

(b) A recipient member of a program group or family independence assistance group has died.

(c) A recipient child is removed from his or her family home by court action.

(d) A recipient requests in writing that his or her assistance be reduced, terminated, or suspended.

(e) A recipient has been approved to receive assistance in another state.

(f) A change in either state or federal law that requires automatic grant adjustments for classes of recipients.

Denial of assistance and food assistance benefits; exemption.

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

(a) A third-party payee or vendor shall be required for any cash benefits provided.

(b) An authorized representative shall be required for food assistance receipt.

Multicultural assimilation and support services.

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

Temporary assistance for needy families-funded individual development accounts.

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

Individual development accounts programs.

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

(a) Creation of a Michigan-based support system for the capacity-building of existing and emerging CDCUs serving low-income individuals and families, including development and testing of training, technical assistance, and professional development initiatives and related materials, and other capacity-building services to Michigan CDCUs.

(b) Other related support to assist existing and emerging CDCUs in becoming self-supporting institutions to assist impoverished Michigan residents in becoming economically independent.

(c) Training and technical assistance to CDCUs in the development of support services, such as economic literacy, credit counseling, budget counseling, and asset management programs for low-income individuals and families.

EQUIP funds.

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

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

Policies and procedures.

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

(a) The identification of individuals on entry into the system who have a history of domestic violence, while maintaining the confidentiality of that information.

(b) Referral of persons so identified to counseling and supportive services.

(c) In accordance with a determination of good cause, the waiving of certain requirements of family independence programs where compliance with those requirements would make it more difficult for the individual to escape domestic violence or would unfairly penalize individuals who have been victims of domestic violence or who are at risk of further domestic violence.

Food assistance allotment; calculation; manner.

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

Child day care payments; provider listed on child abuse and neglect central registry.

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

Infant and toddler incentive payments.

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

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

Homeless shelters; TANF funds.

Sec. 643. As a condition of receipt of federal TANF funds, homeless shelters shall collaborate with the family independence agency to obtain necessary TANF eligibility

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

Escape from domestic violence considered as homeless.

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

Assistance payments; eligibility beyond time limit.

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

Victim of domestic abuse; exemption from food assistance time limit.

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

Before- or after-school programs.

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

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

(3) The department shall allocate through grants or contracts up to \$10,000,000.00 for pilot programs. A county shall receive no more than 20% of the funds appropriated in part 1 for this program. From the funds appropriated in part 1 for before- or after-school pilot programs within day care services, the department is authorized to make allocations of funds only to the agencies that report necessary data to the department for the purpose

of meeting TANF and maintenance of effort eligibility reporting requirements. The use of funds under this section should not be considered an ongoing commitment of funding.

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

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

(5) The department may enter into grants or contracts with independent contractors including, but not limited to, faith-based organizations, boys or girls clubs, schools, or nonprofit organizations. The department shall grant priority in funding independent contractors who secure at least 10% in matching funds. The matching funds may either be fulfilled through local, state, or federal funds, and/or through in-kind or other donations. An independent contractor who cannot fulfill the match described in this subsection shall not be excluded from applying for a before- or after-school program contract.

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

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

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

Food bank council activities; TANF funds.

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

Transitional work support program.

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

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

TANF-eligible individuals; public transportation needs.

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

Federal earned income tax credit; eligibility.

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

Child day care provider background checks.

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

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

JUVENILE JUSTICE SERVICES**Juvenile accountability incentive block grant.**

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

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

Juvenile justice services; facility expansion.

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

Placement of juvenile in maximum security program; leaving property prohibited; exception.

Sec. 703. A juvenile adjudicated and placed in a state-operated maximum security program funded under part 1 for juvenile justice services shall not be allowed to leave the property of the maximum security facility at which the program is located except when required to leave the property for medical treatment, court appearances, or other good cause approved by the facility director. For purposes of this section, "juvenile" means that term as defined in section 115n of the social welfare act, 1939 PA 280, MCL 400.115n.

Juvenile justice services; location of new facilities; restriction.

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

W.J. Maxey facility; report; treatment.

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

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

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

(c) Staff and resident safety.

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

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

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

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

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

(b) Sexual harassment and gender bias.

(c) Cultural and ethnic sensitivity.

Detention services programs.

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

Reimbursement for child care fund expenditures; reporting requirements.

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

School aid funds for education services.

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

Service spending plan.

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

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

Auditor general report of noncompliance by department.

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

Mental health and substance abuse treatment; cooperative work with other departments.

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

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

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

Information networks.

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

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

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

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

Juvenile justice system; primary function; early intervention initiatives.

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

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

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

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

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

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

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

(f) Multisystem therapy.

(g) Youth service projects.

(h) Community services projects.

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

DISABILITY DETERMINATION SERVICES

Medical disability retirement.

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

This act is ordered to take immediate effect.

Approved July 25, 2002.

Filed with Secretary of State July 25, 2002.

[No. 530]

(HB 4373)

AN ACT to make, supplement, and adjust appropriations for capital outlay and certain state departments and agencies for the fiscal year ending September 30, 2002 and fiscal year ending September 30, 2003; to implement the appropriations within the budgetary process; to authorize certain land transfers; to provide for the expenditure of appropriations; and to repeal acts and parts of acts.

The People of the State of Michigan enact:

PART 1

LINE-ITEM APPROPRIATIONS
FISCAL YEAR 2001-2002

Appropriation; fiscal year ending September 30, 2002; capital outlay.

Sec. 101. There is appropriated for capital outlay and for certain state departments and agencies for the fiscal year ending September 30, 2002, from the following funds:

APPROPRIATION SUMMARY:

| | | |
|---|-------------|------------------|
| Full-time equated positions | 0.0 | |
| GROSS APPROPRIATION | | \$ 1,021,747,225 |
| Interdepartmental grant revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | 307,000 | |
| ADJUSTED GROSS APPROPRIATION | | \$ 1,021,440,225 |
| Federal revenues: | | |
| Total federal revenues | 676,509,800 | |
| Special revenue funds: | | |
| Total local revenues | 121,458,500 | |
| Total private revenues | 230,000 | |
| Total other state restricted revenues | 291,290,600 | |
| State general fund/general purpose | | \$ (68,048,675) |

Department of agriculture.

Sec. 102. DEPARTMENT OF AGRICULTURE

(1) APPROPRIATION SUMMARY

| | | |
|---------------------------|--|------------|
| GROSS APPROPRIATION | | \$ 235,000 |
|---------------------------|--|------------|

For Fiscal Year
Ending Sept. 30,
2002

Interdepartmental grant revenues:

| | | |
|---|----|---------|
| Total interdepartmental grants and intradepartmental transfers | \$ | 0 |
| ADJUSTED GROSS APPROPRIATION..... | \$ | 235,000 |
| Total federal revenues | | 0 |
| Total local revenues | | 0 |
| Total private revenues..... | | 0 |
| Total other state restricted revenues..... | | 0 |
| State general fund/general purpose | \$ | 235,000 |

(2) ANIMAL INDUSTRY

| | | |
|--------------------------------|----|----------------|
| Indemnification payments | \$ | 235,000 |
| GROSS APPROPRIATION..... | \$ | <u>235,000</u> |

Appropriated from:

| | | |
|--|----|---------|
| State general fund/general purpose | \$ | 235,000 |
|--|----|---------|

Capital outlay.

Sec. 103. CAPITAL OUTLAY

(1) APPROPRIATION SUMMARY

| | | |
|---|----|-------------|
| GROSS APPROPRIATION..... | \$ | 96,773,300 |
| Interdepartmental grant revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | | 0 |
| ADJUSTED GROSS APPROPRIATION..... | \$ | 96,773,300 |
| Total federal revenues | | 70,235,000 |
| Total local revenues | | 15,000,000 |
| Total private revenues..... | | 230,000 |
| Total state restricted revenues..... | | 20,525,000 |
| State general fund/general purpose | \$ | (9,216,700) |

(2) DEPARTMENT OF AGRICULTURE

| | | |
|--|----|------------------|
| Farmland and open space development acquisition..... | \$ | <u>2,000,000</u> |
| GROSS APPROPRIATION..... | \$ | 2,000,000 |

Appropriated from:

Federal revenues:

| | | |
|--|----|-----------|
| DAG, multiple grants..... | | 2,000,000 |
| State general fund/general purpose | \$ | 0 |

(3) STATE BUILDING AUTHORITY FINANCED

CONSTRUCTION PROJECTS

| | | |
|--|----|-----------|
| Department of corrections - 336 bed housing unit and replacement food service building at Camp Brighton, for design and construction (total authorized cost \$10,750,000; state building authority share \$3,675,000; federal share \$7,075,000) | \$ | 7,075,000 |
| Kellogg Community College - career development center/science building renovations, for design and construction (total authorized cost \$3,750,000; state building authority share \$1,874,800; Kellogg Community College share \$1,875,000; state general fund share \$200) | | 100 |
| Mid Michigan Community College - student assessment center, for design and construction (total authorized cost \$3,165,000; state building authority share \$1,582,300; Mid Michigan Community College share \$1,582,500; state general fund share \$200) | | 100 |

For Fiscal Year
Ending Sept. 30,
2002

| | | |
|---|----|-------------------|
| Monroe County Community College - instructional center for business training and performing arts building, for design and construction (total authorized cost \$12,000,000; state building authority share \$5,999,800; Monroe County Community College share \$6,000,000; state general fund share \$200)..... | \$ | 100 |
| Washtenaw Community College - plumbers and pipefitters building, for design and construction (total authorized cost \$4,000,000; state building authority share \$1,999,800; Washtenaw Community College share \$2,000,000; state general fund share \$200) | | 100 |
| St. Clair Community College - general campus renovations project, authorized for planning in 2000 PA 291, for final design and construction (total authorized cost \$13,000,000; state building authority share \$6,499,800; St. Clair Community College share \$6,500,000; state general fund share \$200)..... | | 100 |
| University of Michigan-Dearborn - Hubbard Drive professional training and education building acquisition/engineering and science building renovations; phase I, building acquisition (total authorized cost \$32,800,000; state building authority share \$24,599,800; University of Michigan-Dearborn share \$8,200,000; state general fund share \$200); phase II, engineering and science building renovations (total authorized cost \$22,200,000; state building authority share \$16,650,000; University of Michigan-Dearborn share \$5,550,000; state general fund share \$0)..... | | 100 |
| GROSS APPROPRIATION..... | \$ | <u>7,075,600</u> |
| Appropriated from: | | |
| Federal revenues: | | |
| DOJ, violent offender incarceration - truth-in-sentencing | | 7,075,000 |
| State general fund/general purpose | \$ | 600 |
| (4) DEPARTMENT OF MILITARY AFFAIRS | | |
| Lump-sum projects: | | |
| For department of military affairs remodeling and additions and special maintenance projects | \$ | 2,415,000 |
| Jackson armory replacement (total project cost \$10,000,000; federal share \$7,500,000; state share \$2,500,000)..... | | 10,000,000 |
| Calumet armory replacement (total project cost \$5,500,000; federal share \$4,125,000; state share \$1,375,000)..... | | 5,500,000 |
| Grand Ledge armory airfleet support facility (total project cost \$1,500,000; federal share \$1,500,000) | | 1,500,000 |
| Lansing combined maintenance shop - originally appropriated in PA 114 of 1997, to increase the total authorized cost (total authorized cost is increased from \$18,500,000 to \$24,500,000; federal share is increased from \$18,100,000 to \$23,950,000; state armory construction fund share is increased from \$400,000 to \$550,000) | | 6,000,000 |
| GROSS APPROPRIATION..... | \$ | <u>25,415,000</u> |

For Fiscal Year
Ending Sept. 30,
2002

| | |
|---|----------------|
| Appropriated from: | |
| Federal revenues: | |
| DOD, department of the army, national guard bureau | \$ 21,160,000 |
| Private revenues: | |
| Northern Michigan law enforcement training group | 230,000 |
| Special revenue funds: | |
| Armory construction fund | 4,025,000 |
| State general fund/general purpose | \$ 0 |
| (5) DEPARTMENT OF NATURAL RESOURCES | |
| (a) STATE PARKS | |
| State parks infrastructure - Sterling state park | \$ 15,500,000 |
| GROSS APPROPRIATION | \$ 15,500,000 |
| Appropriated from: | |
| Special revenue funds: | |
| State park improvement revenue bonds | 15,500,000 |
| State general fund/general purpose | \$ 0 |
| (b) FISHERIES | |
| Fisheries research vessels | 1,000,000 |
| GROSS APPROPRIATION | \$ 1,000,000 |
| Appropriated from: | |
| Special revenue funds: | |
| Game and fish protection fund | 1,000,000 |
| State general fund/general purpose | \$ 0 |
| (6) DEPARTMENT OF TRANSPORTATION | |
| AERONAUTICS FUND: AIRPORT PROGRAMS | |
| Airport safety and protection plan | \$ 55,000,000 |
| GROSS APPROPRIATION | \$ 55,000,000 |
| Appropriated from: | |
| Federal revenues: | |
| DOT, federal aviation administration | \$ 40,000,000 |
| Special revenue funds: | |
| Local aeronautics match | 15,000,000 |
| State general fund/general purpose | \$ 0 |
| (7) STATE BUILDING AUTHORITY RENT | |
| State building authority rent - state agencies | \$ (3,057,300) |
| State building authority rent - department of corrections | (2,056,100) |
| State building authority rent - universities | (4,417,000) |
| State building authority rent - community colleges | 313,100 |
| GROSS APPROPRIATION | \$ (9,217,300) |
| Appropriated from: | |
| State general fund/general purpose | \$ (9,217,300) |

Department of career development.

Sec. 104. DEPARTMENT OF CAREER DEVELOPMENT

(1) APPROPRIATION SUMMARY

| | |
|---------------------------|----------------|
| GROSS APPROPRIATION | \$ 161,080,000 |
|---------------------------|----------------|

| | For Fiscal Year Ending Sept. 30, 2002 |
|---|---|
| Interdepartmental grant revenues: | |
| Total interdepartmental grants and intradepartmental transfers | 0 |
| ADJUSTED GROSS APPROPRIATION..... | \$ 161,080,000 |
| Federal revenues: | |
| Total federal revenues..... | 167,000,000 |
| Special revenue funds: | |
| State general fund/general purpose | \$ (5,920,000) |
| (2) DEPARTMENT GRANTS | |
| Focus:HOPE | \$ 0 |
| Glen Oaks Community College outreach center | 80,000 |
| Job training programs subgrantees | 16,800,000 |
| Welfare-to-work programs..... | 136,200,000 |
| Michigan virtual university long-distance learning..... | 1,000,000 |
| GROSS APPROPRIATION..... | \$ 154,080,000 |
| Appropriated from: | |
| Federal revenues: | |
| Federal section 903(d), SSA funds | 206,000,000 |
| HHS, temporary assistance for needy families..... | (46,000,000) |
| Special revenue funds: | |
| State general fund/general purpose | \$ (5,920,000) |
| (3) EMPLOYMENT SERVICE AGENCY | |
| Employment services..... | \$ 7,000,000 |
| GROSS APPROPRIATION..... | \$ 7,000,000 |
| Appropriated from: | |
| Federal revenues: | |
| Federal section 903(d), SSA funds | 7,000,000 |
| Special revenue funds: | |
| State general fund/general purpose | \$ 0 |

Community colleges.**Sec. 105. COMMUNITY COLLEGES****(1) APPROPRIATION SUMMARY**

| | |
|---|-----------|
| GROSS APPROPRIATION..... | \$ 66,000 |
| Interdepartmental grant revenues: | |
| Total interdepartmental grants and intradepartmental transfers | 0 |
| ADJUSTED GROSS APPROPRIATION..... | \$ 66,000 |
| Total federal revenues..... | 0 |
| Total local revenues | 0 |
| Total private revenues..... | 0 |
| Total other state restricted revenues..... | 0 |
| State general fund/general purpose | \$ 66,000 |
| (2) GRANTS | |
| Renaissance zone tax reimbursement funding..... | \$ 66,000 |
| GROSS APPROPRIATION..... | \$ 66,000 |

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Appropriated from:
State general fund/general purpose \$ 66,000

Department of community health.

Sec. 106. DEPARTMENT OF COMMUNITY HEALTH

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION \$ 544,209,600
 Interdepartmental grant revenues:
 Total interdepartmental grants and intradepartmental transfers 0
 ADJUSTED GROSS APPROPRIATION \$ 544,209,600
 Federal revenues:
 Total federal revenues 281,979,100
 Special revenue funds:
 Total local revenues 106,458,500
 Total private revenues \$ 0
 Total other state restricted revenues 218,214,000
 State general fund/general purpose \$ (62,442,000)

(2) COMMUNITY MENTAL HEALTH/SUBSTANCE

ABUSE SERVICES PROGRAMS

Medicaid mental health services \$ 15,731,500
 GROSS APPROPRIATION \$ 15,731,500
 Appropriated from:
 Federal revenues:
 Total federal revenues 8,864,700
 Special revenue funds:
 State general fund/general purpose \$ 6,866,800

(3) EPIDEMIOLOGY

Bioterrorism preparedness \$ 31,200,000
 GROSS APPROPRIATION \$ 31,200,000
 Appropriated from:
 Federal revenues:
 Total federal revenues \$ 31,200,000
 Special revenue funds:
 State general fund/general purpose \$ 0

(4) COMMUNITY LIVING, CHILDREN, AND FAMILIES

Local MCH \$ 4,214,000
 GROSS APPROPRIATION \$ 4,214,000
 Appropriated from:
 Special revenue funds:
 Total other state restricted revenues 4,214,000
 State general fund/general purpose \$ 0

(5) CHILDREN'S SPECIAL HEALTH CARE SERVICES

Medical care and treatment \$ 28,951,000
 GROSS APPROPRIATION \$ 28,951,000
 Appropriated from:
 Federal revenues:
 Total federal revenues 14,186,000

| | For Fiscal Year Ending Sept. 30, 2002 |
|---|---|
| Special revenue funds: | |
| State general fund/general purpose | \$ 14,765,000 |
| (6) MEDICAL SERVICES | |
| Hospital services and therapy..... | \$ 3,519,400 |
| Physician services..... | 29,384,000 |
| Medicare premium payments | 9,594,000 |
| Pharmaceutical services | (31,970,300) |
| Home health services..... | (1,108,000) |
| Transportation..... | 1,147,000 |
| Auxiliary medical services | 5,492,000 |
| Long-term care services..... | 78,445,600 |
| Health plan services..... | 186,563,000 |
| Adult home help..... | 8,089,200 |
| Subtotal basic medical services program | 289,155,900 |
| State and local medical programs..... | 8,498,700 |
| Special adjustor payments | 166,458,500 |
| Subtotal special medical services payments..... | 174,957,200 |
| GROSS APPROPRIATION..... | \$ 464,113,100 |
| Appropriated from: | |
| Federal revenues: | |
| Total federal revenues..... | 227,728,400 |
| Special revenue funds: | |
| Total local revenues | 106,458,500 |
| Total other state restricted revenues..... | 214,000,000 |
| State general fund/general purpose | \$ (84,073,800) |

Department of consumer and industry services.

Sec. 107. DEPARTMENT OF CONSUMER AND

INDUSTRY SERVICES

(1) APPROPRIATION SUMMARY

| | |
|---|---------------|
| GROSS APPROPRIATION..... | \$ 65,000,000 |
| Interdepartmental grant revenues: | |
| Total interdepartmental grants and intradepartmental transfers | 0 |
| ADJUSTED GROSS APPROPRIATION..... | \$ 65,000,000 |
| Federal revenues: | |
| Total federal revenues..... | 75,000,000 |
| Special revenue funds: | |
| Total local revenues | 0 |
| Total private revenues..... | 0 |
| Total other state restricted revenues..... | (10,000,000) |
| State general fund/general purpose | \$ 0 |

(2) BUREAU OF WORKER'S AND UNEMPLOYMENT

COMPENSATION

| | |
|---|---------------|
| Unemployment programs..... | \$ 65,000,000 |
| GROSS APPROPRIATION..... | \$ 65,000,000 |
| Appropriated from: | |
| Federal revenues: | |
| Federal section 903(d), SSA funds | 75,000,000 |

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2002

| | | |
|---|----|--------------|
| Special revenue funds: | | |
| Contingent fund, penalty and interest account | \$ | (10,000,000) |
| State general fund/general purpose | \$ | 0 |

Department of corrections.

Sec. 108. DEPARTMENT OF CORRECTIONS

(1) APPROPRIATION SUMMARY

| | | |
|---|----|-----------|
| GROSS APPROPRIATION | \$ | 4,500,000 |
| Interdepartmental grant revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | | 0 |
| ADJUSTED GROSS APPROPRIATION | \$ | 4,500,000 |
| Federal revenues: | | |
| Total federal revenues | | 0 |
| Special revenue funds: | | |
| Total local revenues | | 0 |
| Total private revenues | | 0 |
| Total other state restricted revenues | | 4,500,000 |
| State general fund/general purpose | \$ | 0 |

(2) COMMUNITY CORRECTIONS

| | | |
|--|----|-----------|
| County jail reimbursement program | \$ | 4,500,000 |
| GROSS APPROPRIATION | \$ | 4,500,000 |
| Appropriated from: | | |
| Special revenue funds: | | |
| State restricted revenues and reimbursements | | 4,500,000 |
| State general fund/general purpose | \$ | 0 |

Department of education.

Sec. 109. DEPARTMENT OF EDUCATION

(1) APPROPRIATION SUMMARY

| | | |
|---|----|------------|
| GROSS APPROPRIATION | \$ | 24,377,000 |
| Total interdepartmental grants and intradepartmental transfers | | 0 |
| ADJUSTED GROSS APPROPRIATION | \$ | 24,377,000 |
| Federal revenues: | | |
| Total federal revenues | | 24,011,900 |
| Special revenue funds: | | |
| Total local revenues | | 0 |
| Total private revenues | | 0 |
| Total other state restricted revenues | | 0 |
| State general fund/general purpose | \$ | 365,100 |

(2) FIELD SERVICES

| | | |
|--|----|--------|
| Field services operations | | 53,000 |
| GROSS APPROPRIATION | \$ | 53,000 |
| Appropriated from: | | |
| Federal revenues: | | |
| Total federal revenues | | 53,000 |
| Special revenue funds: | | |
| State general fund/general purpose | \$ | 0 |

For Fiscal Year
Ending Sept. 30,
2002

(3) OFFICE OF SCHOOL EXCELLENCE

| | | |
|-----------------------------------|----|----------------|
| School excellence operations..... | \$ | 597,000 |
| GROSS APPROPRIATION..... | \$ | <u>597,000</u> |

Appropriated from:

Federal revenues:

| | | |
|-----------------------------|--|---------|
| Total federal revenues..... | | 597,000 |
|-----------------------------|--|---------|

Special revenue funds:

| | | |
|--|----|---|
| State general fund/general purpose | \$ | 0 |
|--|----|---|

(4) GRANTS AND DISTRIBUTIONS

FEDERAL PROGRAMS:

| | | |
|---------------------------------|----|-----------|
| Reading first state grants..... | \$ | 5,700,000 |
|---------------------------------|----|-----------|

| | | |
|---------------------------------------|--|------------|
| Improving teacher quality grants..... | | 16,500,000 |
|---------------------------------------|--|------------|

| | | |
|----------------------------------|--|-----------|
| Language acquisition grants..... | | 1,161,900 |
|----------------------------------|--|-----------|

STATE PROGRAMS:

| | | |
|---------------------------------|----|---------|
| School breakfast programs | \$ | 365,100 |
|---------------------------------|----|---------|

| | | |
|--------------------------|----|-------------------|
| GROSS APPROPRIATION..... | \$ | <u>23,727,000</u> |
|--------------------------|----|-------------------|

Appropriated from:

Federal revenues:

| | | |
|-----------------------------|--|------------|
| Total federal revenues..... | | 23,361,900 |
|-----------------------------|--|------------|

Special revenue funds:

| | | |
|--|----|---------|
| State general fund/general purpose | \$ | 365,100 |
|--|----|---------|

Department of environmental quality.**Sec. 110. DEPARTMENT OF ENVIRONMENTAL QUALITY****(1) APPROPRIATION SUMMARY**

| | | |
|--------------------------|----|------------|
| GROSS APPROPRIATION..... | \$ | 19,315,100 |
|--------------------------|----|------------|

Interdepartmental grant revenues:

| | | |
|---|--|---|
| Total interdepartmental grants and intradepartmental transfers | | 0 |
|---|--|---|

| | | |
|-----------------------------------|----|------------|
| ADJUSTED GROSS APPROPRIATION..... | \$ | 19,315,100 |
|-----------------------------------|----|------------|

Federal revenues:

| | | |
|-----------------------------|--|---|
| Total federal revenues..... | | 0 |
|-----------------------------|--|---|

Special revenue funds:

| | | |
|----------------------------|--|---|
| Total local revenues | | 0 |
|----------------------------|--|---|

| | | |
|-----------------------------|--|---|
| Total private revenues..... | | 0 |
|-----------------------------|--|---|

| | | |
|--|--|------------|
| Total other state restricted revenues..... | | 19,315,100 |
|--|--|------------|

| | | |
|--|----|---|
| State general fund/general purpose | \$ | 0 |
|--|----|---|

(2) DEPARTMENT SUPPORT SERVICES

| | | |
|--------------------------|----|---------|
| State sites cleanup..... | \$ | 965,100 |
|--------------------------|----|---------|

| | | |
|--------------------------|----|----------------|
| GROSS APPROPRIATION..... | \$ | <u>965,100</u> |
|--------------------------|----|----------------|

Appropriated from:

Special revenue funds:

| | | |
|-------------------------------|--|---------|
| State site cleanup fund | | 965,100 |
|-------------------------------|--|---------|

| | | |
|--|----|---|
| State general fund/general purpose | \$ | 0 |
|--|----|---|

(3) SURFACE WATER QUALITY

| | | |
|---|----|-----------|
| Surface water surveillance program..... | \$ | 3,350,000 |
|---|----|-----------|

| | | |
|--------------------------|----|------------------|
| GROSS APPROPRIATION..... | \$ | <u>3,350,000</u> |
|--------------------------|----|------------------|

Appropriated from:

Special revenue funds:

| | | |
|-----------------------------------|--|-----------|
| Environmental response fund | | 3,350,000 |
|-----------------------------------|--|-----------|

| | | |
|--|----|---|
| State general fund/general purpose | \$ | 0 |
|--|----|---|

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(4) ENVIRONMENTAL RESPONSE

| | | |
|---|----|-------------------|
| Environmental cleanup and redevelopment program..... | \$ | 11,049,800 |
| Contaminated site investigations, cleanup, and revitalization | | 3,399,800 |
| State cleanup (part 201 of 1994 PA 451) | | 550,400 |
| GROSS APPROPRIATION..... | \$ | <u>15,000,000</u> |
| Appropriated from: | | |
| Special revenue funds: | | |
| Environmental protection fund..... | | 15,000,000 |
| State general fund/general purpose | \$ | 0 |

Family independence agency.

Sec. 111. FAMILY INDEPENDENCE AGENCY

(1) APPROPRIATION SUMMARY

| | | |
|---|----|------------|
| GROSS APPROPRIATION..... | \$ | 41,050,500 |
| Interdepartmental grant revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | | 0 |
| ADJUSTED GROSS APPROPRIATION..... | \$ | 41,050,500 |
| Federal revenues: | | |
| Total federal revenues..... | | 20,000,000 |
| Special revenue funds: | | |
| Total local revenues | | 0 |
| Total private revenues..... | | 0 |
| Total other state restricted revenues..... | | 6,050,500 |
| State general fund/general purpose | \$ | 15,000,000 |

(2) EXECUTIVE OPERATIONS

| | | |
|---|----|------------------|
| Child support automation..... | \$ | 6,050,500 |
| GROSS APPROPRIATION..... | \$ | <u>6,050,500</u> |
| Appropriated from: | | |
| Special revenue funds: | | |
| Total other state restricted revenue..... | | 6,050,500 |
| State general fund/general purpose | \$ | 0 |

(3) PUBLIC ASSISTANCE

| | | |
|--|----|-------------------|
| Family independence program..... | \$ | 15,000,000 |
| Homestead property tax credit for low-income families..... | | 20,000,000 |
| GROSS APPROPRIATION..... | \$ | <u>35,000,000</u> |
| Appropriated from: | | |
| Federal revenues: | | |
| Total federal revenues..... | | 20,000,000 |
| State general fund/general purpose | \$ | 15,000,000 |

Higher education.

Sec. 112. HIGHER EDUCATION

(1) APPROPRIATION SUMMARY

| | | |
|---|----|-----------|
| GROSS APPROPRIATION..... | \$ | 9,200,000 |
| Interdepartmental grant revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | | 0 |
| ADJUSTED GROSS APPROPRIATION..... | \$ | 9,200,000 |

| | For Fiscal Year Ending Sept. 30, 2002 |
|--|---|
| Federal revenues: | |
| Total federal revenues | \$ 0 |
| Special revenue funds: | |
| Total local revenues | 0 |
| Total private revenues..... | 0 |
| Total other state restricted revenues..... | 9,200,000 |
| State general fund/general purpose | \$ 0 |
| (2) GRANTS AND FINANCIAL AID | |
| Michigan merit award program | \$ 9,200,000 |
| GROSS APPROPRIATION..... | \$ 9,200,000 |
| Appropriated from: | |
| Special revenue funds: | |
| Michigan merit award trust fund..... | 9,200,000 |
| State general fund/general purpose | \$ 0 |

History, arts, and libraries.

Sec. 113. HISTORY, ARTS, AND LIBRARIES

(1) APPROPRIATION SUMMARY

| | |
|---|--------------|
| GROSS APPROPRIATION..... | \$ 3,211,500 |
| Interdepartmental grant revenues: | |
| Total interdepartmental grants and intradepartmental transfers | 0 |
| ADJUSTED GROSS APPROPRIATION..... | \$ 3,211,500 |
| Federal revenues: | |
| Total federal revenues..... | 3,000,000 |
| Special revenue funds: | |
| Total local revenues | 0 |
| Total private revenues..... | 0 |
| Total other state restricted revenues..... | 0 |
| State general fund/general purpose | \$ 211,500 |
| (2) LIBRARY OF MICHIGAN | |
| Federal aid to libraries | \$ 2,000,000 |
| Grant to Detroit public library..... | 935,200 |
| Grand Rapids public library | 64,800 |
| Renaissance zone reimbursement..... | 211,500 |
| GROSS APPROPRIATION..... | \$ 3,211,500 |
| Appropriated from: | |
| Federal revenues: | |
| Federal section 903(d), SSA funds | 3,000,000 |
| State general fund/general purpose | \$ 211,500 |

Department of military and veterans affairs.

Sec. 115. DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

(1) APPROPRIATION SUMMARY

| | |
|---|------------|
| GROSS APPROPRIATION..... | \$ 891,625 |
| Interdepartmental grant revenues: | |
| Total interdepartmental grants and intradepartmental transfers | 0 |
| ADJUSTED GROSS APPROPRIATION..... | \$ 891,625 |

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Ending Sept. 30,
2002

| | |
|--|--------------|
| Federal revenues: | |
| Total federal revenues | \$ 585,000 |
| Special revenue funds: | |
| Total local revenues | 0 |
| Total private revenues..... | 0 |
| Total other state restricted revenues..... | 0 |
| State general fund/general purpose | \$ 306,625 |
| (2) GRAND RAPIDS VETERAN'S HOME | |
| Grand Rapids veteran's home | \$ 0 |
| GROSS APPROPRIATION | \$ 0 |
| Appropriated from: | |
| Federal revenues: | |
| HHS-CMS, title XIX, Medicaid | 500,000 |
| HHS-HCFA, Medicare, hospital insurance..... | 85,000 |
| Special revenue funds: | |
| State general fund/general purpose | \$ (585,000) |
| (3) VETERANS SERVICE ORGANIZATIONS | |
| American legion | \$ 120,800 |
| Disabled American veterans..... | 99,800 |
| Marine corps league | 252,225 |
| American veterans of World War II and Korea..... | 63,400 |
| Veterans of foreign wars..... | 120,800 |
| Michigan paralyzed veterans of America..... | 22,600 |
| Purple heart..... | 118,425 |
| Veterans of World War I..... | 100 |
| Polish legion of American veterans..... | 30,900 |
| Jewish veterans of America..... | 30,900 |
| State of Michigan council Vietnam veterans of America..... | 21,700 |
| Catholic war veterans..... | 9,975 |
| GROSS APPROPRIATION | \$ 891,625 |
| Appropriated from: | |
| State general fund/general purpose | \$ 891,625 |

Department of natural resources.

Sec. 116. DEPARTMENT OF NATURAL RESOURCES

(1) APPROPRIATION SUMMARY

| | |
|---|--------------|
| GROSS APPROPRIATION..... | \$ 2,944,700 |
| Interdepartmental grant revenues: | |
| Total interdepartmental grants and intradepartmental transfers | 0 |
| ADJUSTED GROSS APPROPRIATION..... | \$ 2,944,700 |
| Federal revenues: | |
| Total federal revenues | (120,000) |
| Special revenue funds: | |
| Total local revenues | 0 |
| Total private revenues..... | 0 |
| Total other state restricted revenues..... | 3,064,700 |
| State general fund/general purpose | \$ 0 |

For Fiscal Year
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2002

(2) FOREST, MINERAL, AND FIRE MANAGEMENT

| | | |
|--|----|-----------|
| Timber harvest..... | \$ | 1,042,900 |
| GROSS APPROPRIATION..... | \$ | 1,042,900 |
| Appropriated from: | | |
| Special revenue funds: | | |
| Forest resource revenue | | 1,042,900 |
| State general fund/general purpose | \$ | 0 |

(3) GRANTS

| | | |
|--|----|-----------|
| National recreational trails..... | \$ | (120,000) |
| Grant to counties—marine safety | | 2,021,800 |
| GROSS APPROPRIATION..... | \$ | 1,901,800 |
| Appropriated from: | | |
| Federal revenues: | | |
| DOT, federal | | (120,000) |
| Special revenue funds: | | |
| Marine safety fund | | 2,021,800 |
| State general fund/general purpose | \$ | 0 |

Department of state.

Sec. 117. DEPARTMENT OF STATE

(1) APPROPRIATION SUMMARY

| | | |
|---|----|--------|
| GROSS APPROPRIATION..... | \$ | 95,800 |
| Interdepartmental grant revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | | 0 |
| ADJUSTED GROSS APPROPRIATION..... | \$ | 95,800 |
| Federal revenues: | | |
| Total federal revenues | | 0 |
| Special revenue funds: | | |
| Total local revenues | | 0 |
| Total private revenues..... | | 0 |
| Total other state restricted revenues..... | | 0 |
| State general fund/general purpose | \$ | 95,800 |

(2) ELECTION REGULATION

| | | |
|--|----|--------|
| City of Flint mayoral election expenses..... | \$ | 15,800 |
| Election administration and services | | 80,000 |
| GROSS APPROPRIATION..... | \$ | 95,800 |
| Appropriated from: | | |
| Special revenue funds: | | |
| State general fund/general purpose | \$ | 95,800 |

Department of state police.

Sec. 118. DEPARTMENT OF STATE POLICE

(1) APPROPRIATION SUMMARY

| | | |
|---|----|-----------|
| GROSS APPROPRIATION..... | \$ | 7,844,700 |
| Interdepartmental grant revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | | 307,000 |

| | For Fiscal Year Ending Sept. 30, 2002 |
|--|---|
| ADJUSTED GROSS APPROPRIATION..... | \$ 7,537,700 |
| Federal revenues: | |
| Total federal revenues..... | 0 |
| Special revenue funds: | |
| Total local revenues..... | 0 |
| Total private revenues..... | 0 |
| Total state restricted revenues..... | 6,287,700 |
| State general fund/general purpose..... | \$ 1,250,000 |
| (2) DEPARTMENTWIDE APPROPRIATIONS | |
| Court judgments..... | \$ 1,250,000 |
| GROSS APPROPRIATION..... | \$ 1,250,000 |
| Appropriated from: | |
| State general fund/general purpose..... | \$ 1,250,000 |
| (3) HIGHWAY SAFETY PLANNING | |
| Secondary road patrol and traffic accident basic grants..... | \$ 4,500,000 |
| GROSS APPROPRIATION..... | \$ 4,500,000 |
| Appropriated from: | |
| Special revenue funds: | |
| Secondary road patrol and training fund..... | 4,500,000 |
| State general fund/general purpose..... | \$ 0 |
| (4) FORENSIC SCIENCES | |
| Laboratory operations..... | \$ 585,000 |
| DNA analysis program..... | 400,000 |
| GROSS APPROPRIATION..... | \$ 985,000 |
| Appropriated from: | |
| Special revenue funds: | |
| Forensic science reimbursement fees..... | 400,000 |
| State forensic laboratory fund..... | 585,000 |
| State general fund/general purpose..... | \$ 0 |
| (5) UNIFORM SERVICES | |
| Reimbursed services..... | \$ 770,000 |
| GROSS APPROPRIATION..... | \$ 770,000 |
| Appropriated from: | |
| Special revenue funds: | |
| State police service fees..... | \$ 770,000 |
| State general fund/general purpose..... | \$ 0 |
| (6) MOTOR CARRIER ENFORCEMENT | |
| Truck safety enforcement team operations..... | \$ 307,000 |
| Safety projects..... | 32,700 |
| GROSS APPROPRIATION..... | \$ 339,700 |
| Appropriated from: | |
| Interdepartmental grant revenues: | |
| IDT, truck safety fund..... | 307,000 |
| Special revenue funds: | |
| Motor carrier fees..... | 32,700 |
| State general fund/general purpose..... | \$ 0 |

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State school aid appropriation.

Sec. 119. STATE SCHOOL AID APPROPRIATION

(1) APPROPRIATION SUMMARY

| | | |
|--|----|-----------|
| GROSS APPROPRIATION..... | \$ | 3,500,000 |
| ADJUSTED GROSS APPROPRIATION..... | \$ | 3,500,000 |
| Total federal revenues..... | \$ | 0 |
| Total local revenues..... | | 0 |
| Total private revenues..... | | 0 |
| Total other state restricted revenues..... | | 3,500,000 |
| State general fund/general purpose..... | \$ | 0 |

(2) DECLINING ENROLLMENT GRANTS

| | | |
|---|----|-----------|
| Declining enrollment grants..... | \$ | 3,500,000 |
| GROSS APPROPRIATION..... | \$ | 3,500,000 |
| Appropriated from: | | |
| Special revenue funds: | | |
| State school aid fund..... | | 3,500,000 |
| State general fund/general purpose..... | \$ | 0 |

Department of transportation.

Sec. 120. DEPARTMENT OF TRANSPORTATION

(1) APPROPRIATION SUMMARY

| | | |
|--|----|------------|
| GROSS APPROPRIATION..... | \$ | 34,753,600 |
| Interdepartmental grant revenues: | | |
| Total interdepartmental grants and intradepartmental transfers.... | | 0 |
| ADJUSTED GROSS APPROPRIATION..... | \$ | 34,753,600 |
| Federal revenues: | | |
| Total federal revenues..... | | 24,120,000 |
| Special revenue funds: | | |
| Total local revenues..... | | 0 |
| Total private revenues..... | | 0 |
| Total other state restricted revenues..... | | 10,633,600 |
| State general fund/general purpose..... | \$ | 0 |

(2) ROAD AND BRIDGE PROGRAMS

| | | |
|---|----|------------|
| State trunkline federal aid and road and bridge construction..... | \$ | 6,000,000 |
| Old 27 North - Whitemarsh project..... | | 120,000 |
| Local federal aid and road and bridge construction..... | | 18,000,000 |
| GROSS APPROPRIATION..... | \$ | 24,120,000 |
| Appropriated from: | | |
| Federal revenues: | | |
| DOT-FHWA, highway research, planning, and construction..... | | 24,000,000 |
| DOT, federal..... | | 120,000 |
| Special revenue funds: | | |
| State general fund/general purpose..... | \$ | 0 |

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(3) BUS TRANSIT DIVISION: STATUTORY OPERATING

| | | |
|---------------------------|----|------------------|
| Local bus operating | \$ | 4,247,300 |
| Bus capital..... | | 764,000 |
| GROSS APPROPRIATION..... | \$ | <u>5,011,300</u> |

Appropriated from:

Special revenue funds:

| | | |
|--|----|-----------|
| Comprehensive transportation fund | | 5,011,300 |
| State general fund/general purpose | \$ | 0 |

(4) INTERCITY PASSENGER AND FREIGHT

| | | |
|---|----|------------------|
| Freight preservation and development..... | \$ | <u>5,432,300</u> |
| GROSS APPROPRIATION..... | \$ | <u>5,432,300</u> |

Appropriated from:

Special revenue funds:

| | | |
|--|----|-----------|
| Comprehensive transportation fund | | 5,432,300 |
| State general fund/general purpose | \$ | 0 |

(5) PUBLIC TRANSPORTATION DEVELOPMENT

| | | |
|----------------------------|----|----------------|
| Specialized services | \$ | <u>190,000</u> |
| GROSS APPROPRIATION..... | \$ | <u>190,000</u> |

Appropriated from:

Special revenue funds:

| | | |
|--|----|---------|
| Comprehensive transportation fund | | 190,000 |
| State general fund/general purpose | \$ | 0 |

Department of treasury.

Sec. 121. DEPARTMENT OF TREASURY

(1) APPROPRIATION SUMMARY

| | | |
|--------------------------|----|-----------|
| GROSS APPROPRIATION..... | \$ | 2,698,800 |
|--------------------------|----|-----------|

Interdepartmental grant revenues:

| | | |
|---|--|---|
| Total interdepartmental grants and intradepartmental transfers | | 0 |
|---|--|---|

| | | |
|-----------------------------------|----|-----------|
| ADJUSTED GROSS APPROPRIATION..... | \$ | 2,698,800 |
|-----------------------------------|----|-----------|

Federal revenues:

| | | |
|-----------------------------|--|------------|
| Total federal revenues..... | | 10,698,800 |
|-----------------------------|--|------------|

Special revenue funds:

| | | |
|----------------------------|--|---|
| Total local revenues | | 0 |
|----------------------------|--|---|

| | | |
|-----------------------------|--|---|
| Total private revenues..... | | 0 |
|-----------------------------|--|---|

| | | |
|--|--|---|
| Total other state restricted revenues..... | | 0 |
|--|--|---|

| | | |
|--|----|-------------|
| State general fund/general purpose | \$ | (8,000,000) |
|--|----|-------------|

(2) DEBT SERVICE

| | | |
|---|----|--------------------|
| School bond loan fund debt service payments | \$ | <u>(9,000,000)</u> |
|---|----|--------------------|

| | | |
|--------------------------|----|--------------------|
| GROSS APPROPRIATION..... | \$ | <u>(9,000,000)</u> |
|--------------------------|----|--------------------|

Appropriated from:

Special revenue funds:

| | | |
|--|----|-------------|
| State general fund/general purpose | \$ | (9,000,000) |
|--|----|-------------|

(3) FINANCIAL PROGRAMS

| | | |
|---|----|-------------------|
| Michigan merit award board/MEAP administration..... | \$ | <u>10,698,800</u> |
|---|----|-------------------|

| | | |
|--------------------------|----|-------------------|
| GROSS APPROPRIATION..... | \$ | <u>10,698,800</u> |
|--------------------------|----|-------------------|

| | |
|---|---|
| | For Fiscal Year Ending Sept. 30, 2002 |
| Appropriated from: | |
| Federal revenues: | |
| DED-OESE, grants for federal assessments | \$ 10,698,800 |
| State general fund/general purpose | \$ 0 |
| (4) GRANTS | |
| Senior citizen cooperative housing tax exemption program..... | \$ 1,000,000 |
| GROSS APPROPRIATION | \$ 1,000,000 |
| Appropriated from: | |
| State general fund/general purpose | \$ 1,000,000 |

PART 1A

LINE-ITEM APPROPRIATIONS
FISCAL YEAR 2002-2003

Appropriation; fiscal year ending September 30, 2003; capital outlay.

Sec. 151. There is appropriated for capital outlay and for certain state departments and agencies for the fiscal year ending September 30, 2003, from the following funds:

APPROPRIATION SUMMARY:

| | |
|---|-----------------|
| GROSS APPROPRIATION..... | \$ (59,200,000) |
| Interdepartmental grant revenues: | |
| Total interdepartmental grants and intradepartmental transfers | 0 |
| ADJUSTED GROSS APPROPRIATION..... | \$ (59,200,000) |
| Federal revenues: | |
| Total federal revenues..... | 0 |
| Special revenue funds: | |
| Total local revenues | 0 |
| Total private revenues..... | 0 |
| Total other state restricted revenues..... | (50,000,000) |
| State general fund/general purpose | \$ (9,200,000) |

Capital outlay.

Sec. 152. CAPITAL OUTLAY

(1) APPROPRIATION SUMMARY

| | |
|---|----------------|
| GROSS APPROPRIATION..... | \$ (9,200,000) |
| Interdepartmental grant revenues: | |
| Total interdepartmental grants and intradepartmental transfers | 0 |
| ADJUSTED GROSS APPROPRIATION..... | \$ (9,200,000) |
| Total federal revenues..... | 0 |
| Total local revenues | 0 |
| Total private revenues..... | 0 |
| Total state restricted revenues..... | 0 |
| State general fund/general purpose | \$ (9,200,000) |

For Fiscal Year
Ending Sept. 30,
2003

(2) DEPARTMENT OF MANAGEMENT AND BUDGET

| | | |
|---|----|------------------|
| 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 department of management and budget..... | | (712,500) |
| Major special maintenance and remodeling for department of state police | | (256,300) |
| Major special maintenance and remodeling for family independence agency | | (550,000) |
| Major special maintenance and remodeling for department of management and budget - statewide emergency special maintenance..... | | <u>2,116,200</u> |
| GROSS APPROPRIATION..... | \$ | (1,980,300) |
| Appropriated from: | | |
| State general fund/general purpose | \$ | (1,980,300) |

(3) DEPARTMENT OF MILITARY AND VETERANS

AFFAIRS

| | | |
|--|----|--------------------|
| For department of military affairs remodeling and additions and special maintenance projects | \$ | <u>(1,219,700)</u> |
| GROSS APPROPRIATION..... | \$ | (1,219,700) |
| Appropriated from: | | |
| State general fund/general purpose | \$ | (1,219,700) |

(4) DEPARTMENT OF TRANSPORTATION

| | | |
|---|----|--------------------|
| Northwest airlines midfield terminal project..... | \$ | <u>(6,000,000)</u> |
| GROSS APPROPRIATION..... | \$ | (6,000,000) |
| Appropriated from: | | |
| State general fund/general purpose | \$ | (6,000,000) |

Higher education.

Sec. 153. HIGHER EDUCATION

(1) APPROPRIATION SUMMARY

| | | |
|---|----|--------------|
| GROSS APPROPRIATION..... | \$ | (50,000,000) |
| Interdepartmental grant revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | | 0 |
| ADJUSTED GROSS APPROPRIATION..... | \$ | (50,000,000) |
| Total federal revenues..... | | 0 |
| Total local revenues | | 0 |
| Total private revenues..... | | 0 |
| Total state restricted revenues..... | | (50,000,000) |
| State general fund/general purpose | \$ | 0 |

(2) GRANTS AND FINANCIAL AID

| | | |
|--|----|---------------------|
| Michigan merit award program | \$ | <u>(50,000,000)</u> |
| GROSS APPROPRIATION..... | \$ | (50,000,000) |
| Appropriated from: | | |
| Michigan merit award trust fund..... | \$ | (50,000,000) |
| State general fund/general purpose | \$ | 0 |

PART 2

PROVISIONS CONCERNING APPROPRIATIONS
FISCAL YEAR 2001-2002**GENERAL SECTIONS****Total state spending; payment to local units of government.**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending in part 1 from state sources for fiscal year 2001-02 is estimated at \$223,241,925.00 in this act and state spending from state sources paid to local units of government for fiscal year 2001-02 is as follows:

| | |
|---|---------------|
| CAREER DEVELOPMENT | |
| Glen Oaks Community College outreach center | \$ 80,000 |
| COMMUNITY COLLEGES | |
| Renaissance zone tax reimbursement program | \$ 66,000 |
| EDUCATION | |
| School breakfast program | \$ 365,100 |
| HISTORY, ARTS, AND LIBRARIES | |
| Renaissance zone tax reimbursement program | \$ 211,500 |
| SCHOOL AID | |
| Declining enrollment grants | \$ 3,500,000 |
| STATE | |
| City of Flint mayoral election expenses | \$ 15,800 |
| STATE POLICE | |
| Secondary road patrol and traffic accident basic grants | \$ 4,500,000 |
| TRANSPORTATION | |
| Comprehensive transportation fund: local bus operating | \$ 3,247,300 |
| TREASURY | |
| Senior citizen cooperative housing tax exemption program..... | \$ 1,000,000 |
| TOTAL | \$ 12,985,700 |

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.

Sec. 204. For the fiscal year ending September 30, 2002, all general fund/general purpose unreserved balances at the final close of the fiscal year, excluding the \$79,500,000.00 received by the general fund pursuant to a transfer from the contingent fund under the Michigan employment security act, 1936 (Ex Sess) PA 1, MCL 421.1 to 421.75, on June 30,

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

2002, are appropriated and shall be transferred to the countercyclical budget and economic stabilization fund pursuant to section 354(4) of the management and budget act, 1984 PA 431, MCL 18.1354.

ATTORNEY GENERAL

Litigation expense reimbursement awards; expenditure of funds.

Sec. 301. In addition to the funds appropriated in 2001 PA 83, there is appropriated up to \$500,000.00 from litigation expense reimbursements awarded to the state. The funds may be expended for the payment of attorney fees assessed against the governor or the attorney general when acting in an official capacity as the named party in litigation against the state. The funds may also be expended for the payment of state costs incurred under section 16 of chapter X of the code of criminal procedure, 1927 PA 175, MCL 770.16. Unexpended funds at the end of the fiscal year are carried forward for expenditure in the following year, up to a maximum authorization of \$500,000.00.

CAPITAL OUTLAY

Correctional facility projects.

Sec. 401. (1) The following project costs are adjusted as indicated for correctional facility projects authorized by 1998 PA 273:

(a) For Florence Crane correctional facility, the total project cost is decreased from \$5,000,000.00 to \$4,565,000.00. The state building authority share is reduced from \$4,960,000.00 to \$4,525,000.00; the state general fund share remains the same.

(b) For Macomb correctional facility, the total project cost is decreased from \$9,600,000.00 to \$9,550,000.00. The state building authority share is reduced from \$9,527,000.00 to \$9,477,000.00; the state general fund share remains the same.

(c) For Camp Pugsley, the total project cost is decreased from \$22,100,000.00 to \$20,600,000.00. The state building authority share is reduced from \$21,820,000.00 to \$20,320,000.00; the state general fund share remains the same.

(d) For Thumb correctional facility, the total project cost is decreased from \$8,400,000.00 to \$8,050,000.00. The state building authority share is reduced from \$8,322,000.00 to \$7,972,000.00; the state general fund share remains the same.

(e) For Cooper Street new housing unit, the total project cost is decreased from \$4,287,000.00 to \$3,700,000.00. The state building authority share is reduced from \$4,287,000.00 to \$3,700,000.00; the state general fund share remains the same.

(f) For Parnall new housing unit, the total project cost is decreased from \$5,713,000.00 to \$4,960,000.00. The state building authority share is reduced from \$5,713,000.00 to \$4,960,000.00; the state general fund share remains the same.

(2) From the reduced state building authority authorizations in subsection (1) totaling \$3,675,000.00, that authorization is provided in part 1 for the design and construction of a 336-bed housing unit and replacement food service building at Camp Brighton.

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

Debt service reserve; establishment.

Sec. 402. The \$15,500,000.00 appropriation for state park infrastructure includes bond proceeds in an amount not to exceed \$1,500,000.00 to establish a debt service reserve for costs associated with bond issuance.

Department of natural resources - waterways boating program; project financing.

Sec. 403. Project financing is adjusted for the following department of natural resources - waterways boating program project authorized by 1998 PA 538: Ottawa County, Harbor Island launch: the total project cost remains \$927,000.00, the Michigan state waterways fund share of this project is increased from \$1,550.00 to \$695,300.00, and the federal fund share is reduced from \$693,750.00 to \$0.00.

Oak Park armory sale; deposit of proceeds into armory construction fund.

Sec. 404. The appropriations in part 1 for the Jackson and Calumet armory replacement projects are contingent on the sale of the Oak Park armory. Proceeds from the Oak Park armory sale are to be deposited into the armory construction fund.

Game, fish, and fur laws; purchase of fishing research vessels for use in enforcement and administration.

Sec. 405. The department of natural resources may transfer \$1,000,000.00 from the wildlife resource protection fund to the game and fish protection fund for the purchase of fishing research vessels to be used in the enforcement and administration of the game, fish, and fur laws of the state.

Disposal of certain department of corrections buildings.

Sec. 406. The department of management and budget may demolish, dismantle, or otherwise dispose of the following department of corrections buildings: building 27 at Muskegon correctional facility, Braver building at Ryan correctional facility, buildings 163, 164, and 165 at Cotton correctional facility, all facilities at Camp Waterloo, buildings 9, 10, 21, 22, and 41 at Crane-Lakeland correctional facility, building 22 at Cassidy Lake correctional facility, buildings 12, 13, 16, 29, 71, 72, 73, 76, 80, 82, and 90 at Michigan reformatory, buildings 20, 35, 47, 68, 83, 101, and 102 at Marquette branch prison, building 34 at Jackson maximum correctional facility, building 155 at Charles Egeler correctional facility, buildings 46 and 47 at Huron Valley men's correctional facility, building 8 at Camp Lehman, and buildings 16 and 17 at Michigan training unit.

Career development center/science building renovation project.

Sec. 407. The planning authorization for the Kellogg Community College - West Michigan center for manufacturing and research, authorized in 2000 PA 291, is changed to the career development center/science building renovation project.

Farmland and open space development acquisition; use of funds.

Sec. 408. Of the amounts appropriated in part 1 and 2001 PA 45 for farmland and open space development acquisition, the funds shall be used for the purchase of development rights and the awarding of grants by the agriculture preservation fund board, as provided in sections 36111 and 36202 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.36111 and 324.36202.

University of Michigan - Dearborn building acquisition/engineering and science building renovations.

Sec. 410. (1) From the funds appropriated in part 1 for the University of Michigan-Dearborn - Hubbard Drive professional training and education building acquisition/engineering and science building renovations, the total authorized cost for the engineering and science building renovations (phase II), shall be increased from \$22,200,000.00 to \$35,000,000.00 (state building authority share increased from \$16,650,000.00 to \$26,249,900.00; University of Michigan-Dearborn share increased from \$5,550,000.00 to \$8,750,000.00; state general fund share remains \$100.00) only if the building acquisition (phase I) does not occur.

(2) The University of Michigan-Dearborn shall notify the state budget director within 30 days if the university elects not to proceed with the building acquisition (phase I) as authorized in part 1.

(3) The program and schematic planning approval requirements for the building acquisition (phase I) are hereby waived. The project may proceed to acquisition, contingent upon the approval of the requirements of the state building authority.

(4) The engineering and science building renovations project (phase II) shall not move into final design and construction, until program and schematic planning documents are approved by the department and the joint capital outlay subcommittee.

Sec. 411. The total authorized cost in part 1 for the St. Clair County Community College general campus renovation project is \$4,000,000.00 above that approved by the joint capital outlay subcommittee in order to include funds for the renovation of the North building.

Animal health diagnostic laboratory; operational cost analysis.

Sec. 412. By September 30, 2002, Michigan State University, in collaboration with the state departments of agriculture and natural resources, shall provide to the house and senate appropriations subcommittees on agriculture an operational cost analysis of the new animal health diagnostics laboratory.

CAREER DEVELOPMENT

Job training programs subgrantees as work project; carrying forward unencumbered or unallotted funds; compliance.

Sec. 420. The appropriation for job training programs subgrantees under section 903(d) of title IX of the social security act, chapter 531, 116 Stat. 31, 42 U.S.C. 1103, is a work project appropriation and any unencumbered or unallotted funds are carried forward into the following fiscal year. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is to support one-stop center operations and provide for facility and data system improvements in the one-stop centers.

(b) The work project will be accomplished through the use of grants.

(c) The total estimated completion cost of the work project is \$23,800,000.00.

(d) The tentative completion date is September 30, 2004.

Welfare-to-work programs as work project; carrying forward unencumbered or unallotted funds; compliance.

Sec. 421. The appropriation for welfare-to-work programs under section 903(d) of title IX of the social security act, chapter 531, 116 Stat. 31, 42 U.S.C. 1103, is a work project appropriation and any unencumbered or unallotted funds are carried forward into the following fiscal year. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

- (a) The purpose of the project is to support job search and job readiness activities.
- (b) The work project will be accomplished through the use of grants.
- (c) The total estimated completion cost of the work project is \$182,200,000.00.
- (d) The tentative completion date is September 30, 2004.

Employment service agency as work project; carrying forward unencumbered or unallotted funds; compliance.

Sec. 422. The appropriation for employment service agency under section 903(d) of title IX of the social security act, chapter 531, 116 Stat. 31, 42 U.S.C. 1103, is a work project appropriation and any unencumbered or unallotted funds are carried forward into the following fiscal year. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

- (a) The purpose of the project is to provide for a web-based career search portal, including business start-up assistance, and maintenance of job search databases and management information systems to improve customer service.
- (b) The work project will be accomplished through the use of interagency agreements, state employees, and an agreement with Michigan virtual university.
- (c) The total estimated completion cost of the work project is \$7,000,000.00.
- (d) The tentative completion date is September 30, 2004.

COMMUNITY HEALTH**Michigan public health preparedness and response to bioterrorism initiative; Michigan hospital preparedness plan; submission of reports.**

Sec. 451. The department of community health shall provide to the chairpersons of the senate and house of representatives appropriations subcommittees on community health and to the senate and house fiscal agencies, as soon as possible, all of the following:

- (a) Semiannual progress reports on the Michigan public health preparedness and response to bioterrorism initiative, including a detailed budget narrative.
- (b) Copies of the needs assessment and implementation plan for the Michigan hospital preparedness plan upon completion by the department of community health, including a detailed budget narrative.

Medicaid mental health services; capitation rate increase.

Sec. 452. (1) The department of community health shall establish a separate contingency appropriations account, in an amount not to exceed \$100,000,000.00. The sole purpose of this account shall be to provide funding for an increase in Medicaid capitation rates, payable to community mental health services programs, for Medicaid mental health services.

(2) In order to receive a capitation rate increase, a community mental health services program or an affiliation of community mental health services programs shall be required to provide, from internal resources, funds that can be used as a bona fide source for the state match required under the Medicaid program and be identifiable as local funds as reported in the June 2002 financial status report as the annual budget for Medicaid match. These funds shall not include either state funds received by a community mental health services program for services provided to non-Medicaid recipients or the state matching portion of the Medicaid capitation payments made to a community mental health services program.

(3) The distribution of the increase in the capitation payment rates described in subsections (1) and (2), if any, shall be based on a formula developed by a committee established within the department of community health, including representatives from community mental health services programs or affiliates of community mental health services programs and department staff.

(4) The Medicaid capitation rate increase distribution formula, developed by the committee specified in subsection (3), shall be based upon an analysis of recipient characteristics, comparative needs, actuarial trends, equitable adjustments between funding sources, and other relevant considerations. The committee may also recommend changes in community mental health non-Medicaid funding formula payments to community mental health services programs in conjunction with establishing the formula described in this section in order to maximize funding for all community mental health services programs. The committee shall report its findings to the senate and house appropriations subcommittees on community health.

(5) The enactment of this section shall not result in any increase in the local match or county match obligation above the level of funding for mental health services reported in the June 2002 financial status report as the annual budget for local match in fiscal year 2001-2002.

(6) This section shall not be implemented if it is found not to be in compliance with federal laws or regulations.

Increased hospital payments for medicaid services in certain geographic areas.

Sec. 454. The department may implement a program to make increased payments for Medicaid services to hospitals located in geographic areas where the nonfederal share of the Medicaid payment is obtained from local units of government. Any increase in payments specified in this section is contingent upon such payments not exceeding federal Medicaid upper payment limit requirements.

CONSUMER AND INDUSTRY SERVICES

Health maintenance organizations; copies of financial filings.

Sec. 501. The office of financial and insurance services shall provide copies of the quarterly and annual financial filings of health maintenance organizations to the senate and house fiscal agencies on a timely basis.

Unemployment programs as work project; carrying forward unencumbered or unallotted funds; compliance.

Sec. 502. The appropriation for unemployment programs under section 903(d) of title IX of the social security act, chapter 531, 116 Stat. 31, 42 U.S.C. 1103, is a work

project appropriation and any unencumbered or unallotted funds are carried forward into the following fiscal year. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is to provide for an Internet-based claim system, update computer software systems to improve customer service for unemployment claimants, and support for unemployment agency operations.

(b) The work project will be accomplished through the use of interagency agreements, state employees, and contracts.

(c) The total estimated completion cost of the work project is \$75,000,000.00.

(d) The tentative completion date is September 30, 2004.

ENVIRONMENTAL QUALITY

State sites cleanup and surface water surveillance funds as work project; carrying forward unencumbered or unallotted funds; compliance.

Sec. 510. The unexpended portion of funds appropriated in part 1 for state sites cleanup and surface water surveillance is considered work project appropriations and any unencumbered or unallotted funds are carried forward into the succeeding fiscal year. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the projects to be carried forward is to provide contaminated site cleanup.

(b) The projects will be accomplished by contract.

(c) The total estimated cost of all projects is identified in each line-item appropriation.

(d) The tentative completion date is September 30, 2006.

HISTORY, ARTS, AND LIBRARIES

Grants to certain libraries as work project; carrying forward unencumbered or unallotted funds; compliance.

Sec. 520. The appropriations for the grant to the Detroit public library, the Grand Rapids public library, and federal aid to libraries under section 903(d) of title IX of the social security act, chapter 531, 116 Stat. 31, 42 U.S.C. 1103, are work project appropriations and unencumbered or unallotted funds are carried forward into the following fiscal year. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is to provide libraries with computers and train library staff to assist claimants in accessing unemployment agency websites.

(b) The work project will be accomplished through the use of grants.

(c) The total estimated completion cost of the work project is \$4,000,000.00.

(d) The tentative completion date is September 20, 2004.

MICHIGAN STRATEGIC FUND**Urban revitalization infrastructure program; economic development awards; Michigan core communities fund as work project.**

Sec. 540. (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, MCL 125.2781 to 125.2797, or certified technology parks, as defined in the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174.

(3) Awards may 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 shall 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) The appropriation of the Michigan core communities fund is a work project appropriation and any unencumbered or any allotted funds are carried forward into the following fiscal year. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project to be carried out is to provide awards to qualified local governmental units and certified technology parks for local economic development projects as defined by this section.

(b) The project will be accomplished through contracts.

(c) The total estimated cost of all awards is identified in the line-item appropriation.

(d) The tentative completion date is September 30, 2005.

(8) Funds will be awarded as part of 4 separate application periods. Deadlines for submitting applications for each of the 4 periods will be no later than September 1, January 1, April 1, and July 1 of each year. Awards for each of the application periods will be made on a quarterly basis.

(9) No single applicant shall be awarded more than \$10,000,000.00.

(10) 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.

(11) 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.

(12) 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.

DEPARTMENT OF NATURAL RESOURCES

Grant to counties - marine safety; funding correction.

Sec. 545. Pursuant to generally accepted accounting principles and state accounting policies, the appropriation in section 116 to grant to counties—marine safety, is to provide 1-time funding to correct estimated accrued liabilities for grants earned by but not yet billed by or paid to local units of government.

SCHOOL AID

Sec. 551. (1) The funds appropriated under part 1 for declining enrollment grants shall be carried forward to 2002-2003 and shall be allocated to school districts that meet all of the following:

(a) Are located in the Upper Peninsula.

(b) Have a pupil membership for 2002-2003, as calculated under section 6(4) of the state school aid act of 1979, 1979 PA 94, MCL 388.1606, of less than 1,550 pupils.

(c) Have 4.5 or fewer pupils per square mile, as determined by the department of education. If a school district educates and counts in its membership pupils in grades 9 to 12 who reside in a contiguous school district that does not operate grades 9 to 12 and if 1 or both of the affected school districts request the department of education to use the determination allowed under this sentence, the department of education shall include the square mileage of both school districts in determining the number of pupils per square mile for each of the school districts for the purposes of this subdivision.

(2) The amount paid to an eligible school district under this section shall be an amount equal to the amount the school district would have received if it were eligible for a pupil membership adjustment for 2002-2003 under section 6(4)(y) of the state school aid act of 1979, 1979 PA 94, MCL 388.1606.

STATE POLICE

Law enforcement assistance to city of Highland Park.

Sec. 552. The department of state police, in keeping with its role as the general law enforcement agency of the state and the law enforcement agency of last resort for communities that are either without or seriously underserved by local law enforcement resources, shall provide general law enforcement assistance to the city of Highland Park until such time that adequate law enforcement services can be provided to the city by other means.

TREASURY

Revenues received under Michigan public educational facilities authority; expenditures.

Sec. 601. The department of treasury may expend revenues received under the Michigan public educational facilities authority, Executive Order No. 2002-3, for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund.

Revenues received under Michigan broadband development authority act; expenditures.

Sec. 602. The department of treasury may expend revenues received under the Michigan broadband development authority act, 2002 PA 49, 484.3201 to 484.3225, for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund.

State services fee fund; transfer to general fund.

Sec. 603. At the close of the fiscal year ending September 30, 2002, any unreserved balance remaining in the state services fee fund is appropriated and shall be transferred to the state general fund.

REPEALER

Repeal of section 418 of 2001 PA 80.

Sec. 701. Section 418 of 2001 PA 80 is repealed.

Repeal of section 646 of 2001 PA 82.

Sec. 702. Section 646 of 2001 PA 82 is repealed.

PART 2A

PROVISIONS CONCERNING APPROPRIATIONS
FISCAL YEAR 2002-2003**GENERAL SECTIONS****Total state spending; payments to local units of government.**

Sec. 1201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending in part 1a from state sources for fiscal year 2002-03 is estimated at \$(59,200,000.00) in this act and state spending from state sources paid to local units of government for fiscal year 2002-03 is \$0.00.

Emergency special maintenance account.

Sec. 1202. Subject to section 1205, the appropriation to the department of management and budget in part 1a for lump sum special maintenance is to establish an emergency special maintenance account. All agencies with state-owned facilities are eligible to receive funds from this account. The director shall allocate project expenditures in a manner that the director deems most appropriate, with priority given to those projects that address specific health and safety needs. The reporting requirements contained in section 601(3) of 2001 PA 45 also apply to these allocations.

Northwest airlines midfield terminal project.

Sec. 1203. Subject to section 1205, the department of transportation shall expend no more than \$6,000,000.00 in fiscal year 2002-03 for the northwest airlines midfield terminal project. It is the intent of the legislature that all appropriations supporting contractual obligations entered into by the department of transportation for the midfield terminal project will be enacted and expended by September 30, 2004.

Transfer from Michigan merit awards trust fund to general fund; condition.

Sec. 1204. For the fiscal year ending September 30, 2003, there is transferred and appropriated from the Michigan merit awards trust fund to the general fund the amount of \$150,000,000.00. The amount described in this section shall be reduced to \$100,000,000.00 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 on or before September 30, 2002.

Appropriations subject to tax increase on cigarettes.

Sec. 1205. Sections 1202 and 1203 and all appropriations under part 1a shall not take effect 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 on or before September 30, 2002.

Transfer from tobacco settlement trust fund to general fund; condition.

Sec. 1206. For the fiscal year ending September 30, 2003, there is transferred and appropriated from the tobacco settlement trust fund to the general fund the amount of \$1,000,000.00. This amount shall be reduced to \$0.00 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 on or before September 30, 2002.

Negative appropriations for budgetary savings; authorization adjustments.

Sec. 1207. (1) A budgetary savings line item with a negative amount of \$173,200.00 is created for the fiscal year 2002-03 capital outlay budget under the department of management and budget. The negative appropriation shall be satisfied through efficiencies and other savings identified by the department director and approved by the state budget director.

(2) Appropriation authorization adjustments required due to negative appropriations for 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.

Appropriations for certain environmental grants and programs; lapse to clean Michigan initiative fund.

Sec. 1208. The unexpended portion of funds appropriated in part 1 of 2000 PA 52 for environmental education curriculum, contaminated lake and river sediments cleanup, voluntary stormwater permit grants, failing on-site septic systems, protecting high quality waters, illicit storm sewer connection grants, remedial action plan and lakewide management plan implementation grants, brownfield grants and loans, waterfront redevelopment, abandoned well management grants, household hazardous waste collection, and regional pollution prevention grants are appropriated for the same purposes for fiscal year 2002-03. Any unexpended or unencumbered funds shall lapse to the clean Michigan initiative fund and shall be subject to reappropriation.

This act is ordered to take immediate effect.

Approved July 25, 2002.

Filed with Secretary of State July 25, 2002.

[No. 531]

(SB 1322)

AN ACT to amend 1975 PA 228, entitled "An act to provide for the imposition, levy, computation, collection, assessment and enforcement, by lien or otherwise, of taxes on certain commercial, business, and financial activities; to prescribe the manner and times of making certain reports and paying taxes; to prescribe the powers and duties of public officers and state departments; to permit the inspection of records of taxpayers; to provide for interest and penalties on unpaid taxes; to provide exemptions, credits, and refunds; to provide penalties; to provide for the disposition of funds; to provide for the interrelation of this act with other acts; and to provide an appropriation," (MCL 208.1 to 208.145) by adding section 39e; and to repeal acts and parts of acts.

The People of the State of Michigan enact:

208.39e Tax credit; certification as eligible taxpayer under Michigan next energy authority act; definitions.

Sec. 39e. (1) A taxpayer may claim a credit against the tax imposed by this act for 1 or more of the following as applicable:

- (a) The credit allowed under subsection (2).
- (b) The credit allowed under subsection (6).

(2) For tax years that begin after December 31, 2002, a taxpayer that is certified under the Michigan next energy authority act as an eligible taxpayer may claim a nonrefundable credit for the tax year equal to the amount by which the taxpayer's tax liability attributable to qualified business activity for the tax year exceeds the taxpayer's baseline tax liability attributable to qualified business activity.

(3) For any tax year in which the eligible taxpayer's tax liability attributable to qualified business activity for the tax year does not exceed the taxpayer's baseline tax liability attributable to qualified business activity, the eligible taxpayer shall not claim the credit allowed under subsection (2).

(4) An affiliated group as defined in this act, a controlled group of corporations as defined in section 1563 of the internal revenue code and further described in 26 C.F.R. 1.414(b)-1 and 1.414(c)-1 to 1.414(c)-5, or an entity under common control as defined by the internal revenue code shall not take the credit allowed under subsection (2) unless the qualified business activity of the group or entities is consolidated.

(5) A taxpayer that claims a credit under subsection (2) shall attach a copy of each of the following as issued pursuant to the Michigan next energy authority act to the annual return required under this act for each tax year in which the taxpayer claims the credit allowed under subsection (2):

(a) The proof of certification that the taxpayer is an eligible taxpayer for the tax year.

(b) The proof of certification of the taxpayer's tax liability attributable to qualified business activity for the tax year.

(c) The proof of certification of the taxpayer's baseline tax liability attributable to qualified business activity.

(6) For tax years that begin after December 31, 2002, a taxpayer that is a qualified alternative energy entity may claim a credit for the taxpayer's qualified payroll amount. A taxpayer shall claim the credit under this subsection after all allowable nonrefundable credits under this act.

(7) If the credit allowed under subsection (6) exceeds the tax liability of the taxpayer for the tax year, that portion of the credit that exceeds the tax liability shall be refunded.

(8) Notwithstanding any other provision of this act and for tax years that begin after December 31, 2002, a person whose apportioned or allocated gross receipts are less than \$350,000.00 for the tax year need not file a return or pay the tax as provided under this act.

(9) As used in this section:

(a) "Alternative energy marine propulsion system", "alternative energy system", "alternative energy vehicle", and "alternative energy technology" mean those terms as defined in the Michigan next energy authority act.

(b) "Alternative energy zone" means a renaissance zone designated as an alternative energy zone by the board of the Michigan strategic fund under section 8a of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2688a.

(c) "Baseline tax liability attributable to qualified business activity" means the taxpayer's tax liability for the 2001 tax year multiplied by a fraction the numerator of which is the ratio of the value of the taxpayer's property used for qualified business activity and located in this state outside of a renaissance zone for the 2001 tax year to the value of all of the taxpayer's property located in this state for the 2001 tax year plus the ratio of the taxpayer's payroll for qualified business activity performed outside of a renaissance zone for the 2001 tax year to all of the taxpayer's payroll for the 2001 tax year in this state and the denominator of which is 2. A taxpayer with a 2001 tax year of less than 12 months shall annualize the amount calculated under this subdivision as necessary

to determine baseline tax liability attributable to qualified business activity that reflects a 12-month period.

(d) “Eligible taxpayer” means a taxpayer that has proof of certification of qualified business activity under the Michigan next energy authority act.

(e) “Payroll” means total salaries and wages before deducting any personal or dependency exemptions.

(f) “Qualified alternative energy entity” means a taxpayer located in an alternative energy zone.

(g) “Qualified business activity” means research, development, or manufacturing of an alternative energy marine propulsion system, an alternative energy system, an alternative energy vehicle, alternative energy technology, or renewable fuel.

(h) “Qualified employee” means an individual who is employed by a qualified alternative energy entity, whose job responsibilities are related to the research, development, or manufacturing activities of the qualified alternative energy entity, and whose regular place of employment is within an alternative energy zone.

(i) “Qualified payroll amount” means an amount equal to payroll of the qualified alternative energy entity attributable to all qualified employees in the tax year of the qualified alternative energy entity for which the credit under subsection (6) is being claimed, multiplied by the tax rate for that tax year.

(j) “Renaissance zone” means a renaissance zone designated under the Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696.

(k) “Renewable fuel” means 1 or more of the following:

(i) Biodiesel or biodiesel blends containing at least 20% biodiesel. As used in this subparagraph, “biodiesel” means a diesel fuel substitute consisting of methyl or ethyl esters produced from the transesterification of animal or vegetable fats with methanol or ethanol.

(ii) Biomass. As used in this subparagraph, “biomass” means residues from the wood and paper products industries, residues from food production and processing, trees and grasses grown specifically to be used as energy crops, and gaseous fuels produced from solid biomass, animal wastes, municipal waste, or landfills.

(l) “Tax liability attributable to qualified business activity” means the taxpayer’s tax liability multiplied by a fraction the numerator of which is the ratio of the value of the taxpayer’s property used for qualified business activity and located in this state outside of a renaissance zone to the value of all of the taxpayer’s property located in this state plus the ratio of the taxpayer’s payroll for qualified business activity performed outside of a renaissance zone to all of the taxpayer’s payroll in this state and the denominator of which is 2.

(m) “Tax rate” means the rate imposed under sections 51, 51d, and 51e of the income tax act of 1967, 1967 PA 281, MCL 206.51, 206.51d, and 206.51e, annualized as necessary, for the tax year in which the qualified alternative energy entity claims a credit under subsection (6).

Repeal of §§ 208.1 to 208.145 after December 31, 2009.

Enacting section 1. The single business tax act, 1975 PA 228, MCL 208.1 to 208.145, is repealed effective for tax years that begin after December 31, 2009.

This act is ordered to take immediate effect.

Approved July 25, 2002.

Filed with Secretary of State July 25, 2002.

[No. 532]**(HB 5458)**

AN ACT to amend 1976 PA 448, entitled “An act to prescribe the powers and duties of municipalities and governmental units to acquire, finance, maintain, and operate generating, transmission, and distribution facilities of electric power and energy, fuel and energy sources and reserves and all necessary related properties, equipment and facilities; to permit the exercise of those powers in joint venture or joint agency agreements; to provide for the issuance of bonds and notes; to prescribe the powers and duties of the municipal finance commission or its successor agency and of certain other state officers and agencies with respect to municipal electric utility financing; to create certain funds and prescribe their operation; to provide for tax exemptions and other exemptions; and to prescribe penalties and provide remedies,” by amending section 44 (MCL 460.844).

The People of the State of Michigan enact:

460.844 Sale or exchange of excess capacity or output.

Sec. 44. (1) A joint agency may sell or exchange the excess capacity or output of a project not required by any of its members for consideration upon terms and conditions as determined by the parties. The sale or exchange of excess capacity or output shall not be made with a municipality not engaged in the generating, transmitting, or distributing of electricity as of January 13, 1977, unless no other power utility is willing to enter into a sale or exchange upon equally favorable terms and conditions.

(2) A joint agency may do either or both of the following:

(a) Transfer all or part of its interest in transmission facilities to a multistate regional transmission system organization approved by the federal government and operating in this state or to 1 or more of its transmission-owning members.

(b) Purchase, acquire, sell, or otherwise transfer stock, membership units, or any other interest in a multistate regional transmission system organization approved by the federal government and operating in this state or in 1 or more of its transmission-owning members.

This act is ordered to take immediate effect.

Approved July 25, 2002.

Filed with Secretary of State July 25, 2002.

[No. 533]**(HB 5459)**

AN ACT to amend 1976 PA 448, entitled “An act to prescribe the powers and duties of municipalities and governmental units to acquire, finance, maintain, and operate generating, transmission, and distribution facilities of electric power and energy, fuel and energy sources and reserves and all necessary related properties, equipment and facilities; to permit the exercise of those powers in joint venture or joint agency agreements; to provide for the issuance of bonds and notes; to prescribe the powers and duties of the municipal finance commission or its successor agency and of certain other state officers and agencies with respect to municipal electric utility financing; to create

certain funds and prescribe their operation; to provide for tax exemptions and other exemptions; and to prescribe penalties and provide remedies,” by amending section 40 (MCL 460.840).

The People of the State of Michigan enact:

460.840 Determining future power requirements; considerations.

Sec. 40. Before undertaking a project for the construction or acquisition of facilities for the transmission or generation of electric power and energy, a joint agency shall, based upon engineering studies and reports meeting the standards required under section 38(d), determine that the project is required to provide for the projected needs for power and energy of its members from the date the project is estimated to be placed in normal and continuous operation and for a reasonable period of time thereafter. In determining the future power requirements of members of a joint agency, the joint agency shall consider all of the following:

(a) The economies and efficiencies to be achieved in constructing facilities for the generation and transmission of electric power and energy.

(b) The needs of the joint agency for reserve and peaking capacity, and to meet obligations under pooling and reserve sharing agreements reasonably related to its needs for power and energy to which the joint agency is or may become a party.

(c) The estimated useful life of the project.

(d) The estimated time necessary for the planning, development, acquisition, or construction of the project and the length of time required in advance to obtain, acquire, or construct additional power supply for members of the joint agency.

(e) The reliability and availability of existing alternative power supplies and the cost of those existing alternative power supplies.

This act is ordered to take immediate effect.

Approved July 25, 2002.

Filed with Secretary of State July 25, 2002.

[No. 534]

(SB 1232)

AN ACT to amend 1949 PA 300, entitled “An act to provide for the registration, titling, sale, transfer, and regulation of certain vehicles operated upon the public highways of this state or any other place open to the general public or generally accessible to motor vehicles and distressed vehicles; to provide for the licensing of dealers; to provide for the examination, licensing, and control of operators and chauffeurs; to provide for the giving of proof of financial responsibility and security by owners and operators of vehicles; to provide for the imposition, levy, and collection of specific taxes on vehicles, and the levy and collection of sales and use taxes, license fees, and permit fees; to provide for the regulation and use of streets and highways; to create certain funds; to provide penalties and sanctions for a violation of this act; to provide for civil liability of owners and operators of vehicles and service of process on residents and nonresidents; to provide for the levy of certain assessments; to provide for the enforcement of this act; to provide for the creation of and to prescribe the powers and duties of certain state and local agencies;

to impose liability upon the state or local agencies; to repeal all other acts or parts of acts inconsistent with this act or contrary to this act; and to repeal certain parts of this act on a specific date,” by amending sections 6, 7a, 212, 306, 307, 309, 312e, 312f, 319, 319b, 319c, 321, 321b, 323c, 667, 667a, 668, 669, 670, 732, 904, and 907 (MCL 257.6, 257.7a, 257.212, 257.306, 257.307, 257.309, 257.312e, 257.312f, 257.319, 257.319b, 257.319c, 257.321, 257.321b, 257.323c, 257.667, 257.667a, 257.668, 257.669, 257.670, 257.732, 257.904, and 257.907), section 6 as amended by 1992 PA 297, sections 7a and 323c as amended by 1991 PA 100, section 212 as amended by 1980 PA 398, section 306 as amended by 1999 PA 40, sections 307, 312f, and 319b as amended by 2002 PA 259, section 309 as amended by 2000 PA 456, section 312e as amended by 2000 PA 158, section 319 as amended by 2002 PA 422, section 319c as added by 1988 PA 346, section 667a as added by 2000 PA 367, section 668 as amended by 1980 PA 101, section 669 as amended by 1995 PA 248, section 732 as amended by 2002 PA 422, section 904 as amended by 2000 PA 77, and section 907 as amended by 2001 PA 214, and by adding sections 319g and 669a; and to repeal acts and parts of acts.

The People of the State of Michigan enact:

257.6 “Chauffeur” defined.

Sec. 6. (1) Except as otherwise provided in subsection (3), “chauffeur” means any of the following:

(a) A person who operates a motor vehicle as a motor common carrier of property or a motor contract carrier of property as defined in section 1(f) and (h) of the motor carrier act, 1933 PA 254, MCL 475.1, or a motor carrier of passengers as defined in section 3 of the motor bus transportation act, 1982 PA 432, MCL 474.103.

(b) A person who is employed for the principal purpose of operating a motor vehicle with a GVWR of 10,000 pounds or more.

(c) A person who operates a bus or school bus.

(d) A person who operates a taxi.

(e) A person who operates a limousine as defined by section 3 of the limousine transportation act, 1990 PA 271, MCL 257.1903.

(2) For purposes of subsection (1)(b), a person shall be considered to be employed for the principal purpose of operating a motor vehicle when the person’s employment customarily involves the necessary use of a motor vehicle for hire or for transporting passengers for hire, or for transporting for gain or hire any merchandise for display, sale, or delivery.

(3) “Chauffeur” does not include any of the following:

(a) A farmer or an employee of a farmer operating a vehicle exclusively in connection with the farming operations of the farmer.

(b) A fire fighter or a member of a fire department operating an ambulance.

(c) Emergency medical services personnel operating an ambulance. As used in this subdivision, “emergency medical services personnel” means that term as defined in section 20904 of the public health code, 1978 PA 368, MCL 333.20904.

(d) State transportation department employees whose work consists of operating vehicles with a gross vehicle weight rating of 10,000 pounds or more for the purpose of transporting highway and bridge maintenance materials and supplies for all aspects of state trunkline maintenance, including winter maintenance and facilities maintenance.

(e) County road commission employees and other employees of local units of government who do not drive their own vehicles and whose work consists of hauling road building materials and supplies for the road commission or for other municipal purposes.

(f) A person operating a motor vehicle for a volunteer program who only receives reimbursement for the costs of operating the motor vehicle.

(g) A person who operates a motor home for personal pleasure.

(h) A parent or parent's designee for the purpose of transporting pupils to or from school and school related events.

257.7a "Commercial motor vehicle" defined.

Sec. 7a. "Commercial motor vehicle" means a motor vehicle designed to transport 16 or more passengers, including the driver; a motor vehicle, having a gross vehicle weight rating of 26,001 or more pounds; a motor vehicle with a gross combination weight rating of 26,001 pounds or more including a towed unit with a gross vehicle weight rating of more than 10,000 pounds; or a motor vehicle carrying hazardous material and on which is required to be posted a placard as defined and required under 49 C.F.R. parts 100 to 199. A commercial motor vehicle does not include a vehicle used exclusively to transport personal possessions or family members for nonbusiness purposes.

257.212 Methods of giving notice; proof.

Sec. 212. If the secretary of state is authorized or required to give notice under this act or other law regulating the operation of a vehicle, unless a different method of giving notice is otherwise expressly prescribed, notice shall be given either by personal delivery to the person to be notified or by first-class United States mail addressed to the person at the address shown by the record of the secretary of state. The giving of notice by mail is complete upon the expiration of 5 days after mailing the notice. Proof of the giving of notice in either manner may be made by the certificate of a person 18 years of age or older, naming the person to whom notice was given and specifying the time, place, and manner of the giving of notice.

257.306 Temporary instruction permit; operation of motor vehicle without operator's license or permit; temporary driver education certificate; motorcycle temporary instruction permit; temporary instruction permit to drive vehicle requiring vehicle group designation or vehicle group indorsement.

Sec. 306. (1) The secretary of state, upon receiving an application for a temporary instruction permit from a person who is 18 years of age or older, may issue that permit entitling the applicant, while carrying the permit, to drive a motor vehicle other than a motor vehicle requiring an indorsement under section 312a or a vehicle group designation under section 312e upon the highways for a period of 180 days when accompanied by a licensed adult operator or chauffeur who is actually occupying a seat beside the driver.

(2) The secretary of state may issue an original operator's license and designate level 1, 2, or 3 graduated licensing provisions to a person who is less than 18 years of age, has been licensed in another state or country, and has satisfied the applicable requirements of section 310e.

(3) A student enrolled in a driver education program or a motorcycle safety course approved by the department of education may operate a motor vehicle without holding an operator's license or permit while under the direct supervision of the program instructor.

(4) A student enrolled in an approved driver education program and who has successfully completed 10 hours of classroom instruction and the equivalent of 2 hours of behind-the-wheel training may be issued a temporary driver education certificate furnished by the department of education that authorizes a student to drive a motor vehicle, other than a motor vehicle requiring an indorsement pursuant to section 312a or a vehicle group designation pursuant to section 312e, when accompanied by a licensed parent or guardian, or when accompanied by a nonlicensed parent or guardian and a licensed adult for the purpose of receiving additional instruction until the end of the student's driver education course.

(5) The secretary of state, upon receiving proper application from a person 16 or 17 years of age who is enrolled in or has successfully completed an approved motorcycle safety course under section 811a, or a person who is 18 years of age or older and who holds a valid operator's or chauffeur's license, may issue a motorcycle temporary instruction permit entitling the applicant, while carrying the permit, to operate a motorcycle upon the public streets and highways for a period of 180 days, but only when under the constant visual supervision of a licensed motorcycle operator at least 18 years of age. The applicant shall not operate the motorcycle at night or with a passenger.

(6) The secretary of state, upon receiving proper application from a person who is 18 years of age or older, who holds a valid operator's or chauffeur's license, and who has passed the knowledge test for an original vehicle group designation or indorsement, may issue a temporary instruction permit entitling the person, while carrying the permit, to drive a vehicle requiring a vehicle group designation or vehicle group indorsement under section 312e upon the streets and highways for a period of 180 days, but only when accompanied by a licensed adult operator or chauffeur who is licensed with the appropriate vehicle group designation and indorsement for the vehicle group being driven and who is actually occupying a seat beside the driver, or behind the driver if the permittee is driving a bus or school bus. In addition, if a permittee is enrolled in a driver training program for drivers of motor vehicles requiring a vehicle group designation or vehicle group indorsement under section 312e, which program is conducted by a college, university, commercial driver training school licensed by the department under 1974 PA 369, MCL 256.601 to 256.609, or a local or intermediate school district, the permittee may drive a vehicle requiring a vehicle group designation or vehicle group indorsement on the streets and highways of this state for a period of 180 days when accompanied by an instructor licensed with the appropriate vehicle group designation and indorsement for the vehicle being driven who is either occupying the seat beside the driver or in direct visual and audio communication with the permittee. A person issued a temporary instruction permit under this section shall not operate a vehicle designed to carry 16 or more passengers that is transporting passengers except with an instructor licensed with the appropriate vehicle group designation and indorsement for the vehicle being driven or a driver skills test examiner.

257.307 Application for operator's or chauffeur's license; manner; contents; image; equipment; use of image and information; signature and certification; fee; refund; driving record from another jurisdiction; application for original, renewal, or upgrade of vehicle group designation or indorsement; issuing renewal license by mail or other methods; information manual; disclosure or display of social security number.

Sec. 307. (1) An applicant for an operator's or chauffeur's license shall supply a birth certificate attesting to his or her age or other sufficient documents or identification as the

secretary of state may require. An application for an operator's or chauffeur's license shall be made in a manner prescribed by the secretary of state and shall contain all of the following:

(a) The applicant's full name, date of birth, residence address, height, sex, eye color, signature, other information required or permitted on the license under this chapter, and, to the extent required to comply with federal law, the applicant's social security number. The applicant may provide a mailing address if the applicant receives mail at an address different from his or her residence address.

(b) The following notice shall be included to inform the applicant that under sections 509o and 509r of the Michigan election law, 1954 PA 116, MCL 168.509o and 168.509r, the secretary of state is required to use the residence address provided on this application as the applicant's residence address on the qualified voter file for voter registration and voting:

“NOTICE: Michigan law requires that the same address be used for voter registration and driver license purposes. Therefore, if the residence address you provide in this application differs from your voter registration address as it appears on the qualified voter file, the secretary of state will automatically change your voter registration to match the residence address on this application, after which your voter registration at your former address will no longer be valid for voting purposes. A new voter registration card, containing the information of your polling place, will be provided to you by the clerk of the jurisdiction where your residence address is located.”

(c) For an operator's or chauffeur's license with a vehicle group designation or indorsement, the following certifications by the applicant:

(i) The applicant meets the applicable federal driver qualification requirements under 49 C.F.R. part 391 if the applicant operates or intends to operate in interstate commerce or meets the applicable qualifications under the rules promulgated by the department of state police under the motor carrier safety act of 1963, 1963 PA 181, MCL 480.11 to 480.22, if the applicant operates or intends to operate in intrastate commerce.

(ii) The vehicle in which the applicant will take the driving skills tests is representative of the type of vehicle the applicant operates or intends to operate.

(iii) The applicant is not subject to disqualification, suspension, revocation, or cancellation for conviction of an offense described in section 312f or 319b.

(iv) The applicant does not have a driver's license from more than 1 state.

(d) An applicant for an operator's or chauffeur's license with a vehicle group designation and a hazardous material indorsement (H vehicle indorsement) shall provide his or her fingerprints which shall have been taken by a law enforcement official or a designated representative for investigation as required by the uniting and strengthening America by providing appropriate tools required to intercept and obstruct terrorism (USA PATRIOT ACT) Act of 2001, Public Law 107-56, 115 Stat. 272.

(2) Except as provided in this subsection, an applicant for an operator's or chauffeur's license may have his or her image captured or reproduced when the application for the license is made. An applicant required under section 5a of the sex offenders registration act, 1994 PA 295, MCL 28.725a, to maintain a valid operator's or chauffeur's license or official state personal identification card shall have his or her image and signature captured or reproduced when the application for the license is made. The secretary of state shall acquire by purchase or lease the equipment for capturing the images and signatures and may furnish the equipment to a local unit authorized by the secretary of state to license drivers. The secretary of state shall acquire equipment purchased or

leased pursuant to this section under standard purchasing procedures of the department of management and budget based on standards and specifications established by the secretary of state. The secretary of state shall not purchase or lease equipment until an appropriation for the equipment has been made by the legislature. An image and signature captured pursuant to this section shall appear on the applicant's operator's or chauffeur's license. Except as provided in this subsection, the secretary of state may retain and use a person's image described in this subsection only for programs administered by the secretary of state. Except as provided in this subsection, the secretary of state shall not use a person's image unless the person grants written permission for that purpose to the secretary of state or specific enabling legislation permitting the use is enacted into law. A law enforcement agency of this state has access to information retained by the secretary of state under this subsection. The information may be utilized for any law enforcement purpose unless otherwise prohibited by law. The department of state police shall provide to the secretary of state updated lists of persons required to be registered under the sex offenders registration act, 1994 PA 295, MCL 28.721 to 28.732, and the secretary of state shall make the images of those persons available to the department of state police as provided in that act.

(3) An application shall contain a signature and certification by the applicant and shall be accompanied by the proper fee. The examiner shall collect the application fee and shall forward the fee to the secretary of state with the application. The secretary of state shall refund the application fee to the applicant if the license applied for is denied, but shall not refund the fee to an applicant who fails to complete the examination requirements of the secretary of state within 90 days after the date of application for a license. A service fee of \$1.00 shall be added to each fee collected for an original, renewal, duplicate, or corrected operator's or chauffeur's license. The service fee received and collected under this subsection shall be deposited in the state treasury to the credit of the general fund. The service fee shall be used to defray the expenses of the secretary of state. Appropriations from the Michigan transportation fund shall not be used to compensate the secretary of state for costs incurred and services performed under this section.

(4) In conjunction with the issuance of an operator's or chauffeur's license, the secretary of state shall do all of the following:

(a) Provide the applicant with all of the following:

(i) Written information explaining the applicant's right to make an anatomical gift in the event of death in accordance with section 310.

(ii) Written information describing the organ donation registry program maintained by Michigan's federally designated organ procurement organization or its successor organization. The written information required under this subparagraph shall include, in a type size and format that is conspicuous in relation to the surrounding material, the address and telephone number of Michigan's federally designated organ procurement organization or its successor organization, along with an advisory to call Michigan's federally designated organ procurement organization or its successor organization with questions about the organ donor registry program.

(iii) Written information giving the applicant the opportunity to be placed on the organ donation registry described in subparagraph (ii).

(b) Provide the applicant with the opportunity to specify on his or her operator's or chauffeur's license that he or she is willing to make an anatomical gift in the event of death in accordance with section 310.

(c) Inform the applicant in writing that, if he or she indicates to the secretary of state under this section a willingness to have his or her name placed on the organ donor registry

described in subdivision (a)(ii), the secretary of state will forward the applicant's name and address to the organ donation registry maintained by Michigan's federally designated organ procurement organization or its successor organization, as required by subsection (6).

(5) The secretary of state may fulfill the requirements of subsection (4) by 1 or more of the following methods:

(a) Providing printed material enclosed with a mailed notice for an operator's or chauffeur's license renewal or the issuance of an operator's or chauffeur's license.

(b) Providing printed material to an applicant who personally appears at a secretary of state branch office.

(c) Through electronic information transmittals for operator's and chauffeur's licenses processed by electronic means.

(6) If an applicant indicates a willingness under this section to have his or her name placed on the organ donor registry described in subsection (4)(a)(ii), the secretary of state shall within 10 days forward the applicant's name and address to the organ donor registry maintained by Michigan's federally designated organ procurement organization or its successor organization. The secretary of state may forward information under this subsection by mail or by electronic means. The secretary of state shall not maintain a record of the name or address of an individual who indicates a willingness to have his or her name placed on the organ donor registry after forwarding that information to the organ donor registry under this subsection. Information about an applicant's indication of a willingness to have his or her name placed on the organ donor registry that is obtained by the secretary of state under subsection (4) and forwarded under this subsection is exempt from disclosure under the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246, pursuant to section 13(1)(d) of the freedom of information act, 1976 PA 442, MCL 15.243.

(7) If an application is received from a person previously licensed in another jurisdiction, the secretary of state shall request a copy of the applicant's driving record and other available information from the national driver register. When received, the driving record and other available information become a part of the driver's record in this state. If the application is for an original, renewal, or upgrade of a vehicle group designation or indorsement, the secretary of state shall check the applicant's driving record with the national driver register and the federal commercial driver license information system before issuing that group designation or indorsement.

(8) Except for a vehicle group designation or indorsement or as provided in this subsection, the secretary of state may issue a renewal operator's or chauffeur's license for 1 additional 4-year period by mail or by other methods prescribed by the secretary of state. The secretary of state shall issue a renewal license only in person if the person is a person required under section 5a of the sex offenders registration act, 1994 PA 295, MCL 28.725a, to maintain a valid operator's or chauffeur's license or official state personal identification card. If a license is renewed by mail or by other method, the secretary of state shall issue evidence of renewal to indicate the date the license expires in the future. The department of state police shall provide to the secretary of state updated lists of persons required under section 5a of the sex offenders registration act, 1994 PA 295, MCL 28.725a, to maintain a valid operator's or chauffeur's license or official state personal identification card.

(9) Upon request, the secretary of state shall provide an information manual to an applicant explaining how to obtain a vehicle group designation or indorsement. The manual shall contain the information required under 49 C.F.R. part 383.

(10) The secretary of state shall not disclose a social security number obtained under subsection (1) to another person except for use for 1 or more of the following purposes:

(a) Compliance with chapter 313 of title 49 of the United States Code, 49 U.S.C. 31301 to 31317, and regulations and state law and rules related to this chapter.

(b) Through the law enforcement information network, to carry out the purposes of section 466(a) of part D of title IV of the social security act, 42 U.S.C. 666, in connection with matters relating to paternity, child support, or overdue child support.

(c) As otherwise required by law.

(11) The secretary of state shall not display a person's social security number on the person's operator's or chauffeur's license.

(12) A requirement under this section to include a social security number on an application does not apply to an applicant who demonstrates he or she is exempt under law from obtaining a social security number or to an applicant who for religious convictions is exempt under law from disclosure of his or her social security number under these circumstances. The secretary of state shall inform the applicant of this possible exemption.

257.309 Examination of applicant for operator's or chauffeur's license; waiver; exception; certification of licensee applying for renewal of license by mail; examining officers; conducting examinations; report of findings and recommendations; rules; issuance of original operator's or chauffeur's license without vehicle group designation or indorsement; behind-the-wheel road test; waiver; prohibited conduct.

Sec. 309. (1) Before issuing a license, the secretary of state shall examine each applicant for an operator's or chauffeur's license who at the time of the application is not the holder of a valid, unrevoked operator's or chauffeur's license under a law of this state providing for the licensing of drivers. In all other cases, the secretary of state may waive the examination, except that an examination shall not be waived if it appears from the application, from the apparent physical or mental condition of the applicant, or from any other information which has come to the secretary of state from another source, that the applicant does not possess the physical, mental, or other qualifications necessary to operate a motor vehicle in a manner as not to jeopardize the safety of persons or property; or that the applicant is not entitled to a license under section 303. A licensee who applies for the renewal of his or her license by mail pursuant to section 307 shall certify to his or her physical capability to operate a motor vehicle.

(2) The secretary of state may appoint sheriffs, their deputies, the chiefs of police of cities and villages having organized police departments within this state, their duly authorized representatives, or employees of the secretary of state as examining officers for the purpose of examining applicants for operator's and chauffeur's licenses. An examining officer shall conduct examinations of applicants for operator's and chauffeur's licenses in accordance with this chapter and the rules promulgated by the secretary of state under subsection (3). After conducting an examination an examining officer shall make a written report of his or her findings and recommendations to the secretary of state.

(3) The secretary of state shall promulgate rules pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, for the examination of the applicant's physical and mental qualifications to operate a motor vehicle in a manner as not to jeopardize the safety of persons or property, and shall ascertain whether facts exist that would bar the issuance of a license under section 303. The secretary of state shall also ascertain whether the applicant has sufficient knowledge of the English language to

understand highway warnings or direction signs written in that language. The examination shall not include investigation of facts other than those facts directly pertaining to the ability of the applicant to operate a motor vehicle with safety or facts declared to be prerequisite to the issuance of a license under this act.

(4) The secretary of state shall not issue an original operator's or chauffeur's license without a vehicle group designation or indorsement without an examination that includes a driving skills test conducted by the secretary of state or by a designated examining officer under subsection (2) or section 310e. The secretary of state may enter into an agreement with another public or private person or agency to conduct a driving skills test conducted under this section. In an agreement with another person or agency to conduct a driving skills test, the secretary of state may prescribe the method and examination criteria to be followed by the person or agency when conducting the driving skills test and the form of the certification to be issued to a person who satisfactorily completes a driving skills test. An original vehicle group designation or indorsement shall not be issued by the secretary of state without a knowledge test conducted by the secretary of state. Except as provided in section 312f(1), an original vehicle group designation or passenger indorsement shall not be issued by the secretary of state without a driving skills test conducted by an examiner appointed or authorized by the secretary of state. While in the course of taking a driving skills test conducted by the examiner who shall occupy a seat beside the applicant, an applicant for an original vehicle group designation or passenger indorsement who has been issued a temporary instruction permit to operate a commercial motor vehicle is permitted to operate a vehicle requiring a vehicle group designation or passenger indorsement without a person licensed to operate a commercial motor vehicle occupying a seat beside him or her.

(5) Except as otherwise provided in this act, the secretary of state may waive the requirement of a driving skills test, knowledge test, or road sign test of an applicant for an original operator's or chauffeur's license without a vehicle group designation or indorsement who at the time of the application is the holder of a valid, unrevoked operator's or chauffeur's license issued by another state or country.

(6) A driving skills test conducted under this section shall include a behind-the-wheel road test. A behind-the-wheel road test for an original vehicle group designation or passenger indorsement shall not be conducted unless the applicant has been issued a temporary instruction permit.

(7) A person who corrupts or attempts to corrupt a designated examining officer appointed or designated by the secretary of state under this section or section 310e by giving, offering, or promising any gift or gratuity with the intent to influence the opinion or decision of the examining officer conducting the test is guilty of a felony.

(8) A designated examining officer appointed or designated by the secretary of state who conducts a driving skills test under an agreement entered into under this section or section 310e and who varies from, shortens, or in any other way changes the method or examination criteria prescribed in that agreement in conducting a driving skills test is guilty of a felony.

(9) A person who forges, counterfeits, or alters a satisfactorily completed driving skills test certification issued by a designated examining officer appointed or designated by the secretary of state under this section or section 310e is guilty of a felony.

257.312e Group commercial motor vehicle designation; tests; holder of unexpired operator's or chauffeur's license; qualifications and fees for vehicle group designation and indorsement; F vehicle indorsement; exceptions; former indorsements; expiration;