

report on all personal service contracts awarded without competitive bidding, pricing, or rate setting. The notification shall include all of the following:

- (a) The total dollar amount of the contract.
- (b) The duration of the contract.
- (c) The name of the vendor.
- (d) The type of service to be provided.

(2) For personal service contracts of \$100,000.00 or more, the judicial branch shall provide a monthly report on all of the following:

- (a) The total dollar amount of the contract.
- (b) The duration of the contract.
- (c) The name of the vendor.
- (d) The type of service to be provided.

Retention of reports and records.

Sec. 212. The judicial branch shall receive and retain copies of all reports funded from appropriations in part 1, and shall follow federal and state guidelines for short-term and long-term retention of these reports and records.

Early retirement savings; hiring freeze; adjustments.

Sec. 213. (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 on the state classified civil service for the fiscal year ending September 30, 2003, efficiencies, and other savings identified by the director and approved by the state budget director.

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

JUDICIAL BRANCH

Direct trial court automation support program; user service charges; list.

Sec. 301. (1) The direct trial court automation support program of the state court administrative office shall recover direct and overhead costs from trial courts by charging for services rendered. The fee shall cover the actual costs incurred to the direct trial court automation support program in providing the service. A report of amounts collected in excess of funds identified as user service charges in part 1 shall be submitted to the state budget director and to the house and senate appropriations subcommittees on judiciary 30 days before expenditure by the direct trial court automation support program.

(2) From funds appropriated in part 1, the direct trial court automation support program of the state court administrative office shall provide to the state budget director, the senate and house appropriations committees, and the senate and house fiscal agencies before January 1 of each year, a detailed list of user service charges collected during the immediately preceding state fiscal year.

Expenditures; approval by supreme court required.

Sec. 302. Funds appropriated within the judicial branch shall not be expended by any component within the judicial branch without the approval of the supreme court.

Circuit court and court of claims reimbursement; allocations.

Sec. 303. Of the amount appropriated in part 1 for the judicial branch, \$325,000.00 is allocated for circuit court reimbursement under section 3 of 1978 PA 16, MCL 800.453, and \$186,900.00 is allocated for court of claims reimbursement under section 6413 of the revised judicature act of 1961, 1961 PA 236, MCL 600.6413.

Audits.

Sec. 304. The judicial branch shall cooperate with the auditor general regarding audits of the judicial branch conducted pursuant to section 53 of article IV of the state constitution of 1963.

Status of accounts; report.

Sec. 305. To avoid the overexpenditure of funds appropriated under this act, the supreme court shall report quarterly to the state budget director and to the judiciary subcommittees of the house and senate appropriations committees regarding the status of the accounts set forth in part 1.

Improvement of judgment collection; assistance to local trial courts.

Sec. 306. The supreme court and the state administrative office shall continue to maintain, as a priority, the assisting of local trial courts in improving the collection of judgments.

Judges' compensation; insufficient funds.

Sec. 308. If sufficient funds are not available from the court fee fund to pay judges' compensation, the difference between the appropriated amount from that fund for judges' compensation and the actual amount available after the amount appropriated for trial court reimbursement is made shall be appropriated from the state general fund for judges' compensation.

Community dispute resolution.

Sec. 310. (1) State general fund appropriation for community dispute resolution contained in part 1 shall be used to supplement funding for community dispute resolution centers. The supplemental funding shall be disbursed by formula to achieve a base level of \$30,000.00 for centers funded through the community dispute resolution act, 1988 PA 260, MCL 691.1551 to 691.1564, with the remainder disbursed based upon performance measures as determined by the state court administrative office.

(2) From the funds in part 1, the chief justice is strongly encouraged to distribute pamphlets of information on the community dispute resolution program, especially to those entities known to be points of referrals, including, but not limited to, all statewide judicial conferences, all courts, local units of government, legal organizations, prosecutors, attorneys, police departments, colleges and universities, and state departments.

Drug treatment courts.

Sec. 311. (1) The funds appropriated in part 1 for drug treatment courts shall be administered by the state court administrative office to implement new drug treatment court programs. A drug treatment court program shall not receive funds for more than 5 years. A drug treatment court shall be responsible for handling cases involving substance abusing nonviolent offenders through comprehensive supervision, testing, treatment

services, and immediate sanctions and incentives. A drug treatment court shall use all available county and state personnel involved in the disposition of cases including, but not limited to, parole and probation agents, prosecuting attorney, defense attorney, and community corrections providers. The funds may be used in connection with other federal, state, and local funding sources.

(2) Local units of government are encouraged to refer to federal drug treatment court guidelines to prepare proposals. However, federal agency approvals are not required for funding under this section.

(3) From the funds appropriated in part 1, the chief justice shall allocate sufficient funds for the judicial institute to provide in-state training for those identified in subsection (1), including training for new drug treatment court judges.

(4) For drug treatment court grants, consideration for priority may be given to those courts where higher instances of substance abuse cases are filed.

Minors seeking court-issued waiver of parental consent; report.

Sec. 312. From the funds appropriated in part 1, the state court administrator shall produce a statistical report regarding the implementation of the parental rights restoration act, 1990 PA 211, MCL 722.901 to 722.908, as it pertains to minors seeking a court-issued waiver of parental consent. The state court administrative office shall report the total number of petitions filed and the total number of petitions granted in accordance with section 208 of this act.

Noncompliance of county with federal child support system requirements.

Sec. 313. A county shall not be penalized due to the failure to comply with federal child support enforcement system requirements if the family independence agency 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.

Judicial technology improvement fund; allocations; purposes.

Sec. 316. (1) The appropriation in part 1 for the judicial technology improvement fund shall be allocated for the development of a statewide judicial information system. The supreme court, working with the department of state police, department of corrections, secretary of state, prosecuting attorneys association of Michigan, and the department of information technology, will develop a statewide telecommunications infrastructure to integrate criminal justice information systems. The judicial technology improvement fund shall also provide grants to local trial court funding units to encourage technology innovations by local trial courts that will result in enhanced public service. These innovations will include, but not be limited to, electronic filing, on-line payments of fines and fees, and web-based instructions for completion of court documents.

(2) Funds in part 1 may be used to develop, operate, and maintain a cyber court system.

(3) There is hereby appropriated to the judiciary for deposit into the judicial technology improvement fund \$6,000,000.00 contingent upon the receipt of a refund from the federal government related to penalties previously imposed for the child support enforcement system of which up to \$1,000,000.00 may be utilized towards development and operation of a cyber court system as identified in subsection (2). The appropriation to the judiciary of refund money related to the child support enforcement system shall precede any other appropriations of such resources. Notwithstanding the provision in subsection (2), any child support enforcement system penalty refund resources deposited into the judicial technology improvement fund shall be expended in the manner as prescribed in subsection (1). The child support enforcement system refund revenue when certified as available in the judicial technology improvement fund by the judiciary shall remain unallotted until such time as the state budget director has reviewed and approved an allotment schedule submitted by the judiciary. Unexpended resources remaining in the fund at the end of the fiscal year may be carried forward for expenditure in the following year for the same purposes as described in this section.

Mental health court.

Sec. 317. If funds become available from the federal government for mental health courts, the state court administrative office shall assist those local trial courts who are interested in starting a mental health court in writing grants and any other assistance that may help them receive such funds.

Child care for parents appearing in court; feasibility studies.

Sec. 318. The supreme court shall assist local trial courts with feasibility studies to create child care for parents who must appear in civil or criminal courts in order to improve the administration of justice in at least the following ways:

- (a) Reducing child related disruptions and delays.
- (b) Protecting safety of young children brought to courthouses.
- (c) Assisting with court-involved families.
- (d) Reducing the incidence of failure to appear caused by the inability of witnesses to find child care.

Sec. 319. (1) From the funds appropriated for indigent civil legal assistance in part 1, a debt management loan program is created for attorneys who are employed by legal services organizations and whose total law school debt is greater than 25% of their total family income at the time of application to this program. The total law school debt shall not exceed the total amount of law school tuition, books, fees, and other costs directly related to the law school education of the applicant.

(2) To qualify for a loan, an applicant must be employed by or present a letter with a promise of employment with a legal services organization.

(3) For each dollar in state funds received by the attorney, the attorney must produce a dollar-for-dollar match, to be paid toward reduction of the total law school debt, from any other source, including funds from the attorney.

(4) An attorney may receive funds under this program for not more than the total law school debt outstanding on the date of application.

(5) The debt management loan program shall be administered by Wayne State University at no cost to the state.

(6) A legal services organization that employs an attorney who receives funds under this program shall certify the amounts of annual salary, total law school debt as of the date of initial application for the loan, and match to Wayne State University.

(7) The legislature encourages the state bar of Michigan or any other interested partners to seek additional funds for deposit into the debt management loan program fund.

(8) Unexpended funds from the debt management loan program shall not lapse but shall be carried forward for the same purpose in the subsequent year.

(9) The state court administrative office shall provide to the house and senate judiciary subcommittees on appropriations a report on this fund in accordance with section 208 of this act.

(10) As used in this section:

(a) “Legal services organization” means an organization that is eligible to receive filing fees from the state bar foundation and provides legal services to the poor in this state as its primary mission.

(b) “Total family income” means the greater of either of the following:

(i) The attorney’s adjusted gross income as reported on his or her most recent federal income tax form or, if applicable, the combined adjusted gross income of the attorney and the spouse of the attorney as reported in his or her most recent federal income tax form.

(ii) The amount of annual salary commitment from the legal services organization and, if applicable, the adjusted gross income of the spouse of the attorney as reported in his or her most recent federal income tax form.

Mental health and substance abuse treatment; individuals leaving juvenile justice system.

Sec. 320. The judicial branch shall work cooperatively with the family independence agency and 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 who leave the juvenile justice system because of their age, who are identified as continuing to pose a serious risk to themselves or others. The judicial branch shall provide information from this collaborative effort as requested.

Information technology activities.

Sec. 321. The judicial branch shall communicate regarding information technology activities with the department of information technology.

Court boundary realignment costs; requests for reimbursement by local jurisdictions.

Sec. 322. The amount appropriated in part 1 for court boundary realignment costs shall be allocated to local units of government by the state court administrative office. Local jurisdictions shall submit requests for reimbursement to the state court administrative office for programs, technology, and other costs related to the implementation of 2002 PA 92.

This act is ordered to take immediate effect.

Approved July 25, 2002.

Filed with Secretary of State July 25, 2002.

[No. 516]

(HB 5642)

AN ACT 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 People of the State of Michigan enact:

PART 1

LINE-ITEM APPROPRIATIONS

Appropriations; department of agriculture.

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

DEPARTMENT OF AGRICULTURE

APPROPRIATION SUMMARY:

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	629.5	
GROSS APPROPRIATION		\$ 96,470,700
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		10,953,800
ADJUSTED GROSS APPROPRIATION.....		\$ 85,516,900
Total federal revenues		6,639,500
Total local revenues		0
Total private revenues.....		1,127,600
Total other state restricted revenues		39,342,400
State general fund/general purpose		\$ 38,407,400

Executive.

Sec. 102. EXECUTIVE

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	57.0	
Commission and boards		\$ 63,300
Unclassified positions—6.0 FTE positions.....		488,200
Executive direction—4.0 FTE positions		525,700
Management services—48.0 FTE positions.....		3,697,200
Statistical reporting service—5.0 FTE positions.....		435,100
GROSS APPROPRIATION		\$ 5,209,500
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDCIS (LCC), nonretail liquor license fees.....		8,800
Special revenue funds:		
Gasoline inspection and testing fund		47,800
Licensing and inspection fees		62,100

	For Fiscal Year Ending Sept. 30, 2003
Michigan state fair revenue	\$ 80,500
State services fee fund	160,500
Upper Peninsula state fair revenue	9,000
State general fund/general purpose	\$ 4,840,800

Departmentwide.

Sec. 103. DEPARTMENTWIDE

Rent and building occupancy charges.....	\$ 1,856,200
GROSS APPROPRIATION.....	\$ 1,856,200
Appropriated from:	
Special revenue funds:	
State services fee fund	304,600
State general fund/general purpose	\$ 1,551,600

Food and dairy.

Sec. 104. FOOD AND DAIRY

Full-time equated classified positions.....	116.0
Food safety and quality assurance—116.0 FTE positions	\$ 10,242,700
Local public health operations.....	8,977,500
GROSS APPROPRIATION.....	\$ 19,220,200
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDCH, local public health operations	8,977,500
Federal revenues:	
HHS-FDA	186,700
DAG, multiple grants.....	22,700
Special revenue funds:	
Civil penalties.....	40,300
Licensing and inspection fees.....	2,555,400
State general fund/general purpose	\$ 7,437,600

Animal industry.

Sec. 105. ANIMAL INDUSTRY

Full-time equated classified positions.....	54.0
Animal health and welfare—25.5 FTE positions	\$ 2,265,400
Bovine tuberculosis program—28.5 FTE positions.....	3,469,000
GROSS APPROPRIATION.....	\$ 5,734,400
Appropriated from:	
Federal revenues:	
HHS-FDA	9,000
Special revenue funds:	
Licensing and inspection fees.....	176,500
Pseudorabies and swine brucellosis fund	20,000
State general fund/general purpose	\$ 5,528,900

Pesticide and plant pest management.

Sec. 106. PESTICIDE AND PLANT PEST MANAGEMENT

Full-time equated classified positions.....132.3

	For Fiscal Year Ending Sept. 30, 2003
Pesticide and plant pest management—132.3 FTE positions	\$ 12,924,100
Michigan State University	210,000
GROSS APPROPRIATION	\$ 13,134,100
Appropriated from:	
Federal revenues:	
DAG, multiple grants	1,952,200
EPA, multiple grants	1,510,000
HHS-FDA	60,000
Special revenue funds:	
Private - slow-the-spread foundation	130,000
Commodity inspection fees	991,500
Licensing and inspection fees	2,413,000
State general fund/general purpose	\$ 6,077,400

Environmental stewardship.

Sec. 107. ENVIRONMENTAL STEWARDSHIP

Full-time equated classified positions	55.0
Environmental stewardship—38.0 FTE positions	\$ 3,281,000
Groundwater and freshwater protection program— 10.0 FTE positions	5,174,000
Farmland and open space preservation—7.0 FTE positions	699,800
Agriculture pollution prevention program	100
Cooperative resources management initiative program	1,000,000
Energy conservation program	138,000
Local conservation districts	1,465,800
Migrant labor housing	550,000
Open space development rights easements payments	50,000
GROSS APPROPRIATION	\$ 12,358,700
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDEQ, biosolids	\$ 80,000
IDG from MDEQ, type II well survey	15,000
IDG from MDNR, district forestry and wildlife program	1,000,000
IDG from MDEQ, right to farm	105,000
Federal revenues:	
DAG-NRCS	250,000
EPA, multiple grants	400,000
Special revenue funds:	
Private - oil company overcharge settlement	193,900
Agricultural preservation fund	699,800
Environmental protection fund	50,000
Agriculture pollution prevention fund	100
Groundwater and freshwater protection fund	4,674,000
Industry support funds	40,000
State general fund/general purpose	\$ 4,850,900

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

For Fiscal Year
Ending Sept. 30,
2003

Laboratory program.

Sec. 108. LABORATORY PROGRAM

Full-time equated classified positions	135.0		
Laboratory analysis program—73.5 FTE positions		\$	6,321,500
USDA monitoring—19.0 FTE positions			1,824,000
Consumer protection program—42.5 FTE positions			3,232,500
GROSS APPROPRIATION		\$	11,378,000
Appropriated from:			
Interdepartmental grant revenues:			
IDG from MDCIS (LCC), liquor quality testing fees			161,500
Federal revenues:			
EPA, multiple grants			300,000
DAG, multiple grants			1,844,400
Special revenue funds:			
Private - oil company overcharge settlement			803,700
Agriculture equine industry development fund			509,100
Gasoline inspection and testing fund			1,491,800
Testing fees			232,500
Weights and measures regulation fees			323,400
State general fund/general purpose		\$	5,711,600

Market development.

Sec. 109. MARKET DEVELOPMENT

Full-time equated classified positions	21.5		
Marketing and emergency management—15.5 FTE positions		\$	2,005,600
Agriculture development—6.0 FTE positions			742,400
Export market development program			100,000
Food bank			487,400
Southwestern Michigan tourist council - taste of Michigan			60,400
Future farmers of America			60,000
GROSS APPROPRIATION		\$	3,455,800
Appropriated from:			
Interdepartmental grant revenues:			
IDG from MDCIS (LCC), nonretail liquor license fees		\$	603,000
Federal revenues:			
DAG, multiple grants			100,000
Special revenue funds:			
Industry support funds			260,000
State general fund/general purpose		\$	2,492,800

Fairs and expositions.

Sec. 110. FAIRS AND EXPOSITIONS

Full-time equated classified positions	22.0		
Michigan state fair operations—9.0 FTE positions		\$	5,110,200
Upper Peninsula state fair—8.0 FTE positions			1,214,400
Fairs and racing—5.0 FTE positions			612,500
Building and track improvement - county and state fairs			963,200
Premiums - county and state fairs			1,614,000

For Fiscal Year
Ending Sept. 30,
2003

Purses and supplements - fairs/licensed tracks	2,969,000
Standardbred fedele fauri futurity	98,400
Standardbred Michigan futurity	98,400
Quarterhorse programs	48,300
Quarterhorse programs breeders' awards	5,000
Licensed tracks - light horse racing.....	93,500
Standardbred breeders' awards.....	1,503,200
Standardbred purses and supplements - licensed tracks	336,700
Standardbred sire stakes	1,259,400
Thoroughbred sire stakes	1,259,400
Standardbred training and stabling	53,200
Thoroughbred program	2,203,900
Thoroughbred owners' awards.....	189,600
Distribution of outstanding winning tickets	500,000
Fairs and festivals promotion.....	60,000
GROSS APPROPRIATION.....	\$ 20,192,300
Appropriated from:	
Special revenue funds:	
Agriculture equine industry development fund.....	10,618,000
Michigan state fair revenue	5,203,100
State services fee fund	3,156,800
Upper Peninsula state fair revenue	1,214,400
State general fund/general purpose	\$ 0

Office of racing commissioner.

Sec. 111. OFFICE OF RACING COMMISSIONER

Full-time equated classified positions.....	36.7
Office of racing commissioner—36.7 FTE positions.....	\$ 3,747,700
GROSS APPROPRIATION.....	\$ 3,747,700
Appropriated from:	
Special revenue funds:	
Agriculture equine industry development fund.....	\$ 1,147,700
State services fee fund	2,600,000
State general fund/general purpose	\$ 0

Information and technology.

Sec. 112. INFORMATION AND TECHNOLOGY

Information technology services and projects.....	\$ 1,907,300
GROSS APPROPRIATION.....	\$ 1,907,300
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDCIS (LCC), nonretail liquor license fees.....	500
IDG from MDCIS (LCC), liquor quality testing fees	2,500
Federal revenues:	
DAG, multiple grants.....	4,500

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

For Fiscal Year
Ending Sept. 30,
2003

Special revenue funds:

Groundwater and freshwater protection fund.....	\$	100
Agriculture equine industry development fund.....		142,200
Agricultural preservation fund		200
State services fee fund		2,100
Upper Peninsula state fair revenue		900
Michigan state fair revenue		88,800
Gasoline inspection and testing fund		26,200
State general fund/general purpose	\$	1,639,300

Early retirement and budgetary savings.

Sec. 113. EARLY RETIREMENT AND BUDGETARY SAVINGS

Early retirement savings	\$	(1,315,500)
Budgetary savings.....		<u>(408,000)</u>
GROSS APPROPRIATION.....	\$	(1,723,500)
Appropriated from:		
State general fund/general purpose	\$	(1,723,500)

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Total state spending; payments to local units of government.

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2002-2003 is \$77,749,800.00 and state spending from state resources to be paid to local units of government for fiscal year 2002-2003 is \$3,315,800.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF AGRICULTURE

Groundwater and freshwater protection program.....	\$	1,800,000
Local conservation districts.....		1,465,800
Open space development rights easements payments.....		<u>50,000</u>
TOTAL	\$	3,315,800

Appropriations subject to §§ 18.1101 to 18.1594.

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

Definitions.

Sec. 203. As used in this act:

- (a) "DAG" means the United States department of agriculture.

(b) “DAG-NRCS” means the United States department of agriculture - natural resources conservation service.

(c) “Department” means the department of agriculture.

(d) “Director” means the director of the department.

(e) “EPA” means the United States environmental protection agency.

(f) “FTE” means full-time equated.

(g) “HHS-FDA” means the United States department of health and human services - food and drug administration.

(h) “IDG” means interdepartmental grant.

(i) “MDCH” means the Michigan department of community health.

(j) “MDCIS (LCC)” means the Michigan department of consumer and industry services - liquor control commission.

(k) “MDEQ” means the Michigan department of environmental quality.

(l) “MDNR” means the Michigan department of natural resources.

Billing by department of civil service; payments.

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.

Hiring freeze; exceptions.

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

(2) The state budget director shall grant exceptions to this hiring freeze when the state budget director believes 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 quarter and the reasons to justify the exception.

(3) The hiring freeze does not apply to the animal industry program.

Contingency funds; availability for expenditure.

Sec. 206. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$5,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$6,000,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

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

Privatization; project plan.

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.

Use of Internet; electronic transmission of reports.

Sec. 208. Unless otherwise specified, the department shall use the Internet to fulfill the reporting requirements of this act. This may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on an Internet or Intranet site. Quarterly, the department shall provide to the appropriations subcommittees members, the fiscal agencies, and the state budget office 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.

Purchase of foreign goods or services.

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.

Businesses in deprived and depressed communities; contracts to provide services or supplies.

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.

Restricted fund or account; reversion; carrying forward.

Sec. 211. (1) The unexpended and unobligated balance of any state restricted fund or account remaining at the end of the fiscal year shall revert back to the state restricted fund or account from which appropriated and be available for appropriation for the next fiscal year. Appropriations that revert to a state restricted fund or account pursuant to this section shall not revert to the general fund of this state.

(2) A state restricted revenue fund or account that receives revenues in excess of expenditures made from that state restricted revenue fund or account shall not have the excess revenue revert to the general fund of this state.

(3) The revenues collected in the agriculture equine industry development fund in fiscal year 2001-2002 shall not lapse but shall be carried forward to fund appropriations made pursuant to this act and subsequent acts.

Indemnification.

Sec. 212. (1) Of the funds appropriated in part 1, the department may provide for indemnity as provided for pursuant to the animal industry act of 1987, 1988 PA 466, MCL 287.701 to 287.747, not to exceed \$100,000.00 per order from any line item for the fiscal year ending September 30, 2003. Before the department provides for an indemnification under this section, the department shall report the reason for the indemnification, the amount of the indemnification, and to whom the indemnification is to be paid. The report shall be given to each member of the house and senate appropriations subcommittees on agriculture and to the senate and house fiscal agencies and the state budget director.

(2) The department of agriculture shall make an indemnification payment for the fair market value of livestock that is killed by a wolf or coyote, if the kill is verified by the department of natural resources. The fair market value of the livestock shall be determined pursuant to the indemnification procedures prescribed in the animal industry act, 1988 PA 466, MCL 287.701 to 287.747. In addition to the funds appropriated in part 1, the department of agriculture is authorized to expend the funds received from the department of natural resources to reimburse the department of agriculture for all indemnification payments made pursuant to this subsection.

(3) All indemnification payments for individual livestock or domestic animals within a herd, flock, or school shall be made pursuant to section 14 of the animal industry act, 1988 PA 466, MCL 287.714, based on 100% of the fair market value of that type of livestock or domestic animal, not to exceed \$4,000.00.

(4) For those payments made from January 1, 1998, through October 31, 2000, the department shall calculate the difference between what was paid for every herd, flock, or school and the rate paid subsequent to October 31, 2000.

(5) The department shall use bovine TB work project revenue to implement this section.

Transfer or supplemental appropriation.

Sec. 213. When the department applies to the department of management and budget with a request for a transfer of appropriations or for a supplemental appropriation, the department shall provide the senate and house fiscal agencies with the same information that the department provides the department of management and budget relative to the request for transfer or supplemental.

Grants; notice to legislative committees.

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

Nonfair or nonhorse racing grants or projects; funding from simulcast revenues prohibited.

Sec. 215. The legislature will not fund nonfair or nonhorse racing grants or projects from revenues from simulcasting in fiscal year 2002-2003.

Michigan agriculture equine industry development fund.

Sec. 216. The unexpended and unencumbered balance of revenue deposited pursuant to section 20 of the horse racing law of 1995, 1995 PA 279, MCL 431.320, for the fiscal year ending September 30, 2003, shall be appropriated to the Michigan agriculture equine industry development fund for distribution as set forth in section 20 of the horse racing law of 1995, 1995 PA 279, MCL 431.320.

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

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

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

Sec. 220. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Retirement and budgetary savings; negative appropriation.

Sec. 224. (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 director and approved by the state budget director.

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

Additional appropriations; condition.

Sec. 225. (1) Subject to subsection (2), in addition to the amounts appropriated in part 1, the following amounts are appropriated for the fiscal year ending September 30, 2003:

(a) \$488,600.00 is appropriated to local conservation districts from the state general fund.

(b) \$158,200.00 is appropriated to the food bank council of Michigan from the state general fund.

(c) \$23,300.00 is appropriated to horse shows 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.

EXECUTIVE**Members of boards, committees, and commissions; per diem payments.**

Sec. 301. The appropriations in section 102 may be used for per diem payments to members of boards, committees, and commissions for a full day's board, committee, or commission work at which a quorum is present; for attending a hearing as authorized by

the respective board, committee, or commission; or for performing official business as authorized by the respective board, committee, or commission. The per diem payments shall be at a rate as follows:

(a) Commission of agriculture	\$ 75.00 per day
(b) Upper Peninsula state fair board.....	50.00 per day
(c) Agricultural marketing and bargaining board	35.00 per day
(d) Michigan state fair council.....	50.00 per day
(e) Grape and wine industry council	50.00 per day

Revenue; use to cover certain expenses.

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

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

Agricultural surveys.

Sec. 303. Of the funds appropriated in part 1 for statistical reporting service, \$90,000.00 shall be used for surveys which include, but are not limited to, fruit, vegetables, and nursery stock, which encompasses Christmas trees and ornamental plants. The director of the Michigan department of agriculture is given authority to include other agricultural surveys such as turfgrass in the 3- to 5-year rotation. The survey shall include information such as existing plantings/acreage, new plantings/acreage, production, and number of growers.

FOOD AND DAIRY

Restaurant and licensing functions; monitoring by department; report; additional costs.

Sec. 401. (1) The department shall monitor restaurant inspection and licensing functions carried out by local health departments to ensure uniform application and enforce-

ment of minimum program requirements. On or before April 1, 2003, the department shall report to the senate and house appropriations subcommittees on agriculture, the senate and house fiscal agencies, and the state budget director on local health department conformance with minimum program requirements.

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

Food-borne outbreaks and emergencies; report.

Sec. 402. Not later than April 1, 2003, the department shall provide a report to the house and senate appropriations subcommittees on agriculture and the house and senate fiscal agencies describing significant food-borne outbreaks and emergencies including any enforcement actions taken related to food safety during the 2001-2002 fiscal year.

Reallocation or redistribution of program funds; approval.

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

ANIMAL INDUSTRY

Bovine tuberculosis; wildlife monitoring and testing costs.

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

Bovine tuberculosis; whole herd testing costs.

Sec. 451. From the funds appropriated in section 101 for bovine tuberculosis, the department shall pay for all whole herd testing costs to achieve and maintain split-state status requirements. These costs include producer assistance, indemnity, and compensation for injury causing death or downer to animals.

PESTICIDE AND PLANT PEST MANAGEMENT

Applicator training.

Sec. 501. Of the funds appropriated in section 106 to the pesticide and plant pest management division, up to \$100,000.00 may be made available to the Michigan cooperative extension service for the purpose of training of applicators. Reimbursement shall be based on actual expenditures and revenue availability.

Gypsy moth slow-the-spread program.

Sec. 503. The department is authorized to enter into a cooperative agreement with a nonprofit foundation or agency associated with the gypsy moth slow-the-spread program in order to receive funds for managing plant pests.

ENVIRONMENTAL STEWARDSHIP**Energy conservation program; distribution of funds.**

Sec. 601. The funds appropriated in section 107 for the energy conservation program shall be distributed on a competitive basis that will be based on statewide energy conservation criteria.

New migrant labor housing; construction grants.

Sec. 602. The department may expend the amount appropriated for migrant labor housing grants for construction of new migrant labor housing. Beginning October 1, 2002, project grants shall not exceed \$5,000.00 per unit. Beginning October 1, 2002, an applicant is not eligible for more than a \$20,000.00 grant in any fiscal year.

Migrant labor housing program; application for federal funds.

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

Local conservation districts.

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

(a) Of the total appropriation, \$130,000.00 shall be allocated for local conservation district training.

(b) Of the total appropriation, each local conservation district meeting the minimum grant requirements shall receive a grant of \$20,000.00 to support basic operations, unless the district resides in a county consisting of multiple districts, in which case a \$20,000.00 grant shall be divided equally among the districts in that county. The amount of money allocated under this subdivision shall not be used by local conservation districts to replace any money received from local sources.

(c) Of the remaining appropriation after distributions under subdivisions (a) and (b), additional grants, not to exceed \$20,000.00 per local conservation district, may be provided based on a formula approved by the commission of agriculture. Grants under this subdivision shall require at least a 100% cash or in-kind local match. Criteria used to distribute grants under this subdivision shall include, but are not limited to, the natural resources need, the size, and the population of the area served by each local conservation district.

Sec. 605. The appropriation in part 1 for open space development rights easement payments shall be used by the department only to reimburse local units of government for lost revenues associated with open space development rights easements under section 36105(2)(e) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.36105.

MARKET DEVELOPMENT

Grape and wine industry council; grants.

Sec. 701. Within the appropriations in part 1 for market development, \$603,000.00 is for the grape and wine industry council, from which the department may provide grants for the purposes as described in section 303 of the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1303.

Distribution by food bank council; direct purchase of foods from Michigan growers, manufacturers, and wholesalers.

Sec. 702. In any given year when insufficient amounts of Michigan surplus products are offered to the food bank council and accepted for distribution, unused funds may be applied by the food bank council for the direct purchase of foods from Michigan growers, manufacturers, or wholesalers.

Future farmers of America grant; charging indirect costs prohibited.

Sec. 704. Indirect costs may not be charged against the future farmers of America grant in section 109 by any administering agency.

Federal market access program.

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

Agricultural processing and production ventures.

Sec. 707. The department is authorized to receive and expend up to \$5,000,000.00 of utility company uncollectible allowance recovery fund resources which may be deposited into the agricultural development fund for the support of grants for value-added agricultural processing and agricultural production ventures in accordance with the Julian-Stille value-added act, 2000 PA 322, MCL 285.301 to 285.304. The agriculture development fund resources when certified as available by the department of treasury shall remain unallotted until such time as the state budget director has reviewed and approved a department submitted allotment schedule. Expenditures for support of agricultural processing and production ventures shall not exceed revenues received. Unexpended resources remaining in the fund at the end of the fiscal year shall remain in the fund and not lapse to the general fund.

FAIRS AND EXPOSITIONS

Simulcasting revenues; report.

Sec. 801. The department shall submit a report each month to the state budget director, the senate and house appropriations subcommittees on agriculture, and the senate and house fiscal agencies that states the simulcasting revenues generated in the preceding month by each licensed track and the amount received from license fees.

State purse supplements; use for races composed of Michigan-bred horses.

Sec. 802. (1) The appropriation of \$297,100.00 in part 1 for standardbred purses and supplements - licensed tracks is intended to provide state purse supplements for 4 races

at state licensed pari-mutuel horse racing tracks. The purse supplements are to be used for races comprised only of Michigan-bred horses segregated into a 4-year-old colt trot division, a 4-year-old filly trot division, a 4-year-old colt pace division, and a 4-year-old filly pace division.

(2) The appropriation in part 1 for licensed tracks - light horse racing shall be allocated as follows:

Arabian and Appaloosa horse racing	\$	23,400
Quarter horse racing		70,100

Thoroughbred yearling show.

Sec. 803. Included in the appropriation made in part 1 for the thoroughbred program is \$30,500.00 for the Michigan united thoroughbred breeders and owners association to conduct a thoroughbred yearling show. The Michigan united thoroughbred breeders and owners association shall submit to the department an itemized list of expenses showing that the expenses of the yearling show were paid.

Thoroughbred owners' awards program; use.

Sec. 804. From the funds appropriated in section 110 for thoroughbred owners' awards, the department shall develop a program to provide for thoroughbred owners' awards that will be given to owners of Michigan-bred horses finishing first in nonrestricted races at licensed pari-mutuel tracks in Michigan.

Agriculture equine industry development fund; notice of reductions.

Sec. 805. The department shall notify the senate and house appropriations subcommittees on agriculture and the senate and house fiscal agencies of any planned reductions in appropriations, allocations, or expenditures from the agriculture equine industry development fund no less than 10 days before such reductions are implemented.

Prizes, awards, and deadlines; publication of rules; grievances; complaints.

Sec. 806. A county fair, district fair, 4-H fair, or state fair receiving funds in section 110 to be used for prizes or awards, in whole or in part, as a condition precedent to the receiving of the funds for those purposes, shall publish the rules relative to the prizes, awards, and deadlines for entries eligible for the funds in their official premium books or lists relative to the prizes or awards. An aggrieved exhibitor may make a written complaint to the fair within 10 days after the fair ends. If the fair has not satisfactorily settled the grievance within 45 days after it is submitted to the fair, the aggrieved person may file the complaint with the department and the department shall investigate the complaint and make a finding of fact regarding the complaint and take appropriate action regarding the complaint.

Overnight purse supplements.

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

Michigan horse show association - fall youth show.

Sec. 808. Of the amount appropriated in section 110 for premiums, \$11,400.00 shall be expended as a grant for the Michigan horse show association - fall youth show.

Animal agriculture industry; youth involvement and adult exhibitions.

Sec. 809. From the appropriations for premiums - county and state fairs in section 110, \$120,000.00 shall be awarded through a competitive grant program to local, regional, or state fairs or expositions to promote youth involvement and adult exhibitions in the animal agriculture industry. Appropriate exhibition classes for youth shall be developed that encourage a production exhibit for which premium awards may be paid. The age for youth exhibitors shall be determined by the standards of the association requesting the grant or, if standards do not exist, the age for youth exhibitors shall be ages 9 through 21. Implementation of the latest technologies into the evaluation of the animals shall be encouraged in the production exhibit. Adult exhibitions should focus on the performance or end product, or both, with the appropriate technologies used to enhance placings and the awarding of premiums.

Distribution of outstanding winning tickets; availability for expenditure.

Sec. 811. The funds appropriated in section 110 for distribution of outstanding winning tickets are not available for expenditure until they are deposited in the agriculture equine industry development fund pursuant to section 2 of 1951 PA 90, MCL 431.252. These funds shall be expended in accordance with section 2 of 1951 PA 90, MCL 431.252, and only after 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.

Compiler's note: This section was repealed by 2003 PA 39, Imd. Eff. July 8, 2003.

Lessee ineligible for state subsidy.

Sec. 812. An individual or other entity that leases land, a building, or other property under the Michigan exposition and fairgrounds act, 1978 PA 361, MCL 285.161 to 285.176, is not eligible for a state grant, loan, appropriation, or other state subsidy related to the leased land, building, or other property.

Estimate of unreserved and unencumbered agriculture equine industry development fund; transfer request.

Sec. 813. (1) On or before January 29, 2003, the department, together with the senate and house fiscal agencies and the department of management and budget, shall estimate the unreserved and unencumbered closing balance of the agriculture equine industry development fund for the fiscal year ending September 30, 2002. The estimate shall consider lapsed appropriations from the fund and any carryforward amounts designated for appropriation in the fiscal year ending September 30, 2003.

(2) On or before February 5, 2003, the department shall request a legislative transfer in accordance with section 393 of the management and budget act, 1984 PA 431, MCL 18.1393, to appropriate any estimated unreserved and unencumbered agriculture equine industry development fund balance in excess of \$250,000.00. The appropriations included in the transfer request shall be in accordance with the requirements of section 20 of the horse racing law of 1995, 1995 PA 279, MCL 431.320. At the same time the department forwards its transfer request to the department of management and budget, the department shall submit copies of the transfer request to the senate and house appropriations subcommittees on agriculture and the senate and house fiscal agencies.

Promotions, capital improvements, or race operations; distribution of funds; report.

Sec. 815. From the appropriation in section 110 for building and track improvement - county and state fairs, \$49,000.00 shall be awarded to licensed race meet operators for

promotions, capital improvements, or operations at race meets which are conducted on facilities leased from county fairs. On or before December 31, 2002, the department shall report to the senate and house appropriations subcommittees on agriculture and the senate and house fiscal agencies on the distribution of these funds.

Sec. 816. The appropriation in section 110 for fairs and festivals promotion shall be used by the department to provide grants to the industry for statewide volunteer staff education and promotion of commodities.

OFFICE OF RACING COMMISSIONER

Crimes involving horse racing industry; rewards.

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

This act is ordered to take immediate effect.
Approved July 25, 2002.
Filed with Secretary of State July 25, 2002.

[No. 517]
(HB 5643)

AN ACT 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

Appropriations; department of career development and Michigan strategic fund.

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

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

	For Fiscal Year Ending Sept. 30, 2003
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

Department of career development.

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-OSEERS, 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
HHS, temporary assistance for needy families.....	337,700

	For Fiscal Year Ending Sept. 30, 2003
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

	For Fiscal Year Ending Sept. 30, 2003
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
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

For Fiscal Year
Ending Sept. 30,
2003

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)

Appropriated from:

State general fund/general purpose	\$	(922,100)
--	----	-----------

Michigan strategic fund.

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

	For Fiscal Year Ending Sept. 30, 2003
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**Total state spending; payments to local units of government.**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2002-2003 is \$118,243,400.00 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

Appropriations subject to §§ 18.1101 to 18.1594.

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

Definitions.

Sec. 203. As used in this appropriation act:

- (a) "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.

Billing by department of civil service.

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.

Hiring freeze; exceptions.

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

(2) The state budget director 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.

Contingency funds; availability for expenditure.

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.

Privatization; project plan.

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.

Reporting requirements; use of Internet.

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.

Purchase of foreign goods or services.

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.

Businesses in deprived and depressed communities; contracts to provide services or supplies.

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.

Notice of grants.

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.

Affirmative action programs.

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.

Retention of reports and records.

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.

Technology related services and projects; user fees.

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.

Information technology as work project; availability of funds for expenditure.

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.

Early retirement savings; hiring freeze; adjustments.

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.

Additional appropriations; condition.

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) \$225,000.00 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

Michigan career and technical institute; support of staff services.

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.

Obtaining federal vocational rehabilitation funds; use of matching funds.

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.

Vocational rehabilitation facilities establishment grants; local match requirements.

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.

Centers for independent living; use of funds; applications; report; required information; submission.

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.

Work first program; participation requirements.

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.

Study of former work first participants; data to be included; report; formulation and acquisition of data; retention of third party to conduct studies.

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.

Expenditures by local workforce development boards; condition.

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.

Precollege programs in engineering and sciences; report.

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.

Use of excess funds for employment service agency; staffing and operating expenses.

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.

Disabled veterans outreach specialist or local veterans employment representative; availability at Michigan works! employment services office; duties; notice; employer services; placement of veterans as priority.

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.

Michigan community service commission volunteer investment grants.

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.

Distribution of tobacco settlement funds to council of Michigan foundations; formula.

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.

Federal pass-through funds to local institutions and governments.

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.

Private occupational school license fees; use.

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.

School fee fund; carrying over unexpended funds.

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.

Administration of loan collections.

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.

King-Chavez-Parks initiative on employment outcomes for program participants; data compilation.

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.

Adult education program.

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.

Medicaid buy-in program for working disabled.

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.

King-Chavez-Parks initiative; marketing; report.

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.

State jobs lost as result of agency or program reorganized, modified, or eliminated; training program.

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.

Michigan works! service centers; funding.

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.

Assistive technology for persons with disabilities; loan program.

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.

Michigan virtual university.

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.

Focus:HOPE; report.

Sec. 329. (1) Focus:HOPE shall submit a report on the use of the grant's 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**Economic development job training grants.**

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) The 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.

Travel Michigan; fees.

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.

Annual status report.

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.

“Michigan Great Lakes. Great Times.” slogan; use of revenue.

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.

Promotion of tourism activities.

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.

Listing of grants.

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

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

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.

Program reports.

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.

Local government contracting with private organization; cooperation.

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.

Land purchase; conditions; “economically distressed area” defined.

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.

Life sciences research.

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.

Compiler's note: This section was repealed by 2003 PA 39, Imd. Eff. July 8, 2003.

Premiums or advertising material; certain spending prohibited; exception.

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.

Disposition of unexpended or unencumbered funds.

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.

Receipt of funds by public body corporate; requirements.

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.

Disposition of loan repayments; unused grants, sales or cash flow participation; report.

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.

Funds received as part of care communities fund; report.

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.

Ethnic festivals and events.

Sec. 416. Travel Michigan shall coordinate with Michigan-based ethnic destination marketing organizations to promote ethnic festivals and events in Michigan target markets.

Urban revitalization infrastructure program; economic development awards; duties of Michigan economic development corporation.

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.

Michigan technical assistance center in Port Huron.

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.

This act is ordered to take immediate effect.

Approved July 25, 2002.

Filed with Secretary of State July 25, 2002.

[No. 518]

(SB 1099)

AN ACT to make appropriations for certain capital outlay programs and state departments and agencies for the fiscal year ending September 30, 2003; to implement the appropriations within the budgetary process; to make appropriations for planning and construction at state agencies; to make appropriations for state building authority rent and insurance; to make a grant for state building authority rent; to provide for the acquisition of land and buildings; to provide for the elimination of fire hazards; to provide for special maintenance, remodeling and addition, alteration, renovation, demolition, and other projects; to provide for elimination of occupational safety and health hazards; to provide for the award and implementation of contracts; to provide for the purchase of furnishings and equipment relative to occupancy of a project; to provide for the development of public recreation facilities; to provide for certain advances from the general fund; to prescribe powers and duties of certain state officers and agencies; to require certain reports, plans, and agreements; to provide for leases; to provide for transfers; to prescribe standards and conditions relating to the appropriations; and to provide for the expenditure of appropriations.

The People of the State of Michigan enact:

PART 1

LINE-ITEM APPROPRIATIONS

Summary.

Sec. 101. SUMMARY

Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for certain capital outlay projects at the various state agencies 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:

CAPITAL OUTLAY

GROSS APPROPRIATION.....	\$	577,271,800
Total interdepartmental grants and intradepartmental transfers	\$	4,000,000
ADJUSTED GROSS APPROPRIATION.....	\$	573,271,800

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

	For Fiscal Year Ending Sept. 30, 2003
Total federal revenues	167,542,000
Total local revenues	43,000,000
Total private revenues.....	0
Total state restricted revenues.....	58,245,000
State general fund/general purpose	\$ 304,484,800

Department of agriculture.

Sec. 102. DEPARTMENT OF AGRICULTURE

Farmland and open space development acquisition.....	\$ 7,500,000
GROSS APPROPRIATION.....	\$ 7,500,000
Appropriated from:	
Federal revenues:	
DAG, multiple grants.....	2,500,000
Special revenue funds:	
Agriculture preservation fund	5,000,000
State general fund/general purpose	\$ 0

Department of management and budget.

Sec. 103. DEPARTMENT OF MANAGEMENT AND BUDGET

Lump sum projects:	
Special maintenance, remodeling and additions:	
For state agencies special maintenance projects estimated to cost more than \$100,000 but less than \$1,000,000	\$ 4,000,000
Major special maintenance and remodeling for department of community health	500,000
Major special maintenance and remodeling for department of corrections.....	2,077,700
Major special maintenance and remodeling for family independence agency	550,000
Major special maintenance and remodeling for department of management and budget	712,500
Major special maintenance and remodeling for department of state police	256,300
GROSS APPROPRIATION.....	\$ 8,096,500
Appropriated from:	
Interdepartmental grant revenues:	
IDG from building occupancy charges.....	4,000,000
State general fund/general purpose	\$ 4,096,500

Department of military affairs.

Sec. 104. DEPARTMENT OF MILITARY AFFAIRS

Lump sum projects:	
For department of military affairs remodeling and additions and special maintenance projects	\$ 2,711,700
GROSS APPROPRIATION.....	\$ 2,711,700
Appropriated from:	
Federal revenues:	
DOD, department of the army, national guard bureau	1,492,000
State general fund/general purpose	\$ 1,219,700

For Fiscal Year
Ending Sept. 30,
2003

State agency, community college, and university planning projects.

**Sec. 104a. STATE AGENCY, COMMUNITY COLLEGE,
AND UNIVERSITY PLANNING PROJECTS**

Alpena Community College - instructional addition/renovation project, for program and planning to be paid for from college revenues ...	\$	100
Bay De Noc Community College - Dickinson County facility, for program and planning to be paid for from college revenues.....		100
Jackson Community College - new downtown center renovation project - for program and planning to be paid for from college revenues		100
Delta College - allied health and nursing "F" wing renovations, for program and planning to be paid for from college revenues.....		100
Grand Rapids Community College - campus renovations - for program and planning to be paid for from college revenues		100
Kalamazoo Valley Community College - center for new media, for program and planning to be paid for from college revenues.....		100
Lansing Community College - master plan phase I - technology facility, for program and planning to be paid for from college revenues		100
Muskegon Community College - library/technology center project, for program and planning to be paid for from college revenues ...		100
North Central Michigan College - university and science center, for program and planning to be paid for from college revenues.....		100
Schoolcraft College - technical service facility, for program and planning to be paid for from college revenues		100
Southwestern Michigan College - M-Tech center expansion, for program and planning to be paid for from college revenues.....		100
Washtenaw Community College - renovations and science laboratory upgrade, for program and planning to be paid for from college revenues		100
West Shore Community College - media center building, for program and planning to be paid for from college revenues		100
Central Michigan University - education building, for program and planning to be paid for from college revenues		100
Eastern Michigan University - Pray-Harrold classroom building modernization project, for program and planning to be paid for from college revenues		100
University of Michigan - school of public health, for program and planning to be paid for from college revenues		100
Ferris State University - optometry building, for program and planning to be paid for from college revenues		100
Grand Valley State University - library addition and remodeling - for program and planning to be paid for from university revenues...		100
Western Michigan University - Sangren hall/education building, for program and planning to be paid for from college revenues.....		100
GROSS APPROPRIATION	\$	1,900

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

For Fiscal Year
Ending Sept. 30,
2003

Appropriated from:
State general fund/general purpose \$ 1,900

Department of natural resources.

Sec. 105. DEPARTMENT OF NATURAL RESOURCES

(1) STATE PARKS

State parks repair and maintenance \$ 2,500,000
Forest roads, bridges, and facilities 800,000
GROSS APPROPRIATION \$ 3,300,000

Appropriated from:

Special revenue funds:

State park improvement fund \$ 1,500,000
State park endowment fund 1,000,000
Forest development fund 800,000
State general fund/general purpose \$ 0

(2) WILDLIFE

Deer habitat development and acquisition \$ 1,500,000
State game and wildlife area maintenance 550,000
GROSS APPROPRIATION \$ 2,050,000

Appropriated from:

Federal revenues:

DOI, U.S. fish and wildlife service, Pittman-Robertson 550,000

Special revenue funds:

Deer range improvement fund 1,500,000
State general fund/general purpose \$ 0

(3) WATERWAYS BOATING PROGRAM

Boating program, state boating access projects \$ 25,000

Boating program, boating access sites, grants in aid:

Delta County, Escanaba, north shore boating access site (total project cost \$1,333,000, federal share \$1,000,000, local share \$333,000) 1,000,000

Boating program, harbors and docks, state facilities:

Infrastructure improvements and engineering studies 3,400,000

Land acquisition 2,200,000

Cedar River, new marina, phase II (total cost \$5,200,000, state share \$5,200,000) 1,600,000

Mackinaw City, new marina, state dock, phase II (total cost \$7,200,000, federal share \$2,575,000, state share \$4,625,000) ... 3,025,000

Mackinac Island, marina expansion (total project cost \$11,025,000, state share \$11,025,000) 9,025,000

Boating program, harbors and docks, local facilities:

Infrastructure improvements and engineering studies 800,000

Traverse City, Grand Traverse County, facility rehabilitation, phase II (total project cost \$10,000,000, state share \$7,500,000) 2,500,000

Muskegon County, Whitehall, restroom/shower upgrade (total project cost \$250,000, state share \$125,000) 125,000

GROSS APPROPRIATION \$ 23,700,000