1,348,000
Federal funds	505,900
Special revenue funds:	
Heritage publication fund.....	700,000
Private - grants and gifts	400,000
Private - Mann house trust fund.....	102,400
State general fund/general purpose	\$ 5,190,800
Sec. 107. LIBRARY OF MICHIGAN	
Full-time equated classified positions	79.0
Book distribution centers	\$ 308,400
Collected gifts and fees.....	161,900
Grand Rapids public library	199,200
Grant to the Detroit public library	2,877,100
Library of Michigan operations—79.0 FTE positions	7,577,900
Library services and technology act.....	4,557,400
Renaissance zone reimbursement	657,100
State aid to libraries.....	13,327,000
Subregional state aid.....	561,200
Wayne County library for the blind and physically handicapped	46,600
GROSS APPROPRIATION	\$ 30,273,800
Appropriated from:	
Federal revenues:	
Federal section 903(d), SSA funds.....	1,000,000
Library services and technology act.....	4,557,400
Special revenue funds:	
Private - gifts and bequests revenues	75,000
User fees	86,900
State general fund/general purpose	\$ 24,554,500
Sec. 108. EARLY RETIREMENT AND BUDGETARY SAVINGS	
Early retirement savings.....	\$ (146,300)
Budgetary savings.....	(626,800)
GROSS APPROPRIATION	\$ (773,100)
Appropriated from:	
State general fund/general purpose	\$ (773,100)

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2002-2003 is \$50,897,500.00 and state spending from state resources to be paid

to local units of government for fiscal year 2002-2003 is \$24,168,200.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF HISTORY, ARTS, AND LIBRARIES

Arts and cultural grants.....	\$ 7,500,000
State aid to libraries.....	13,327,000
Detroit public library	1,941,900
Grand Rapids public library	134,400
Subregional state aid.....	561,200
Wayne County library for the blind and physically handicapped	46,600
Renaissance zone reimbursement.....	657,100
Total department of history, arts, and libraries.....	\$ 24,168,200

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

Sec. 203. As used in this 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) "NEA" means the national endowment for the arts.
- (g) "NFAH" means the national foundation of the arts and the humanities.
- (h) "Subcommittees" means all members of the appropriate subcommittees of the house and senate appropriations committees.

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

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

(2) The state budget director shall grant exceptions to this hiring freeze when the state budget director believes that the hiring freeze will result in rendering a state department or agency unable to deliver basic services, cause a loss of revenue to the state, result in the inability of the state to receive federal funds, or would necessitate additional expenditures that exceed any savings from maintaining a vacancy. The state budget director shall report quarterly to the chairpersons of the senate and house standing committees on appropriations the number of exceptions to the hiring freeze approved during the previous quarter and the reasons to justify the exception.

Sec. 206. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$1,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

Sec. 207. At least 60 days before beginning any effort to privatize, the department shall submit a complete project plan to the subcommittees and the fiscal agencies. The plan shall include the criteria under which the privatization initiative will be evaluated. The evaluation shall be completed and submitted to the fiscal agencies and to the subcommittees within 30 months.

Sec. 208. Unless otherwise specified, the department shall use the Internet to fulfill the reporting requirements of this act. This may include transmission of reports via electronic mail to the recipients identified for each reporting requirement or it may include placement of reports on the Internet or Intranet site. Quarterly, the department shall provide to the subcommittees, state budget office, and the fiscal agencies an electronic and paper copy listing of the reports submitted during the most recent 3-month period along with the internet or intranet site of each report, if any.

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

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

Sec. 211. 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.

Sec. 212. In addition to the funds appropriated in part 1, the department may accept contributions, gifts, bequests, devises, user fees, grants, and donations. Funds accepted by the department are appropriated and allotted when received and may be expended immediately upon receipt or at any later time. Those funds that are not expended in the current fiscal year shall not lapse at the close of the fiscal year and may be carried over by the department for expenditure in the following fiscal years.

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

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.

Sec. 215. The department shall maintain an accounting structure within MAIN to track expenditures and revenues of that portion of the library of Michigan-operations line item that are for the purposes of the line item included within 2001 PA 83 entitled "statewide database access".

Sec. 261. (1) The negative appropriation for early retirement savings in part 1 shall be satisfied by savings realized from not filling all of the positions lost due to the early retirement plan for state employees enacted in 2002 PA 93 amendments to the state employees retirement act, 1943 PA 240, MCL 38.1 to 38.69.

(2) The negative appropriation for budgetary savings in part 1 shall be satisfied by savings from the hiring freeze imposed under section 205, efficiencies, and other savings identified by the department director and approved by the state budget director.

(3) Appropriation authorization adjustments required due to negative appropriations for early retirement savings and budgetary savings shall be made only after the approval of transfers by the legislature pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 262. (1) Subject to subsection (2), in addition to the amounts appropriated under part 1, for the fiscal year ending September 30, 2003, \$11,900,000.00 is appropriated to the arts and cultural grants from the state general fund.

(2) The appropriations in subsection (1) shall become effective only if the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 30 cents or more per pack of cigarettes on or before September 30, 2002.

DEPARTMENT OPERATIONS

Sec. 301. (1) The funds appropriated in part 1 may be used for per diem payments to the members of commissions, boards, or committees for a full day of commission, board, or committee work at which a quorum is present, for attending a hearing as authorized by the respective commission, board, or committee, or for performing official business as authorized by each respective commission, board, or committee.

(2) The per diem payments shall be \$50.00 per day for all commissions and boards.

MICHIGAN COUNCIL FOR ARTS AND CULTURAL AFFAIRS

Sec. 401. (1) The Michigan council for arts and cultural affairs in the department shall administer the arts and cultural grants appropriated in part 1. The council shall provide for fair and independent decisions on arts and cultural grant requests based upon published criteria to evaluate program quality. These criteria shall include a prohibition of art projects that include displays of human wastes on religious symbols, displays of sex acts, and depictions of flag desecration. The council shall seek to award grants on an equitable geographic basis to the extent possible given the quality of grant applications received. Priority shall be given to projects that serve multiple counties and that leverage significant additional public and private investment. Counties, cities, villages, townships, community foundations, and organizations, including science museums/centers, may apply for the following categories of grants:

(a) Anchor organization program for organizations that serve a statewide audience. 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 schools program.

(e) Arts organization development program.

(f) Capital improvement projects.

(g) Local, regional, or statewide arts agencies services program.

- (h) Regional regranting program.
- (i) Partnership program.
- (j) Discretionary grants program.
- (k) Rural arts and cultural projects.

(2) Potential applicants, including anchor organizations, that are considered ineligible to apply for grants and applicants that are unsuccessful in obtaining a grant shall be provided by the council with the following:

(a) A written rationale as to why the potential applicant was considered ineligible or why the applicant's grant was not funded.

(b) A description of actions the potential applicant or applicant needs to take in order to become eligible or to receive funding in future years.

(3) The appropriation for arts and cultural grants in part 1 and disbursed under this section shall, at a minimum, be matched on an equal dollar-for-dollar basis from local and private contributions paid and received by each awardee receiving grants under this section. The dollar-for-dollar match may include the reasonable value of services, materials, and equipment as allowed under the federal internal revenue code for charitable contributions subject also to the preapproval of such a match by the Michigan council for arts and cultural affairs. The council shall receive proof of the entire amount of the matching funds, services, materials, or equipment by the end of the award period.

(4) Before any amount appropriated for arts and cultural grants in part 1 may be expended for a grant to eligible applicants for the purposes in this section, the department shall execute a grant agreement with each grantee. The grant agreement shall specify the criteria included in this section with which the application complies. The grant agreement shall include a list of the projects funded.

(5) Counties, cities, villages, townships, community foundations, and organizations receiving funds under this section shall provide the Michigan council for arts and cultural affairs with the following:

(a) A final report covering the grant period within 30 days after the end of the grant period indicating at least the following:

- (i) Project revenues and expenditures indicating 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.

(b) Awardees receiving grants greater than \$100,000.00 shall also submit a report as identified in subdivision (a) on an interim basis by April 7 of the grant year.

(6) Within 1 day following the final council vote, the department shall provide a list of grant awardees to the subcommittees and each legislator whose district is receiving a grant from arts and cultural grants funds appropriated in part 1.

(7) The applicants for arts and cultural grant funds shall be charged a nonrefundable application fee of \$100.00 or 1% of the grant, whichever is less. The application fee may be used by the department to recover direct and indirect costs as appropriated in part 1.

(8) It is the intent of the legislature that the Michigan council for arts and cultural affairs continue to take appropriate steps to ensure that all organizations receiving state arts anchor organization grants have combined grant awards, as defined in subsection (10), of no more than 15.0% of operating revenue for the fiscal year ending September 30, 2005 and beyond. As used in this subsection, "operating revenue" is defined in the same manner as it was defined during the fiscal year 2000 state arts anchor organization application process.

(9) The council shall continue and expand its efforts to encourage and support nonprofit arts and cultural organizations transitioning from solely volunteer-based organizations to professional directed operations. This includes the provision of funds and services from the arts organization development, partnership, arts projects, anchor organization, and regional regranting programs as well as the rural arts and culture initiative to support professional development within these organizations. Criteria for support include the requirement of collaboration between these organizations and other community organizations.

(10) Any organizations receiving grants within the anchor organization program category in excess of 10.0% of their operating revenue, as defined in subsection (8), for the fiscal year ending September 30, 2002, shall not receive a combined grant award from all grant categories, except the partnership program, that is greater than the combined grant award from these categories that the organization received for the fiscal year ending September 30, 2002.

(11) The council shall provide for fair, equitable, and efficient distribution of funds granted through the regional regranting program. The council 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.

(12) The council shall make every effort to provide total grant awards in the anchor organization program at a level not to exceed 65% of the total amount appropriated for arts and cultural grants.

(13) The department shall submit 2 annual reports to the appropriations subcommittees, the state budget office, and the fiscal agencies as follows:

(a) The first report is due 30 days after the council makes the annual grant awards. The report shall contain the following:

- (i) A listing of each applicant.

- (ii) The county of residence of an applicant.
 - (iii) The amount awarded.
 - (iv) The amount requested.
 - (v) The grant category under which an applicant applied.
 - (vi) A summary of projects funded for each awardee.
 - (vii) The expected number of patrons for an applicant during the grant period.
 - (viii) The amount of matching funds proposed by an applicant.
 - (ix) The review score for each application.
 - (x) A listing containing the information in subparagraphs (i) to (iii) for any regranted funds in the preceding fiscal year.
- (b) The second report is due when materials are first distributed by the council seeking grant applications for the subsequent fiscal year. The report shall contain the following:
- (i) The guidelines by which the council awards grants.
 - (ii) A summary of any changes in the program guidelines from the previous fiscal year.
 - (iii) A summary of any initiatives the council is taking to improve public access to the arts and culture, including, but not limited to, the use of technology applications.

MICHIGAN HISTORICAL PROGRAM

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, and preservation of historic resources. The method used will be to solicit applications from eligible recipients, score applications based upon established criteria, and award the contracts and subgrants. The total cost is \$1,348,000.00 and the tentative completion date is September 30, 2003.

Sec. 502. Funds collected by the department under sections 3, 6, 7, and 7a of 1913 PA 271, MCL 399.3, 399.6, 399.7, and 399.7a, are appropriated to the department for the purpose for which they were received and shall not lapse to the general fund at the end of the fiscal year.

Sec. 503. For 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.

Sec. 504. (1) From the state funds appropriated in part 1, the department may award discretionary historical grants to preserve Michigan lighthouses. The department may award up to \$152,700.00 in grants for this purpose and may use a portion of those funds to assist in the transfer of lighthouses from federal ownership. A portion of the funds may also be dedicated to program administration and project coordination.

(2) The department shall allocate grant funds under this section pursuant to eligibility and scoring requirements established by the department. The method used will be to solicit applications from eligible recipients, score applications based on the established criteria, and award grants through executed contracts.

(3) Grants under this section may be awarded for purposes of stabilization, rehabilitation, or other preservation work on a Michigan lighthouse, but shall not be awarded for operational purposes. The department shall not allocate a grant under this section that exceeds \$40,000.00.

(4) The funds appropriated in part 1 and allocated by this section are for work projects. The funds shall not lapse to the general fund at the end of the fiscal year but shall remain available in subsequent fiscal years, until funds have been expended, the projects for which the funds were reserved have been completed, or the projects are terminated, whichever occurs first. The tentative date for completion is September 30, 2004.

Sec. 505. From the funds appropriated in part 1 for historical administration and services, \$71,200.00 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.

Sec. 506. (1) In addition to the funds appropriated in part 1, the department shall collect an application fee of \$250.00 for each application submitted under section 1 of 1955 PA 10, MCL 399.151, for property designated as a state historic site.

(2) The department shall deposit the fees collected under subsection (1) in a separate revolving fund. Any revenue remaining in the fund at the end of the fiscal year shall not lapse to the general fund but shall remain available for future expenditures. The department may expend any revenues in the fund immediately upon receipt. Expenditures shall be made only for the purpose of correcting, repairing, or replacing numbered markers erected pursuant to section 2 of 1955 PA 10, MCL 399.152.

LIBRARY OF MICHIGAN

Sec. 651. The funds appropriated in part 1 to the library of Michigan for subregional state aid shall only be expended if the local unit of government agrees to maintain local support at the same level of local support expended for subregional library services in the local unit of government's immediately preceding fiscal year. A reduction in local

expenditures that equally affects all agencies within a local unit of government shall not be interpreted as a replacement of local financial or in-kind support with state aid funds.

Sec. 652. 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. Subregional state aid shall be used only for providing services to the blind and to persons with disabilities.

Sec. 653. The funds appropriated in part 1 for statewide database access shall be used only for making computerized databases, searches of those databases, and the products of those searches available through the libraries of Michigan. Only those libraries that qualify under the federal library services and technology act, subtitle B of title II of the museum and library services act, title II of the arts, humanities, and cultural affairs act of 1976, Public Law 94-462, 110 Stat. 3009-295, are eligible to participate in this project.

Sec. 654. From the state general fund/general purpose appropriation in part 1, there is allocated \$657,100.00 to reimburse public libraries as provided by section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692, for property taxes levied in 2002. Reimbursements shall be made in amounts to each eligible recipient not later than 60 days after the department of treasury certifies to the department that it has received all necessary information to properly determine the amounts due each eligible recipient under section 12(4) of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692. Any excess allocations shall lapse to the general fund.

Sec. 655. The department shall submit a report on or before October 31, 2003, to the senate and house standing committees on appropriations that details the use of funds appropriated in part 1 within the Grand Rapids public library appropriation line and the grant to the Detroit public library appropriation line.

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

A bill to make appropriations for the department of history, arts, and libraries for the fiscal year ending September 30, 2003; to provide for the expenditure of those appropriations; to provide for the disposition of fees and other income received by the state agencies; 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.

Marc Shulman
Charles LaSata
Conferees for the House

Loren Bennett
Leon Stille
Conferees for the Senate

The Speaker announced that under Joint Rule 9 the conference report would lie over one day.

Rep. Lemmons moved that the House adjourn.
The motion prevailed, the time being 4:05 p.m.

Associate Speaker Pro Tempore Julian declared the House adjourned until Tuesday, June 18, at 2:00 p.m.

GARY L. RANDALL
Clerk of the House of Representatives.