

- (vi) Education, job training, and employment services.
- (vii) Transition services in order to achieve self-sufficiency.
- (viii) Instruction on self-protection.

(3) Agencies receiving teenage parent counseling funds shall provide at least 10% in matching funds, through any combination of local, state, or federal funds or in-kind or other donations.

Prevention services program; status report.

Sec. 524. The department shall submit to the senate and house appropriations subcommittees on the family independence agency, the senate and house standing committees having jurisdiction over human services matters, the senate and house fiscal agencies, and the senate and house policy offices an annual report, beginning April 2, 2004, detailing the status of the prevention services program.

Payment of federal revenues to local units of government.

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

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

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

Child placing agencies and child caring institutions; annual licensing review and contract compliance.

Sec. 532. (1) The department, in collaboration with representatives of private child and family agencies, shall review policies, practices, and procedures involving the annual licensing review and the annual contract compliance review conducted by the department regarding child placing agencies and child caring institutions. The review shall include efforts to identify duplication of staff activities and information sought from child placing agencies and child caring institutions in the annual review process.

(2) The department shall develop a streamlined licensing contract compliance review process, including potential for utilizing deeming status for nationally accredited agencies. The department shall report to the house and senate appropriations subcommittees on the family independence agency budget, the house and senate fiscal agencies and policy offices, and the state budget director on or before April 1, 2004 on the implementation of the licensing and contract compliance review process.

Private nonprofit child placing facilities; payments.

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

Geographically based assignment system for foster care.

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

Foster care services by private nonprofit licensed agencies; report.

Sec. 537. (1) The department shall offer private nonprofit licensed agencies the first opportunity to provide foster care services for new foster children entering the system in a county when the department's direct care caseload for foster care is greater than 20 cases per foster care worker. This section only applies if the private nonprofit licensed agency has an available placement at the time the child needs to be placed and the placement is not contrary to the best interests of the child or the child's siblings.

(2) The department shall provide the senate and house appropriations subcommittees on the family independence agency, the senate and house fiscal agencies, the senate and house policy offices, and the state budget director with a report on service cost similarities and differences between public and private licensed nonprofit agencies that includes all of the following:

- (a) Average caseload per foster care worker.
- (b) Average cost per case to the department and any other governmental agency.
- (c) Range of services provided to foster care youth.
- (d) A measurement of program outcomes.

(3) The department shall contract with a third party to compile and analyze the information required under subsection (2). The department shall distribute, in a quarterly report, the findings of the analysis to the senate and house appropriations subcommittees on the family independence agency, the senate and house standing committees on families and human services matters, the senate and house fiscal agencies, the senate and house policy offices, and the chief justice of the Michigan supreme court.

Abused, neglected, or delinquent children; collaboration with private nonprofit child placing agencies.

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

Reimbursement for child care fund expenditures; submission of reports by counties.

Sec. 541. 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.

County service spending plan.

Sec. 542. As a condition of receiving funds appropriated in part 1 for the child care fund, by February 15, 2004, counties shall have an approved service spending plan for the fiscal year ending September 30, 2004. Counties must submit the service spending plan to the department by December 15, 2003 for approval.

Criminal sexual conduct involving underage youth; education and training to reduce incidences.

Sec. 543. The department shall develop a comprehensive plan to provide education and training to reduce the incidences of criminal sexual conduct involving underage youth. The plan shall be designed to reach state and local law enforcement officials, schools and education agencies, health care, counseling, and pregnancy prevention services, and any other agency the department considers relevant. The department shall issue a report to the house and senate appropriations subcommittees on the family independence agency budget, the house and senate fiscal agencies and policy offices, and the state budget director that shall contain at least all of the following:

(a) The names of the task force members or committee members, and their representative organizations, who helped develop the plan.

(b) The recommendations the department is making to each of the following:

(i) State and local law enforcement agencies.

(ii) Schools and education agencies.

(iii) Health care professionals.

(iv) Counseling agencies.

(v) Pregnancy prevention programs.

(c) The annual goals for reporting and reducing incidences of criminal sexual conduct involving underage youth.

(d) A summary of past plans and their outcomes submitted in compliance with federal guidelines.

Accelerated residential treatment; pilot projects.

Sec. 544. The department shall consider approval of pilot projects with applications pending for accelerated residential treatment.

New specialized foster care programs; elimination of freeze.

Sec. 545. The department shall eliminate the current administrative freeze on approval of new specialized foster care programs.

Family preservation and prevention services; program reductions.

Sec. 546. (1) The department shall continue all programs funded in fiscal year 2002-2003 included in part 1 for family preservation and prevention services. The \$8,000,000.00 reduction included in part 1 for family preservation and prevention services shall be based on an equal percentage reduction for all programs receiving funds from the line item except for the secondary prevention program for 0- to 3-year-olds.

(2) The secondary prevention program for 0- to 3-year-olds that receives funding from the appropriations in part 1 for family preservation and prevention services shall receive not less than the amount of funding received in fiscal year 2002-2003.

(3) The domestic violence families first collaborative programs shall be reduced by the equal percentage referred to in subsection (1) based on the programs' fiscal year 2002-2003 appropriation of \$1,300,000.00 prior to the Executive Order No. 2003-3.

PUBLIC ASSISTANCE**Rent vendoring programs.**

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

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

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

Direct payments to energy providers; caps; extended payment plans; adjustment.

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

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

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

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

Disability assistance program; eligibility requirements.

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

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

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

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

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

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

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

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

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

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

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

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

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

State disability assistance; recipients in licensed adult foster care.

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

Repayment contract.

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

Recoveries and recoupment revenues; limitation.

Sec. 607. The department's ability to satisfy appropriation deductions in part 1 for state disability assistance/supplemental security income recoveries and public assistance

recoupment revenues shall not be limited to recoveries and accruals pertaining to state disability assistance, or family independence assistance grant payments provided only in the current fiscal year, but shall include all related net recoveries received during the current fiscal year.

Adult foster care and homes for the aged; residents receiving supplemental security income.

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

Supplemental security income program levels; reduction prohibited.

Sec. 609. The state supplementation level under the supplemental security income program for the personal care/adult foster care and home for the aged categories shall not be reduced during the fiscal year beginning October 1, 2003 and ending September 30, 2004.

State emergency relief program; exemptions.

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

State payment for indigent burials; additional payment.

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

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

Housing affordability eligibility.

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

Indigent burial; maximum allowable charge limit; distribution of funds; report.

Sec. 613. (1) From the funds appropriated in part 1 for state emergency relief, the maximum allowable charge limit for indigent burials shall be \$947.00. The funds shall be

distributed as follows: \$603.00 for funeral directors; \$200.00 for cemeteries or crematoriums; and \$144.00 for the provider of the vault.

(2) On December 31, 2003, participating funeral home directors or cemeteries or crematoriums shall submit on a quarterly basis a report on a form made available by the department that includes all of the following information:

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

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

Burial services funds; availability.

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

Public assistance to illegal alien.

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

Weatherization program.

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

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

(2) Any unencumbered balances of the weatherization program shall not lapse and may be carried forward to fiscal year 2005.

Minor parent's adult supervised household; living arrangement.

Sec. 617. In operating the family independence program with funds appropriated in part 1, the department shall not approve as a minor parent's adult supervised household

a living arrangement in which the minor parent lives with his or her partner as the supervising adult.

Reduction, termination, or suspension of assistance; prior notice.

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

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

Denial of assistance and food assistance benefits; exemptions.

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.

“Enhance quality improvement program” grants.

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.

EQUIP grants.

Sec. 627. (1) From the funds appropriated in part 1 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.

United States citizens in household with legal immigrants; calculation of food assistance allotment.

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; listing 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 eligibility information.

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.

Domestic violence; eligibility for state emergency relief.

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 to recipients beyond 5-year limit.

Sec. 648. From the funds appropriated in part 1 for public assistance, the department may make assistance payments to recipients beyond the 5-year limit set by 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 and clearly demonstrates that he or she is making progress in becoming self-sufficient.

Victim of domestic violence; exemption from limit on receiving food assistance.

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

Before- or after-school programs.

Sec. 657. (1) The department shall continue to fund the same before- or after-school programs that received funding in FY 2002-2003 to 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 TANF 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 \$8,550,000.00 in TANF funds 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, 2004, 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.

TANF eligibility reporting requirements.

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.

Public transportation needs of TANF-eligible individuals.

Sec. 665. The department shall partner with the department of transportation to use TANF and other sources of available funding to support public transportation needs of TANF-eligible individuals. By February 1, 2004, the department shall report on the new transportation initiatives developed to the senate and house appropriations subcommittees on the family independence agency, senate and house standing committees on human services matters, the senate and house fiscal agencies, the senate and house policy offices, and the state budget director.

Participation in federal earned income tax credit.

Sec. 666. The department shall develop and implement a plan, in conjunction with the Michigan State University extension service, to increase the participation of eligible family independence program recipients in the federal earned income tax credit. The department shall report the details of the plan to the senate and house appropriations

subcommittees on the family independence agency budget, the senate and house standing committees on human services, the senate and house fiscal agencies and policy offices, and the state budget director no later than December 31, 2003.

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.

Development of community-based program; availability to children ages 6 to 15.

Sec. 668. (1) In coordination with the Michigan alliance of boys and girls clubs, the department may expend up to \$250,000.00 in TANF funds to make allocations for a statewide collaborative project to develop a community-based program available to children ages 6 to 15.

(2) The department shall make allocations of TANF funds under this section only to agencies that report necessary data to the department for the purpose of meeting the TANF eligibility reporting requirements. The use of TANF funds under this section should not be considered an ongoing commitment.

(3) The department shall grant priority in funding to programs that provide at least 10% in matching funds. The matching funds requirement shall be fulfilled through any combination of local, state, or federal funds or in-kind or other donations. A program that cannot meet the matching requirement shall not be excluded from applying for a contract.

Distribution of cash and food assistance; debit cards; school clothing allowance.

Sec. 669. (1) The department shall distribute cash and food assistance to recipients electronically by using debit cards.

(2) The department shall allocate up to \$4,740,000.00 for the annual school clothing allowance. The allowance shall be granted to all eligible children 4 to 18 years of age. At least 2 weeks prior to the clothing allowance transfer, the department shall notify assistance recipients eligible for the allowance of actual and potential participating retail establishments that offer discounts under the clothing allowance program. It is the intent of the legislature that the department expand outreach to retailers encouraging them to offer discounts.

Kinship care.

Sec. 670. It is the intent of the legislature that the funds appropriated in part 1 for kinship care in the fiscal year ending September 30, 2004 reflect the legislature's commitment to reduce the benefit discrepancy between kinship care and a similar family size within the family independence agency program (FIP). The legislature recognizes the commitment of relatives to provide family continuity, nurturance, and care for this special population of children who can no longer remain in their parents' care due to abuse, neglect, or other social problems.

Internet-based information system.

Sec. 671. The department may work with private nonprofit service providers to implement an Internet-based information system providing centralized benefit eligibility information and electronic application forms and application submission. This system may be used by volunteer counselors to assist users in obtaining all available public assistance.

Food assistance outreach efforts; report.

Sec. 672. By February 1, 2004, the department shall report to the house and senate appropriations subcommittees for the family independence agency budget, the house and senate standing committees on human services, the house and senate fiscal agencies and policy offices, and the state budget director on the department's food assistance outreach efforts.

Child day care program; reduction or elimination of participation; notice.

Sec. 673. The department shall immediately send notification to a client participating in the state child day care program and his or her child day care provider if the client's eligibility is reduced or eliminated.

JUVENILE JUSTICE SERVICES**Juvenile justice services; expansion of facilities.**

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.

Juvenile placed in maximum security program; leaving property prohibited; exceptions.

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 facility.

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.

Report on W.J. Maxey facility; assessment of juveniles; comparative analysis of public training schools and private facilities.

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, house and senate standing committees on human services matters, house and senate fiscal agencies and policy offices, and state budget director as part of its 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.

(g) Findings of all federal investigations of the facility.

(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.

(3) The department shall make a comparative analysis of public training schools and private facilities and report the analysis to the senate and house appropriations subcommittees on the family independence agency during the budget deliberations and distribute the findings to the senate and house standing committees on human services matters, the senate and house fiscal agencies, the senate and house policy offices, the state budget director, and the chief justice of the Michigan supreme court. The report shall include all of the following categories:

(a) Number of youths served by the facility.

(b) Number and type of security levels in the facility.

(c) Number of youths who earned a GED while at the facility.

(d) Recidivism rate for youths served by the facility.

(e) Breaches of security at the facility.

(f) Unique characteristics of the facility's program.

(g) Academic levels for youths served by the facility at intake and on discharge.

(h) Standardized psychological assessment scores for youths served by the facility at intake and on discharge.

(i) Program achievement outcomes.

Alternative regional detention services.

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.

Services to individuals leaving juvenile justice services; health care to juveniles committed to institution.

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 reim-

bursable 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.

Juvenile justice information networks; assistance to counties.

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 department 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 October 30, 2003.

Sec. 716. (1) The department shall make available the excess property located at the W.J. Maxey facility and pursue the sale of this property.

(2) Contingent upon the receipt of funds from the sale of property in subsection (1), a total of \$5,000,000.00 is appropriated for salaries and wages and contractual services, supplies, and materials within the executive operations unit, in addition to the funds appropriated in part 1.

(3) The sale of the property described in this section shall be conducted in a manner to realize the highest price for the sale and the highest return to the state. The sale of this property shall be done in an open manner that uses 1 or more of the following:

- (a) A competitive sealed bid.
- (b) Oral bid.
- (c) Public auction.
- (d) Use of broker services.

Broker services for the sale of this property shall only be used if there are 3 or more bidders for this property. The minimum selling price for the property shall be the higher value of either its fair market value or the result of a professional concept plan value as determined by a real estate professional qualified to make such valuations. This real estate professional shall be selected through a request for proposal and competitive bid process.

(4) A notice of a sealed or oral bid, public auction sale, or use of broker negotiation services, regarding the property described in this section shall be published at least once in a newspaper as defined in section 1461 of the revised judicature act of 1961, 1961 PA 236, MCL 600.1461, not less than 10 days before the sale. The newspaper shall be one that is published in the county where the property is located. If a newspaper is not published in the county where the property is located, the notice shall be published in a newspaper in a county nearest to the county in which the property is located. A notice shall describe the general location of the property and the date, time, and place of the sale.

LOCAL OFFICE SERVICES

Out-stationed eligibility specialists; locations and staffing levels.

Sec. 750. The department shall maintain out-stationed eligibility specialists in community-based organizations and hospitals in the same locations and at staffing levels no less than in fiscal year 2002-2003.

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.

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

CHILD SUPPORT ENFORCEMENT**Child support collections.**

Sec. 901. (1) From the federal money received for child support incentive payments, up to \$15,397,400.00 shall be retained by the state and expended for legal support contracts and child support program expenses.

(2) In addition to the amount retained in subsection (1), additional incentives may be retained and used by the state for special, enhanced, or centralized initiatives or services that are reasonably calculated by the department, in consultation with the state court administrative office and the state budget office, to result in an equivalent or greater increase in child support collections or child support incentive payments received from the federal government. If payment from the federal government for collection performance incentives exceeds the amount received by the state for the fiscal year 2000, the total amount paid to counties shall be no less than the total amount paid for federal performance incentives in fiscal year 2001.

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

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

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

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

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

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

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

(6) For the purpose of providing title IV-D child support enforcement funding, the department, as the IV-D agency, shall, within 30 days of the passage of this act, enter into a cooperative agreement with the state attorney general for IV-D funding to support the child support enforcement activities of the office of the attorney general. The department to the extent possible under federal law shall provide to the office of the attorney general any information used by the office of child support enforcement to locate parents who fail to pay court-ordered child support, to collect child support, or to enforce child support orders.

PART 2A

PROVISIONS CONCERNING APPROPRIATIONS FOR FISCAL YEAR 2002-2003

Penalties imposed on child support enforcement system; use of refund.

Sec. 1001. (1) In addition to the funds appropriated in 2002 PA 529, there is appropriated up to \$16,085,700.00 contingent upon the receipt of a refund from the federal government related to penalties previously imposed for the child support enforcement system and upon certification from the state budget director that the funds are available for expenditure. Of this amount, up to: \$8,785,700.00 may be used for the child support enforcement system; \$4,300,000.00 may be used for family independence program caseload, state disability assistance, and child care fund costs; and \$3,000,000.00 may be used to fund the transitional work support program.

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

REPEALERS

Repeal of section 413 of 2002 PA 529.

Sec. 1002. Section 413 of 2002 PA 529 is repealed.

This act is ordered to take immediate effect.

Approved August 12, 2003.

Filed with Secretary of State August 13, 2003.

[No. 173]

(SB 540)

AN ACT to make, supplement, and adjust appropriations for capital outlay and certain state departments and agencies for the fiscal year ending September 30, 2003 and the fiscal year ending September 30, 2004; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

The People of the State of Michigan enact:

PART 1

LINE-ITEM APPROPRIATIONS FOR FISCAL YEAR 2002-2003

Appropriations; supplemental; capital outlay and certain state departments and agencies for fiscal year ending September 30, 2003.

Sec. 101. There is appropriated for capital outlay and certain state departments and agencies appropriations for the fiscal year ending September 30, 2003, from the following funds:

APPROPRIATION SUMMARY:

GROSS APPROPRIATION.....	\$	499,813,300
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers	\$	41,588,700
ADJUSTED GROSS APPROPRIATION.....	\$	458,224,600

	For Fiscal Year Ending Sept. 30, 2003
Federal revenues:	
Total federal revenues	\$ 439,143,500
Special revenue funds:	
Total local revenues	(604,700)
Total private revenues.....	0
Total other state restricted revenues.....	33,000,600
State general fund/general purpose	\$ (13,314,800)

Capital outlay.**Sec. 102. CAPITAL OUTLAY****(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION	\$ 16,712,500
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	\$ 0
ADJUSTED GROSS APPROPRIATION.....	\$ 16,712,500
Federal revenues:	
Total federal revenues.....	2,200,000
Special revenue funds:	
Total local revenues	532,000
Total private revenues.....	0
Total state restricted revenues.....	13,980,400
State general fund/general purpose	\$ 100

(2) DEPARTMENT OF NATURAL RESOURCES**MICHIGAN NATURAL RESOURCES TRUST FUND**

Natural resources trust fund projects	\$ 8,980,400
Trust fund acquisition projects by priority:	
Macomb orchard trail, Macomb County (grant-in-aid to Macomb County) (#02-166)	
Waterfront land acquisition, Houghton County (grant-in-aid to city of Houghton) (#02-211)	
Alpena-Hawks-Rogers City trail acquisition, Presque Isle County (#02-181)	
Au Sable Township finish line park, Iosco County (grant-in-aid to Au Sable Township) (#02-096)	
Trust fund development projects by priority:	
Big Rapids river walk development, Mecosta County (grant-in-aid to city of Big Rapids) (#02-163)	
Houghton Nara area nature trail, Houghton County (grant-in-aid to city of Houghton) (#02-141)	
Major city park riverfront improvement project II, Cheboygan County (grant-in-aid to city of Cheboygan) (#02-002)	
Boardman Lake trail - east, Grand Traverse County (grant-in-aid to city of Traverse City) (#02-151)	
Osceola Township sandy bottom park, Houghton County (grant-in-aid to Osceola Township) (#02-172)	
Point Au Gres park improvements, Arenac County (grant-in-aid to Arenac County) (#02-077)	
Johnson center improvements, Wexford County (#02-194)	
Rifle River recreation area, Ogemaw County (#02-197)	

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- Brady street/riverfront boardwalk development, Allegan County (grant-in-aid to city of Allegan) (#02-137)
- Paint Creek trail enhancement project, Oakland County (grant-in-aid to Paint Creek trailways commission) (#02-125)
- Bike path - Riverland drive to Van Dyke avenue, Macomb County (grant-in-aid to city of Sterling Heights) (#02-030)
- Pioneer county park, Muskegon County (grant-in-aid to Muskegon County) (#02-062)
- Moore's park improvements, Ingham County (grant-in-aid to city of Lansing) (#02-127)
- Clinton River trail development, Oakland County (grant-in-aid to city of Rochester) (#02-043)
- Scidmore park riverwalk and renovations, St. Joseph County (grant-in-aid to city of Three Rivers) (#02-174)
- Wahlfield park development, Kent County (grant-in-aid to Kent County) (#02-126)
- Davison regional park trailways, Genesee County (grant-in-aid to city of Davison) (#02-139)
- Van Buren Township natural area, Wayne County (grant-in-aid to Van Buren Township) (#02-081)
- Bysterveld county park development, Allegan County (grant-in-aid to Allegan County) (#02-117)
- Chippewa landing park and trail improvements, Tuscola County (grant-in-aid to village of Caro) (#02-165)
- Bicentennial park improvements, Genesee County (grant-in-aid to Mount Morris Township) (#02-064)
- Recreation park improvements, Osceola County (grant-in-aid to Reed City) (#02-063)
- Wolverine lumbermen's memorial park development, Cheboygan County (grant-in-aid to village of Wolverine) (#02-052)

GROSS APPROPRIATION	\$	8,980,400
Appropriated from:		
Special revenue funds:		
Michigan natural resources trust fund		8,980,400
State general fund/general purpose	\$	0

(3) DEPARTMENT OF TRANSPORTATION

AERONAUTICS FUND: AIRPORT PROGRAMS

Airport improvement programs.....	\$	<u>7,732,000</u>
East Tawas - Iosco County airport		
Holland - tulip city airport		
Lake Isabella - Lake Isabella airport		
Linden - Price airport		
Lowell - Lowell city airport		
Mio - Oscoda County airport		
Pontiac - Oakland County international airport		
Romeo - Romeo state airport		
Saint James - Beaver Island airport		
Statewide - various sites - automated weather observation systems		
GROSS APPROPRIATION	\$	7,732,000

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Appropriated from:

Federal revenues:

DOT, federal aviation administration	\$	2,200,000
Special revenue funds:		
Local aeronautics match		532,000
State aeronautics fund		5,000,000
State general fund/general purpose	\$	0

**(4) STATE BUILDING AUTHORITY FINANCED
CONSTRUCTION PROJECTS**

Department of corrections - western Wayne correctional facility, 400-bed drop-in unit, for design and construction (total authorized cost \$4,800,000; state building authority share \$4,799,900; state general fund share \$100)	\$	100
GROSS APPROPRIATION	\$	100
Appropriated from:		
Special revenue funds:		
State general fund/general purpose	\$	100

Department of community health.

Sec. 103. DEPARTMENT OF COMMUNITY HEALTH

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	\$	269,835,300
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers	\$	0
ADJUSTED GROSS APPROPRIATION	\$	269,835,300
Federal revenues:		
Total federal revenues		300,252,000
Special revenue funds:		
Total local revenues		(1,136,700)
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	\$	(29,280,000)

(2) COMMUNITY MENTAL HEALTH/SUBSTANCE

ABUSE SERVICES PROGRAMS

CMHSP, purchase of state services contracts	\$	(1,136,700)
Community substance abuse prevention, education and treatment programs		2,862,000
GROSS APPROPRIATION	\$	1,725,300
Appropriated from:		
Federal revenues:		
Total federal revenues		29,138,300
Special revenue funds:		
State general fund/general purpose	\$	(27,413,000)

**(3) STATE PSYCHIATRIC HOSPITALS, CENTERS FOR
PERSONS WITH DEVELOPMENTAL DISABILITIES, AND
FORENSIC AND PRISON MENTAL HEALTH SERVICES**

GROSS APPROPRIATION	\$	0
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Compiler's note: The shaded text was vetoed by the Governor, whose veto message appears in this volume under the heading "Vetoed."

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Appropriated from:	
Federal revenues:	
Total federal revenues	\$ 1,136,700
Special revenue funds:	
CMHSP, purchase of state services contracts	(1,136,700)
State general fund/general purpose	\$ 0
(4) COMMUNITY LIVING, CHILDREN, AND FAMILIES	
GROSS APPROPRIATION	\$ 0
Appropriated from:	
Federal revenues:	
Total federal revenues	503,100
Special revenue funds:	
State general fund/general purpose	\$ (503,100)
(5) CHILDREN'S SPECIAL HEALTH CARE SERVICES	
GROSS APPROPRIATION	\$ 0
Appropriated from:	
Federal revenues:	
Total federal revenues	\$ 2,362,900
Special revenue funds:	
State general fund/general purpose	\$ (2,362,900)
(6) MEDICAL SERVICES	
Hospital services and therapy	\$ 24,890,000
Physician services	39,300,000
Medicare premium payments	12,750,000
Pharmaceutical services	67,200,000
Home health services	9,450,000
Auxiliary medical services	5,250,000
Ambulance services	2,000,000
Long-term care services	14,870,000
Health plan services	92,400,000
Subtotal basic medical services program	268,110,000
GROSS APPROPRIATION	\$ 268,110,000
Appropriated from:	
Federal revenues:	
Total federal revenues	267,111,000
Special revenue funds:	
State general fund/general purpose	\$ 999,000

Department of consumer and industry services.

**Sec. 104. DEPARTMENT OF CONSUMER AND
INDUSTRY SERVICES**

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	\$ 37,700,000
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	\$ 0
ADJUSTED GROSS APPROPRIATION	\$ 37,700,000
Federal revenues:	
Total federal revenues	37,700,000

	For Fiscal Year Ending Sept. 30, 2003	
Special revenue funds:		
Total local revenues	\$	0
Total private revenues.....		0
Total other state restricted revenues.....		0
State general fund/general purpose	\$	0
(2) MICHIGAN STATE HOUSING DEVELOPMENT		
AUTHORITY		
Payments on behalf of tenants.....	\$	32,000,000
Housing and rental assistance program		5,700,000
GROSS APPROPRIATION.....	\$	37,700,000
Appropriated from:		
Federal revenues:		
HUD, lower income housing assistance program.....		37,700,000
Special revenue funds:		
State general fund/general purpose	\$	0

Department of environmental quality.**Sec. 105. DEPARTMENT OF ENVIRONMENTAL****QUALITY****(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION.....	\$	2,500,100
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers	\$	0
ADJUSTED GROSS APPROPRIATION.....	\$	2,500,100
Federal revenues:		
Total federal revenues.....		0
Special revenue funds:		
Total local revenues		0
Total private revenues.....		0
Total other state restricted revenues.....		2,500,000
State general fund/general purpose	\$	100
(2) GRANTS		
Scrap tire grants.....	\$	2,500,000
Lead abatement effectiveness program		100
GROSS APPROPRIATION.....	\$	2,500,100
Appropriated from:		
Special revenue funds:		
Scrap tire regulatory fund		2,500,000
State general fund/general purpose	\$	100

Family independence agency.**Sec. 106. FAMILY INDEPENDENCE AGENCY****(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION.....	\$	52,421,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers	\$	0
ADJUSTED GROSS APPROPRIATION.....	\$	52,421,000

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Federal revenues:		
Total federal revenues	\$	38,300,800
Special revenue funds:		
Total private revenues.....		0
Total local revenues		0
Total other state restricted revenues.....		14,120,200
State general fund/general purpose	\$	0
(2) PUBLIC ASSISTANCE		
Low-income home energy assistance program	\$	10,832,300
GROSS APPROPRIATION	\$	<u>10,832,300</u>
Appropriated from:		
Federal revenues:		
Total federal revenues.....		10,832,300
Special revenue funds:		
State general fund/general purpose	\$	0
(3) INFORMATION TECHNOLOGY		
Child support automation.....	\$	<u>41,588,700</u>
GROSS APPROPRIATION	\$	<u>41,588,700</u>
Appropriated from:		
Federal revenues:		
Total federal revenues.....		27,468,500
Special revenue funds:		
Total other state restricted revenue.....		14,120,200
State general fund/general purpose	\$	0

Higher education.

Sec. 107. HIGHER EDUCATION

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION.....	\$	3,400,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers	\$	0
ADJUSTED GROSS APPROPRIATION.....	\$	3,400,000
Federal revenues:		
Total federal revenues.....		0
Special revenue funds:		
Total local revenues	\$	0
Total private revenues.....		0
Total other state restricted revenues.....		3,400,000
State general fund/general purpose	\$	0

(2) GRANTS AND FINANCIAL AID

Tuition incentive program.....	\$	<u>3,400,000</u>
GROSS APPROPRIATION	\$	<u>3,400,000</u>
Appropriated from:		
Special revenue funds:		
Michigan merit award trust fund.....		3,400,000
State general fund/general purpose	\$	0

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Department of information technology.

Sec. 108. DEPARTMENT OF INFORMATION TECHNOLOGY

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION.....	\$	41,588,700
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers	\$	41,588,700
ADJUSTED GROSS APPROPRIATION.....	\$	0
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	\$	0

(2) ADMINISTRATION

Health and human services.....	\$	41,588,700
GROSS APPROPRIATION.....	\$	41,588,700
Appropriated from:		
Interdepartmental grant revenues:		
IDG from user fees.....		41,588,700
State general fund/general purpose	\$	0

Michigan strategic fund.

Sec. 108a. MICHIGAN STRATEGIC FUND

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION.....	\$	12,200,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers	\$	0
ADJUSTED GROSS APPROPRIATION.....	\$	12,200,000
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	\$	12,200,000

(2) MICHIGAN STRATEGIC FUND

Automotive technological accelerator grants	\$	2,200,000
Biosciences research and commercialization center.....		10,000,000
GROSS APPROPRIATION.....	\$	12,200,000
Appropriated from:		
Special revenue funds:		
State general fund/general purpose	\$	12,200,000

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2003

Department of natural resources.

Sec. 109. DEPARTMENT OF NATURAL RESOURCES

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	\$	8,269,500
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers	\$	0
ADJUSTED GROSS APPROPRIATION.....	\$	8,269,500
Federal revenues:		
Total federal revenues		2,769,500
Special revenue funds:		
Total local revenues		0
Total private revenues.....		0
Total other state restricted revenues		4,000,000
State general fund/general purpose	\$	1,500,000

(2) ADMINISTRATIVE SERVICES

Retail sales system replacement.....	\$	4,000,000
GROSS APPROPRIATION	\$	<u>4,000,000</u>
Appropriated from:		
Special revenue funds:		
Game and fish protection fund		4,000,000
State general fund/general purpose	\$	0

(3) GRANTS

Federal - land and water conservation fund payments	\$	<u>2,769,500</u>
GROSS APPROPRIATION	\$	<u>2,769,500</u>
Appropriated from:		
Federal revenues:		
DOI, federal		2,769,500
Special revenue funds:		
State general fund/general purpose	\$	0

(4) PAYMENTS IN LIEU OF TAXES

Purchased lands taxes	\$	<u>1,500,000</u>
GROSS APPROPRIATION	\$	<u>1,500,000</u>
Appropriated from:		
Special revenue funds:		
State general fund/general purpose	\$	1,500,000

Department of state.

Sec. 109a. DEPARTMENT OF STATE

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	\$	47,565,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers	\$	0
ADJUSTED GROSS APPROPRIATION.....	\$	47,565,000
Federal revenues:		
Total federal revenues		45,300,000
Special revenue funds:		
Total local revenues		0

	For Fiscal Year Ending Sept. 30, 2003
Total private revenues.....	\$ 0
Total other state restricted revenues.....	0
State general fund/general purpose	\$ 2,265,000
(2) ELECTION REGULATION	
Help America vote act.....	\$ 47,565,000
GROSS APPROPRIATION.....	\$ 47,565,000
Appropriated from:	
Federal revenues:	
Total federal revenues.....	45,300,000
Special revenue funds:	
State general fund/general purpose	\$ 2,265,000

Department of state police.**Sec. 110. DEPARTMENT OF STATE POLICE****(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION.....	\$ 12,270,000
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	\$ 0
ADJUSTED GROSS APPROPRIATION.....	\$ 12,270,000
Federal revenues:	
Total federal revenues.....	12,270,000
Special revenue funds:	
Total local revenues	0
Total private revenues.....	0
Total state restricted revenues.....	0
State general fund/general purpose	\$ 0

(2) EMERGENCY MANAGEMENT

Hazardous materials program.....	\$ 12,270,000
GROSS APPROPRIATION.....	\$ 12,270,000
Appropriated from:	
Federal revenues:	
DOJ.....	12,270,000
Special revenue funds:	
State general fund/general purpose	\$ 0

Department of transportation.**Sec. 111. DEPARTMENT OF TRANSPORTATION****(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION.....	\$ (5,000,000)
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	\$ 0
ADJUSTED GROSS APPROPRIATION.....	\$ (5,000,000)
Federal revenues:	
Total federal revenues.....	0
Special revenue funds:	
Total local revenues	0
Total private revenues.....	0
Total other state restricted revenues.....	\$ (5,000,000)

	For Fiscal Year Ending Sept. 30, 2003
State general fund/general purpose	\$ 0
(2) DEBT SERVICE	
Airport safety and protection plan.....	\$ (5,000,000)
GROSS APPROPRIATION.....	\$ (5,000,000)
Appropriated from:	
Special revenue funds:	
State aeronautics fund.....	(5,000,000)
State general fund/general purpose	\$ 0

Department of treasury.

Sec. 112. DEPARTMENT OF TREASURY

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION.....	\$ 351,200
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	\$ 0
ADJUSTED GROSS APPROPRIATION.....	\$ 351,200
Federal revenues:	
Total federal revenues.....	351,200
Special revenue funds:	
Total local revenues	0
Total private revenues.....	0
Total other state restricted revenues.....	0
State general fund/general purpose	\$ 0

(2) HOME HEATING ASSISTANCE

HHS-SSA, low-income energy assistance.....	\$ 351,200
GROSS APPROPRIATION.....	\$ 351,200
Appropriated from:	
Federal revenues:	
Total federal revenues.....	351,200
Special revenue funds:	
State general fund/general purpose	\$ 0

PART 1A

LINE-ITEM APPROPRIATIONS FOR FISCAL YEAR 2003-2004

Appropriations; capital outlay and certain state departments and agencies for fiscal year ending September 30, 2004.

Sec. 151. There is appropriated for capital outlay and certain state departments and agencies appropriations for the fiscal year ending September 30, 2004, from the following funds:

APPROPRIATION SUMMARY:

GROSS APPROPRIATION.....	\$ 50,520,000
Total interdepartmental grants and intradepartmental transfers	0

	For Fiscal Year Ending Sept. 30, 2004
ADJUSTED GROSS APPROPRIATION.....	\$ 50,520,000
Total federal revenues.....	0
Total local revenues.....	0
Total private revenues.....	0
Total other state restricted revenues.....	322,500
State general fund/general purpose.....	\$ 50,197,500

Capital outlay.

Sec. 152. CAPITAL OUTLAY

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION.....	\$ 50,000,000
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 other state restricted revenues.....	322,500
State general fund/general purpose.....	\$ 49,677,500

(2) STATE BUILDING AUTHORITY RENT

State building authority rent - state agencies.....	\$ 11,150,000
State building authority rent - department of corrections.....	12,850,000
State building authority rent - universities.....	22,600,000
State building authority rent - community colleges.....	3,400,000
GROSS APPROPRIATION.....	\$ 50,000,000

Appropriated from:

Special revenue funds:

Grand tower facility reimbursement.....	160,000
State building authority - University of Michigan - third-party reimbursement.....	12,500
State lottery funds.....	127,000
Roosevelt parking facility reimbursement.....	23,000
State general fund/general purpose.....	\$ 49,677,500

Department of environmental quality.

Sec. 153. DEPARTMENT OF ENVIRONMENTAL

QUALITY

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION.....	\$ 520,000
Total interdepartmental grants and intradepartmental transfers	0
ADJUSTED GROSS APPROPRIATION.....	\$ 520,000
Total federal revenues.....	0
Total local revenues.....	0
Total private revenues.....	0
Total other state restricted revenues.....	0
State general fund/general purpose.....	\$ 520,000

	For Fiscal Year Ending Sept. 30, 2004
(2) WATER	
NPDES nonstormwater program.....	\$ 420,000
Groundwater discharge	100,000
GROSS APPROPRIATION	\$ 520,000
Appropriated from:	
State general fund/general purpose	\$ 520,000

PART 2

PROVISIONS CONCERNING APPROPRIATIONS FOR FISCAL YEAR 2002-2003

GENERAL SECTIONS

Total state spending for year ending September 30, 2003; payments to local units of government.

Sec. 201. In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for the fiscal year ending September 30, 2003 is \$19,685,800.00 and state appropriations paid to local units of government are \$11,545,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

CAPITAL OUTLAY

Natural resources trust fund projects	\$ 7,545,000
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DEPARTMENT OF ENVIRONMENTAL QUALITY

Scrap tire grants.....	\$ 2,500,000
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DEPARTMENT OF NATURAL RESOURCES

Purchased lands taxes	\$ 1,500,000
Total payments to local units of government	\$ 11,545,000

Appropriations subject to MCL 18.1101 to 18.1594.

Sec. 202. The appropriations made and expenditures authorized under this act and the departments, commissions, boards, offices, and programs for which appropriations are made under this act are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Deposit into countercyclical budget and economic stabilization fund.

Sec. 203. If the unreserved general fund balance after final bookclosing for the fiscal year ending September 30, 2003 is \$350,000,000.00 or more, \$73,100,000.00 is appropriated from the general fund and deposited into the countercyclical budget and economic stabilization fund no later than December 31, 2003 for the fiscal year ending September 30, 2004.

Temporary state fiscal relief funds as support for services provided by state police.

Sec. 204. Temporary state fiscal relief funds received under section 401(b) of title IV of the jobs and growth tax relief reconciliation act of 2003, Public Law 108-27, for the fiscal year ending September 30, 2003 shall be deposited in the general fund as general purpose revenue and shall be expended to support essential state services provided by the Michigan state police.

CAPITAL OUTLAY

Sec. 251. The total project cost for the appropriation in 2002 PA 530 for the construction of a 336-bed housing unit and replacement food services building at Camp Brighton is reduced from \$10,750,000.00 to \$0. The federal share is decreased from \$7,075,000.00 to \$0, and the state building authority share of \$3,675,000.00 is transferred to construction of the 400-bed housing unit at the western Wayne correctional facility included in part 1.

Administration of natural resources trust fund; agreements with local units of government.

Sec. 252. The department of natural resources shall require local units of government to enter into agreements with the department for the purpose of administering the natural resources trust fund grants identified in part 1 of this act. Among other provisions, the agreements shall require that grant recipients agree to dedicate to public outdoor recreation uses in perpetuity the land acquired or developed; to replace lands converted or lost to other than public outdoor recreation use and for parcels acquired that are over 5 or more acres in size; to provide the state with a nonparticipating 1/6 minimum royalty interest in any acquired minerals that are retained by the grant recipient. The agreements shall also provide that the full payments of grants can be made only after proof of acquisition or completion of the development project is submitted by the grant recipient and all costs are verified by the department of natural resources.

Natural resources trust fund; reversion of unobligated balance.

Sec. 253. Any unobligated balance in any natural resources trust fund appropriation made under part 1 of this act shall not revert to the funds from which appropriated at the close of the fiscal year, but shall continue until the purpose for which it was appropriated is completed for a period not to exceed 3 fiscal years. The unexpended balance of any natural resources trust fund appropriation made in part 1 of this act remaining after the purpose for which it was appropriated is completed shall revert to the Michigan natural resources trust fund and be made available for appropriation.

Airport improvement program; use for safety and security programs.

Sec. 254. The amount appropriated in part 1 to the department of transportation for the airport improvement program shall be used exclusively for safety and security projects at state airport facilities.

DEPARTMENT OF COMMUNITY HEALTH**Pharmaceutical based disease management and health management programs; state by state survey; report.**

Sec. 301. (1) The department shall undertake a national state by state survey of pharmaceutical based disease management and health management programs.

(2) The department shall compile this survey into a report, with recommendations, and make this report available to the senate and house subcommittees on community health and the senate and house fiscal agencies no later than January 1, 2004.

Disease management and health management programs; pilot projects; use of savings.

Sec. 302. (1) The department in conjunction with pharmaceutical manufacturers, or their agents, may establish pilot projects to test the efficacy of disease management and health management programs.

(2) The department may negotiate a plan that uses the savings resulting from the services rendered from these programs, in lieu of requiring a supplemental rebate for the inclusion of those participating parties' products on the department's preferred drug list.

Retroactive practitioner special financing payments.

Sec. 303. General fund/general purpose savings resulting from retroactive practitioner special financing payments above the amount appropriated in 2003 PA 39 are appropriated from the general fund and deposited into the Medicaid benefits trust fund for the fiscal year ending September 30, 2003.

DEPARTMENT OF ENVIRONMENTAL QUALITY**Reappropriation of certain appropriations.**

Sec. 351. Unexpended and unencumbered amounts remaining from appropriations from the environmental protection bond fund, part 195 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.19501 to 324.19513, the cleanup and redevelopment fund, part 201 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101 to 324.20142, the clean Michigan initiative bond fund, part 196 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.19601 to 324.19616, and the state sites cleanup fund, section 20108c of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20108c, contained in 1989 PA 180, 1990 PA 55, 1990 PA 194, 1991 PA 31, 1991 PA 160, 1993 PA 74, 1993 PA 353, 1994 PA 265, 1994 PA 442, 1996 PA 319, 1996 PA 353, the natural resources and environmental protection act, 1994 PA 451, MCL 324.101 to 324.90106, 1997 PA 113, 1997 PA 114, 1998 PA 292, and 1999 PA 111 shall not lapse pursuant to section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a, but instead are reappropriated for expenditure as originally intended and are considered work projects for meeting the following criteria:

- (a) The projects are for a specific purpose.
- (b) The projects contain specific plans to accomplish their objectives.
- (c) The total estimated completion cost of all projects has been identified.
- (d) The estimated completion date is September 30, 2007.

Unexpended portion of certain funds; lapse to clean Michigan initiative fund.

Sec. 352. 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, and abandoned well management grants are appropriated for the same purpose for fiscal year 2003-04. Any unexpended or unencumbered funds shall lapse to the clean Michigan initiative fund and be subject to reappropriation.

FAMILY INDEPENDENCE AGENCY**Legal support contracts, child support program expenses, and statewide child support enforcement system.**

Sec. 371. (1) From the federal money received for child support incentive payments, up to \$29,517,600.00 may be retained by the state and expended for legal support contracts, child support program expenses, and the statewide child support enforcement system.

(2) In addition to the amount retained in subsection (1), additional incentives may be retained and used by the state for special, enhanced, or centralized initiatives or services that are reasonably calculated by the department, in consultation with the state court administrative office and the state budget office, to result in an equivalent or greater increase in child support collections or child support incentive payments received from the federal government. If payment from the federal government for collection performance incentives exceeds the amount received by the state for the fiscal year 1999-2000, the total amount paid to counties shall be no less than the total amount paid from federal performance incentives in fiscal year 2000-2001.

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

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

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

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

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

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

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

MICHIGAN STRATEGIC FUND

Biosciences research and commercialization center.

Sec. 381. (1) The biosciences research and commercialization center shall be located at Western Michigan University in Kalamazoo. The center shall coordinate research initiatives and provide an organizational home for scientists as they work to establish new businesses, obtain extramural funding to support research programs, and develop a center of excellence to promote life sciences research and commercialization in this state. The center shall also undertake collaborative efforts with private sector entities to develop novel pharmaceutical products in specialized therapeutic areas. The center shall provide an organizational structure for research scientists and engineers, an entity to receive and license intellectual property, and a vehicle for entrepreneurial activities required for commercialization. The mission of the center will be to discover new knowledge, to generate and acquire intellectual property, to commercialize intellectual property, and to enrich the intellectual culture of the community. In order to receive funding, the center shall do all of the following:

(a) Submit a proposal and detailed business plan to the life sciences steering committee that shows the center's ability to implement the activities established in this subsection. The proposal shall be reviewed by an independent peer review committee and approved by the life sciences steering committee. The proposal shall include all of the following:

- (i) A business plan for the operations of the center, including 5-year budget forecasts.
- (ii) A plan for management oversight of the center.
- (iii) Intellectual property commercialization plans.
- (iv) A marketing plan.
- (v) A plan for private sector collaboration.

(b) Demonstrate the ability to leverage significant additional public and private investment and provide a minimum of 25% matching funds.

(c) Ensure that 10% of any royalties or return on investment directly related to research or commercialization activities developed by the center shall be provided to the life sciences commercial development fund until the initial \$10,000,000.00 appropriation is repaid. Once the initial \$10,000,000.00 investment is repaid, 3% of any royalties or return on investment directly related to research or commercialization activities developed by the center shall be provided to the commercial development fund.

(d) Demonstrate a commitment to enter into collaborative research projects with universities or private research facilities in this state.

(e) Establish a separate governing board of directors that includes the following members:

- (i) Chief executive officer of the Michigan economic development corporation.

- (ii) Director of the Van Andel Institute.
- (iii) Director of the department of consumer and industry services.
- (iv) One private sector member of the life sciences steering committee.
- (v) Other members from the public and private sectors.

(2) From the funds appropriated to the center, any unexpended or unencumbered balance shall be deposited into a work project account and subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

(3) The Michigan economic development corporation shall provide a report to the senate majority leader, speaker of the house of representatives, chairs of the appropriations committees and members of the related subcommittees, the senate and house fiscal agencies, and the state budget director by February 1 of each year on the status of the center, the status of the appropriation for the center, and a listing of the activities of the center that have been paid for with any allocation from the appropriation.

(4) The center shall provide progress reports not later than February 1 and July 1 to the Michigan economic development corporation for the duration of the award to the center.

(5) The Michigan economic development corporation and life sciences steering committee shall have access at all reasonable times to the records of the center in order to monitor the project and prepare progress reports.

(6) If the center fails to provide the Michigan economic development corporation with the information or access required under this section, the center is liable to this state for a penalty of not less than \$500.00 per day to commence within 10 days after the February 1 or July 1 reporting date and not less than \$1,000.00 per day to commence 20 days after that deadline. A penalty under this subsection may be withheld from future appropriations.

(7) If the center fails to return royalties or return on investment to the life sciences commercial development fund within 5 years, a plan shall be developed between the center and the Michigan economic development corporation to provide repayment of the \$10,000,000.00 initial appropriation.

Automotive technology accelerator grants.

Sec. 382. The appropriation for the automotive technology accelerator grants is a work project appropriation and any unencumbered or unallotted funds are to be 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 grants is to provide for the research, development, and commercialization of innovative automotive technologies and products.

(b) The Michigan economic development corporation shall determine the grant recipients and grant amounts.

(c) Prior to grantee notification, the Michigan economic development corporation shall report the recipient names and grant amounts to the chairs of the house and senate appropriations committees.

(d) The total estimated completion cost of the project is \$2,200,000.00.

(e) The estimated completion date is September 30, 2007.

DEPARTMENT OF NATURAL RESOURCES**Debt service payments.**

Sec. 401. After the fiscal year ending September 30, 2002, the department may transfer available residual proceeds and accumulated unspent interest to the department of treasury for debt service payments related to any of the bonds issued under part 713 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.71301 to 324.71307, which may remain outstanding. In the event that the debt service requirements on those bonds authorized by part 713 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.71301 to 324.71307, is less than the residual amount available in the fund, the excess may be used to meet the debt service requirements of other bonds outstanding that were issued pursuant to former 1988 PA 327. Funds shall not be used in any way which would cause the interest on those bonds to be included in gross income for federal income tax purposes.

Federal land and water conservation fund payments.

Sec. 402. The appropriation contained in part 1 for federal land and water conservation fund payments shall be considered a work project pursuant to section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a. The project will be accomplished by the use of department of natural resources personnel and by contracting with private consultants with an estimated completion date of September 30, 2006.

DEPARTMENT OF STATE**Help America vote act of 2002.**

Sec. 501. The unexpended funds appropriated in part 1 for the help America vote act of 2002, Public Law 107-252, 116 Stat. 1666, are considered work project appropriations and any unencumbered or unallotted funds are carried over 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 project is to implement provisions of the help America vote act, section 37 of 2002 PA 91, MCL 168.37, and other election reforms.
- (b) These projects will be accomplished by state employees, by contracts with private vendors, or by grants to local units of government.
- (c) The total estimated cost of this project is \$47,565,000.00.
- (d) The tentative completion date for this project is September 30, 2007.

DEPARTMENT OF TREASURY**Auditing homestead exemption affidavits.**

Sec. 601. There is appropriated to the department of treasury an amount not to exceed \$1,000,000.00 from the homestead property tax audit fund created under Enrolled Senate Bill No. 520 of the 92nd Legislature for the purpose of auditing homestead exemption affidavits.

REPEALERS**Repeal of section 401 of 2002 PA 529.**

Sec. 1001. Section 401 of 2002 PA 529 is repealed.

PART 2A

PROVISIONS CONCERNING APPROPRIATIONS FOR FISCAL YEAR 2003-2004

GENERAL SECTIONS**Total state spending for year ending September 30, 2004; payments to local units of government.**

Sec. 1201. In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1A for the fiscal year ending September 30, 2004 is \$50,520,000.00 and state appropriations paid to local units of government are \$0.

Appropriations subject to MCL 18.1101 to 18.1594.

Sec. 1202. The appropriations made and expenditures authorized under this part and the departments, commissions, boards, offices, and programs for which appropriations are made under this part are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

DEPARTMENT OF ATTORNEY GENERAL**Prisoner reimbursement funds; use.**

Sec. 1251. From the prisoner reimbursement funds appropriated in part 1 of Enrolled Senate Bill No. 270 of the 92nd Legislature, the department may spend up to \$301,700.00 on activities related to the state correctional facilities reimbursement act, 1935 PA 253, MCL 800.401 to 800.406. If the department of attorney general collects in excess of \$1,131,000.00 in prisoner reimbursements, the excess may be spent on defense of litigation against the state, its departments, or employees in civil actions filed by prisoners.

Compiler's note: Sec. 1251 of Act 173 of 2003 was repealed by Act 237 of 2003, Imd. Eff. Dec. 29, 2003.

CAPITAL OUTLAY**Bonds or notes.**

Sec. 1301. (1) Subject to section 242 of the management and budget act, 1984 PA 431, MCL 18.1242, and upon the approval of the state building authority, the department may expend from the general fund of the state during the fiscal year ending September 30, 2004 an amount to meet the cash-flow requirements of those state building authority projects solely for lease to a state agency identified in both part 1A and this section, and for which state building authority bonds or notes have not been issued, and for the sole acquisition by the state building authority of equipment and furnishings for lease to a

state agency as permitted by 1964 PA 183, MCL 830.411 to 830.425, for which the issuance of bonds or notes is authorized by a legislative concurrent resolution that is effective for a fiscal year ending September 30, 2004. Any general fund advances for which state building authority bonds have not been issued shall bear an interest cost to the state building authority at a rate not to exceed that earned by the state treasurer's common cash fund during the period in which the advances are outstanding and are repaid to the general fund of the state.

(2) Upon sale of bonds or notes for the projects identified in part 1A or for equipment as authorized by legislative concurrent resolution and in this section, the state building authority shall credit the general fund of the state an amount equal to that expended from the general fund plus interest, if any, as defined in this section.

(3) For state building authority projects for which bonds or notes have been issued and upon the request of the state building authority, the state treasurer shall make advances without interest from the general fund as necessary to meet cash-flow requirements for the projects, which advances shall be reimbursed by the state building authority when the investments earmarked for the financing of the projects mature.

(4) In the event that a project identified in part 1A is terminated after final design is complete, advances made on behalf of the state building authority for the costs of final design shall be repaid to the general fund in a manner recommended by the director and approved by the JCOS.

Compiler's note: Sec. 1301 of Act 173 of 2003 was repealed by Act 193 of 2003, Imd. Eff. Nov. 10, 2003.

Release of excess revenue to university or community college.

Sec. 1302. (1) State building authority funding to finance construction or renovation of a facility that collects revenue in excess of money required for the operation of that facility shall not be released to a university or community college unless the institution agrees to reimburse that excess revenue to the state building authority. The excess revenue shall be credited to the general fund to offset rent obligations associated with the retirement of bonds issued for that facility. The auditor general shall annually identify and present an audit of those facilities that are subject to this section. Costs associated with the administration of the audit shall be charged against money recovered pursuant to this section.

(2) As used in this section, "revenue" includes state appropriations, facility opening money, other state aid, indirect cost reimbursement, and other revenue generated by the activities of the facility.

Compiler's note: Sec. 1302 of Act 173 of 2003 was repealed by Act 193 of 2003, Imd. Eff. Nov. 10, 2003.

Rent obligations and insurance premiums.

Sec. 1303. (1) The state building authority rent appropriations in part 1A may also be expended for the payment of required premiums for insurance on facilities owned by the state building authority or payment of costs that may be incurred as the result of any deductible provisions in such insurance policies.

(2) If the amount appropriated in part 1A for state building authority rent is not sufficient to pay the rent obligations and insurance premiums and deductibles identified in subsection (1) for state building authority projects, there is appropriated from the general fund of the state the amount necessary to pay those obligations.

Compiler's note: Sec. 1303 of Act 173 of 2003 was repealed by Act 193 of 2003, Imd. Eff. Nov. 10, 2003.

Hospital rental requirements.

Sec. 1304. It is the intention of the legislature that the University of Michigan take the necessary actions to ensure that eligible interest reimbursements from Medicare and Medicaid programs are made available to the state to satisfy part of the amount appropriated for the University of Michigan adult general hospital facility rent appropriation of \$27,917,000.00 contained within the state building authority rent appropriation in part 1A. To the extent of a difference between the estimated and actual amount received, there is appropriated from the general fund of the state the amounts necessary to satisfy the hospital rental requirements of the state building authority's 1986 revenue refunding bonds, series I. To the extent payments made to the state by the University of Michigan are required to be reimbursed pursuant to the agreement with the University of Michigan, there is appropriated from the general fund the amount necessary for that reimbursement.

Compiler's note: Sec. 1304 of Act 173 of 2003 was repealed by Act 193 of 2003, Imd. Eff. Nov. 10, 2003.

DEPARTMENT OF ENVIRONMENTAL QUALITY**Resolution of conflicts between owners of high capacity wells and small quantity wells; use of funds.**

Sec. 1401. (1) The appropriation in section 109 of Enrolled House Bill No. 4393 of the 92nd Legislature for aquifer protection and dispute resolution shall be used to cover program costs related to the resolution of conflicts between owners of high capacity wells and small quantity wells as provided in Enrolled House Bill No. 4087 of the 92nd Legislature. These funds shall be used by the department of environmental quality and the department of agriculture to assist affected parties in mediation proceedings. Funds described in this subsection shall not be used for any other purpose.

(2) The appropriation in section 109 of Enrolled House Bill No. 4393 of the 92nd Legislature for the aquifer protection revolving fund capitalizes the revolving fund created in Enrolled House Bill No. 4087 of the 92nd Legislature. These funds may be used for the following purposes:

(a) To collect source and supply data for groundwater resources in conflict areas between high capacity wells and small quantity wells, including hydrogeological studies.

(b) To secure expert assistance considered necessary to resolve groundwater use conflicts between owners of high capacity wells and small quantity wells.

(c) To distribute and provide emergency potable water supplies to persons considered to have a small quantity well that is impacted by a high capacity well.

(d) Other reasonable activities considered necessary by the department of environmental quality and the department of agriculture to achieve appropriate resolution and groundwater conflict accommodations between owners of high capacity wells and small quantity wells.

(3) The department of environmental quality shall seek reimbursement for any expenses paid for from this appropriation, provided water conflicts are documented.

Compiler's note: Sec. 1401 of Act 173 of 2003 was repealed by Act 237 of 2003, Imd. Eff. Dec. 29, 2003.

Statewide groundwater inventory and map; water use reporting fees.

Sec. 1402. Of the funds appropriated in part 1 of Enrolled House Bill No. 4393 of the 92nd Legislature for drinking water, \$65,100.00 from water use reporting fees is provided for preparation of the statewide groundwater inventory and map established in Senate Bill No. 289 of the 92nd Legislature.

Statewide groundwater inventory and map; clean water fund.

Sec. 1403. The appropriation in part 1 of Enrolled House Bill No. 4393 of the 92nd Legislature for drinking water includes \$1,000,000.00 from the clean Michigan initiative - clean water fund for preparation of the statewide groundwater inventory and map established in Senate Bill No. 289 of the 92nd Legislature.

REPEALERS**Repeal of section 308 of Enrolled Senate Bill No. 270.**

Sec. 1501. Section 308 of Enrolled Senate Bill No. 270 of the 92nd Legislature is repealed.

This act is ordered to take immediate effect.

Approved August 12, 2003.

Filed with Secretary of State August 14, 2003.

[No. 174]

(HB 4945)

AN ACT to amend 1936 (Ex Sess) PA 1, entitled "An act to protect the welfare of the people of this state through the establishment of an unemployment compensation fund, and to provide for the disbursement thereof; to create certain other funds; to create the Michigan employment security commission, and to prescribe its powers and duties; to provide for the protection of the people of this state from the hazards of unemployment; to levy and provide for contributions from employers; to provide for the collection of such contributions; to enter into reciprocal agreements and to cooperate with agencies of the United States and of other states charged with the administration of any unemployment insurance law; to furnish certain information to certain governmental agencies for use in administering public benefit and child support programs and investigating and prosecuting fraud; to provide for the payment of benefits; to provide for appeals from redeterminations, decisions and notices of assessments; and for referees and a board of review to hear and decide the issues arising from redeterminations, decisions and notices of assessment; to provide for the cooperation of this state and compliance with the provisions of the social security act and the Wagner-Peyser act passed by the Congress of the United States of America; to provide for the establishment and maintenance of free public employment offices; to provide for the transfer of funds; to make appropriations for carrying out the provisions of this act; to prescribe remedies and penalties for the violation of the provisions of this act; and to repeal all acts and parts of acts inconsistent with the provisions of this act," by amending sections 3, 17, 20, and 64 (MCL 421.3, 421.17, 421.20, and 421.64), sections 3 and 20 as amended by 2002 PA 192, section 17 as amended by 1996 PA 535, and section 64 as amended by 1993 PA 275.

The People of the State of Michigan enact:

421.3 Bureau of worker's and unemployment compensation; policies; definitions.

Sec. 3. (1) The bureau of worker's and unemployment compensation shall establish policies in conformity with this act to do all of the following:

(a) Reduce and prevent unemployment.

(b) Promote the reemployment of unemployed workers throughout this state in every other way that may be feasible.

(c) Carry on and publish the results of investigations and research studies.

(d) Investigate, recommend, advise, and assist in the establishment and operation, by municipalities, counties, school districts, and this state, of reserves for public works to be used in times of business depression and unemployment.

(2) As used in this act:

(a) "Bureau", "commission", and "unemployment agency" mean the bureau of worker's and unemployment compensation created in section 5b.

(b) "Director" means the director of the bureau of worker's and unemployment compensation.

(c) "Experience account" means an account in the unemployment compensation fund showing an employer's experience with respect to contribution payments and benefit charges under this act, determined and recorded in the manner provided in this act. A reference in this act to an employer's "experience record" or "rating account" shall be construed to include reference to the employer's experience account.

(d) "Nonchargeable benefits account" and "solvency account" mean the account in the unemployment compensation fund maintained as provided in section 17(2) and (3).

421.17 Nonchargeable benefits account; experience account; pooling of contributions; credits; effect of subsection (3)(m).

Sec. 17. (1) The bureau shall maintain in the unemployment compensation fund a nonchargeable benefits account and a separate experience account for each employer as provided in this section. This act does not give an employer or individuals in the employer's service prior claims or rights to the amount paid by the employer to the unemployment compensation fund. All contributions to that fund shall be pooled and available to pay benefits to any individual entitled to the benefits under this act, irrespective of the source of the contributions.

(2) The nonchargeable benefits account shall be credited with the following:

(a) All net earnings received on money, property, or securities in the fund.

(b) Any positive balance remaining in the employer's experience account as of the second June 30 computation date occurring after the employer has ceased to be subject to this act or after the employer has elected to change from a contributing employer to a reimbursing employer.

(c) The proceeds of the nonchargeable benefits component of employers' contribution rates determined as provided in section 19(a)(5).

(d) All reimbursements received under section 11(c).

(e) All amounts which may be paid or advanced by the federal government under section 903 or section 1201 of the social security act, 42 U.S.C. 1103 and 1321, to the account of the state in the federal unemployment trust fund.

(f) All benefits improperly paid to claimants which have been recovered and which were previously charged to an employer's account.

(g) Any benefits forfeited by an individual by application of section 62(b).

(h) The amount of any benefit check, any employer refund check, or any claimant restitution refund check duly issued which has not been presented for payment within 1 year after the date of issue.

(i) Any other unemployment fund income not creditable to the experience account of any employer.

(j) Any negative balance transferred to an employer's new experience account pursuant to this section.

(k) Amounts transferred from the contingent fund pursuant to section 10.

(3) The nonchargeable benefits account shall be charged with the following:

(a) Any negative balance remaining in an employer's experience account as of the second June 30 computation date occurring after the employer has ceased to be subject to this act or has elected to change from a contributing employer to a reimbursing employer.

(b) Refunds of amounts erroneously collected due to the nonchargeable benefits component of an employer's contribution rate.

(c) All training benefits paid under section 27(g) not reimbursable by the federal government and based on service with a contributing employer.

(d) Any positive balance credited or transferred to an employer's new experience account pursuant to this subsection.

(e) Repayments to the federal government of amounts advanced by it under section 1201 of the social security act, 42 U.S.C. 1321, to the unemployment compensation fund established by this act.

(f) The amounts received by the unemployment compensation fund under section 903 of the social security act, 42 U.S.C. 1103, that may be appropriated to the bureau in accordance with subsection (8).

(g) All benefits determined to have been improperly paid to claimants which have been credited to employers' accounts in accordance with section 20(a).

(h) The amount of any substitute check issued to replace an uncashed benefit check, employer refund check, or claimant restitution refund check previously credited to this account.

(i) The amount of any benefit check issued which would be chargeable to the experience account of an employer who has ceased to be subject to this act, and who has had a balance transferred from the employer's experience account to the solvency or nonchargeable benefits account.

(j) All benefits which become nonchargeable to an employer under section 29(3) or section 19(b) or (c).

(k) For benefit years beginning before the conversion date prescribed in section 75, with benefits allocated under section 20(e)(2) for a week of unemployment in which a claimant earns remuneration with a contributing employer which equals or exceeds the amount of benefits allocated to that contributing employer, and for benefit years beginning after the conversion date prescribed in section 75, with benefits allocated under

section 20(e)(3) for a week of unemployment in which a claimant earns remuneration with a contributing employer which equals or exceeds the amount of benefits allocated to that contributing employer.

(l) Benefits that are nonchargeable to an employer's account in accordance with section 20(i).

(m) The share of extended benefits otherwise charged to the account of a contributing employer, but only during a period when extended benefits are paid based on the average rate of total unemployment in accordance with section 64(5)(c)(ii).

(4) All contributions paid by an employer shall be credited to the unemployment compensation fund, and, except as otherwise provided with respect to the proceeds of the nonchargeable benefits component of employers' contribution rates by section 19(a)(5), to the employer's experience account, as of the date when paid. However, those contributions paid during any July shall be credited as of the immediately preceding June 30. Additional contributions paid by an employer as the result of a retroactive contribution rate adjustment, solely for the purpose of this subsection, shall be credited to the employer's experience account as if paid when due, if the payment is received within 30 days after the issuance of the initial assessment which results from the contribution rate adjustment and a written request for the application is filed by the employer during this period.

(5) If an employer who has ceased to be subject to this act, and who has had a positive balance transferred as provided in subsection (2) from the employer's experience account to the solvency or nonchargeable benefits account as of the second computation date after the employer has ceased to be subject to this act, becomes subject to this act again within 6 years after that computation date, the employer may apply, within 60 days after the bureau's determination that the employer is again subject to this act, to the bureau to have the positive balance, adjusted by the debits and credits as have been made subsequent to the date of transfer, credited to the employer's new experience account. If the application is timely, the bureau shall credit the positive balance to the employer's new experience account.

(6) If an employer's status as a reimbursing employer is terminated within 6 years after the date the employer's experience account as a prior contributing employer was transferred to the solvency or nonchargeable benefits account as provided in subsection (2) or (3) and the employer continues to be subject to this act as a contributing employer, any positive or negative balance in the employer's experience account as a prior contributing employer, which was transferred to the solvency or nonchargeable benefits account, shall be transferred to the employer's new experience account. However, an employer who is delinquent with respect to any reimbursement payments in lieu of contributions for which the employer may be liable shall not have a positive balance transferred during the delinquency.

(7) If a balance is transferred to an employer's new account under subsection (5) or (6), the employer shall not be considered a "qualified employer" until the employer has again been subject to this act for the period set forth in section 19(a)(1).

(8) All money credited under section 903 of the social security act, 42 U.S.C. 1103, to the account of the state in the federal unemployment trust fund shall immediately be credited by the bureau to the fund's nonchargeable benefits account. There is authorized to be appropriated to the bureau from the money credited to the nonchargeable benefits account under this subsection, an amount determined to be necessary for the proper and efficient administration by the bureau of this act for purposes for which federal grants under Title 3 of the social security act, 42 U.S.C. 501 to 504, and the Wagner-Peyser

national employment system act, 29 U.S.C. 49 to 49k, are not available or are insufficient. The appropriation shall expire not more than 2 years after the date of enactment and shall provide that any unexpended balance shall then be credited to the nonchargeable benefits account. An appropriation shall not be made under this subsection for an amount which exceeds the “adjusted balance” of the nonchargeable benefits account on the most recent computation date. Appropriations made under this subsection shall limit the total amount which may be obligated by the bureau during a fiscal year to an amount which does not exceed the amount by which the aggregate of the amounts credited to the nonchargeable benefits account under this subsection during the fiscal year and the 24 preceding fiscal years, exceeds the aggregate of the amounts obligated by the bureau pursuant to appropriation under this subsection and charged against the amounts thus credited to the nonchargeable benefits account during any of the 25 fiscal years and any amounts credited to the nonchargeable benefits account which have been used for the payment of benefits.

(9) Section 17(3)(m) is effective with respect to benefit charges for extended benefits paid for weeks of unemployment beginning the week after the week in which this subsection is effective and ending the week ending January 17, 2004.

421.20 Charging benefits against employer’s account; benefits improperly paid; basis; separate determination of amount and duration of benefits; disqualifying act or discharge; order of charges; separating employee; limitation on charges for regular benefits; benefits based on multiemployer credit weeks; training benefits and extended benefits; notice of charges; extended benefits.

Sec. 20. (a) Benefits paid shall be charged against the employer’s account as of the quarter in which the payments are made. If the bureau determines that any benefits charged against an employer’s account were improperly paid, an amount equal to the charge based on those benefits shall be credited to the employer’s account and a corresponding charge shall be made to the nonchargeable benefits account as of the current period or, in the discretion of the bureau, as of the date of the charge. Benefits paid to an individual as a result of an employer’s failure to provide the unemployment agency with separation, employment, and wage data as required by section 32 shall be considered as benefits properly paid to the extent that the benefits are chargeable to the noncomplying employer.

(b) For benefit years established before the conversion date prescribed in section 75, benefits paid to an individual shall be based upon the credit weeks earned during the individual’s base period and shall be charged against the experience accounts of the contributing employers or charged to the accounts of the reimbursing employers from whom the individual earned credit weeks. If the individual earned credit weeks from more than 1 employer, a separate determination shall be made of the amount and duration of benefits based upon the total credit weeks and wages earned with each employer. Benefits paid in accordance with the determinations shall be charged against the experience account of a contributing employer or charged to the account of a reimbursing employer beginning with the most recent employer first and thereafter as necessary against other base period employers in inverse order to that in which the claimant earned his or her last credit week with those employers. If there is any disqualifying act or discharge under section 29(1) with an employer, benefits based upon credit weeks earned from that employer before the disqualifying act or discharge shall be charged only after the exhaustion of charges as provided above. Benefits based upon those credit weeks shall be charged first against the experience account of the contributing employer involved or to

the account of the reimbursing employer involved in the most recent disqualifying act or discharge and thereafter as necessary in similar inverse order against other base period employers involved in disqualifying acts or discharges. The order of charges determined as of the beginning date of a benefit year shall remain fixed during the benefit year. For benefit years established after the conversion date prescribed in section 75, the claimant's full weekly benefit rate shall be charged to the account or experience account of the claimant's most recent separating employer for each of the first 2 weeks of benefits payable to the claimant in the benefit year in accordance with the monetary determination issued pursuant to section 32. However, if the total sum of wages paid by an employer totals \$200.00 or less, those wages shall be used for purposes of benefit payment, but any benefit charges attributable to those wages shall be charged to the nonchargeable benefits account. Thereafter, remaining weeks of benefits payable in the benefit year shall be paid in accordance with the monetary determination and shall be charged proportionally to all base period employers, with the charge to each base period employer being made on the basis of the ratio that total wages paid by the employer in the base period bears to total wages paid by all employers in the base period. However, if the claimant did not perform services for the most recent separating employer or employing entity and receive earnings for performing the services of at least the amount a claimant must earn, in the manner prescribed in section 29(3), to requalify for benefits following a disqualification under section 29(1)(a), (b), (i), or (k) during the claimant's most recent period of employment with the employer or employing entity, then all weeks of benefits payable in the benefit year shall be charged proportionally to all base period employers, with the charge to each base period employer being made on the basis of the ratio that total wages paid by the employer in the base period bears to total wages paid by all employers in the base period. If the claimant performed services for the most recent separating employing entity and received earnings for performing the services of at least the amount a claimant must earn, in the manner prescribed in section 29(3), to requalify for benefits following a disqualification under section 29(1)(a), (b), (i), or (k) during the claimant's most recent period of employment for the employing entity but the separating employing entity was not a liable employer, the first 2 weeks of benefits payable to the claimant shall be charged proportionally to all base period employers, with the charge to each base period employer being made on the basis of the ratio that total wages paid by the employer in the base period bears to total wages paid by all employers in the base period. The "separating employer" is the employer that caused the individual to be unemployed as defined in section 48.

(c) For benefit years established before the conversion date prescribed in section 75, and except as otherwise provided in section 11(d) or (g) or section 46a, the charges for regular benefits to any reimbursing employer or to any contributing employer's experience account shall not exceed the weekly benefit rate multiplied by $\frac{3}{4}$ the number of credit weeks earned by the individual during his or her base period from that employer. If the resultant product is not an even multiple of $\frac{1}{2}$ the weekly benefit rate, the amount shall be raised to an amount equal to the next higher multiple of $\frac{1}{2}$ the weekly benefit rate, and in the case of an individual who was employed by only 1 employer in his or her base period and who earned 34 credit weeks with that employer, the product shall be raised to the next higher multiple of the weekly benefit rate.

(d) For benefit years beginning after the conversion date prescribed in section 75, and except as otherwise provided in section 11(d) or (g) or section 46, the charges for regular benefits to any reimbursing employer's account or to any contributing employer's experience account shall not exceed either the amount derived by multiplying by 2 the weekly benefit rate chargeable to the employer in accordance with subsection (b) if the

employer is the separating employer and is chargeable for the first 2 weeks of benefits, or the amount derived from the percentage of the weekly benefit rate chargeable to the employer in accordance with subsection (b), multiplied by the number of weeks of benefits chargeable to base period employers based on base period wages, to which the individual is entitled as provided in section 27(d), if the employer is a base period employer, or both of these amounts if the employer was both the chargeable separating employer and a base period employer.

(e) For benefit years beginning before the conversion date prescribed in section 75:

(1) When an individual has multiemployer credit weeks in his or her base period, and when it becomes necessary to use those credit weeks as a basis for benefit payments, a single determination shall be made of the individual's weekly benefit rate and maximum amount of benefits based on the individual's multiemployer credit weeks and the wages earned in those credit weeks. Each employer involved in the individual's multiemployer credit weeks shall be an interested party to the determination. The proviso in section 29(2) shall not be applicable to multiemployer credit weeks, nor shall the reduction provision of section 29(4) apply to benefit entitlement based upon those credit weeks.

(2) The charge for benefits based on multiemployer credit weeks shall be allocated to each employer involved on the basis of the ratio that the total wages earned during the total multiemployer credit weeks counted under section 50(b) with the employer bears to the total amount of wages earned during the total multiemployer credit weeks counted under section 50(b) with all such employers, computed to the nearest cent. However, if an adjusted weekly benefit rate is determined in accordance with section 27(f), the charge to the employer who has contributed to the financing of the retirement plan shall be reduced by the same amount by which the weekly benefit rate was adjusted under section 27(f). Benefits for a week of unemployment allocated under this subsection to a contributing employer shall be charged to the nonchargeable benefits account if the claimant during that week earns remuneration with that employer that equals or exceeds the amount of benefits allocated to that employer.

(3) Benefits paid in accordance with the determination based on multiemployer credit weeks shall be allocated to each employer involved and charged as of the quarter in which the payments are made. Notice of charges made under this subsection shall be given to each employer by means of a current listing of charges, at least weekly, or of a quarterly statement of charges. The listing or statement shall specify the weeks for which benefits were paid based on multiemployer credit weeks and the amount of benefits paid chargeable to that employer for each week. The notice shall be considered to satisfy the requirements of sections 21(a) and 32(d) that notification be given each employer of benefits charged against that employer's account by means of a copy or listing of the benefit check, and all protest and appeal rights applicable to benefit check copies or listings shall also be applicable to the notice of charges. If an employer receives both a current listing of charges and a quarterly statement of charges under this subsection, all protest and appeal rights shall only be applicable to the first notice given.

(f) For benefit years beginning after the conversion date prescribed in section 75, if benefits for a week of unemployment are charged to 2 or more base period employers, the share of the benefits allocated and charged under this section to a contributing employer shall be charged to the nonchargeable benefits account if the claimant during that week earns remuneration with that employer that equals or exceeds the amount of benefits charged to that employer.

(g) For benefit years beginning before the conversion date prescribed in section 75:

(1) Training benefits as provided in section 27(g), and extended benefits as provided in section 64, shall be allocated to each reimbursing employer involved in the individual's base period of the claim to which the benefits are related, on the basis of the ratio that the total wages earned during the total credit weeks counted under section 50(b) with a reimbursing employer bears to the total amount of wages earned during the total credit weeks counted under section 50(b) with all employers.

(2) Training benefits and extended benefits, to the extent that they are not reimbursable by the federal government and have been allocated to a reimbursing employer, shall be charged to that reimbursing employer. A contributing employer's experience account shall not be charged with training benefits. Training benefits based on service with a contributing employer, to the extent that they are not reimbursable by the federal government, shall be charged to the nonchargeable benefits account. Extended benefits paid and based on service with a contributing employer, to the extent that they are not reimbursable by the federal government, shall be charged to that employer's experience account.

(3) If the training benefits or extended benefits are chargeable only to a single reimbursing employer, the benefits shall be charged in accordance with subsection (a). If the training benefits or extended benefits are chargeable to more than 1 reimbursing employer, or to 1 or more reimbursing employers and the nonchargeable benefits account, the benefits shall be charged as of the quarter in which the payments are made.

(4) Notice of charges made under this subsection shall be given to each employer by means of a current listing of charges, at least weekly, and subsequently by a quarterly summary statement of charges. The listing shall specify the name and social security number of each claimant paid benefits during the week, the weeks for which the benefits were paid, and the amount of benefits chargeable to that employer paid for each week. The quarterly statement of charges shall list each claimant by name and social security number and shall show total benefit payments chargeable to that employer and made to each claimant during the calendar quarter. The listing shall be considered to satisfy the requirements of sections 21(a) and 32(d) that notification be given each employer of benefits charged against that employer's account by means of a listing of the benefit check. All protest and appeal rights applicable to benefit check listings shall also be applicable to the notice of charges. If an employer receives both a current listing of charges and a quarterly statement of charges under this subsection, all protest and appeal rights shall only be applicable to the first notice given.

(h) For benefit years beginning after the conversion date prescribed in section 75:

(1) Training benefits as provided in section 27(g), and extended benefits as provided in section 64, shall be charged to each reimbursing employer in the base period of the claim to which the benefits are related, on the basis of the ratio that the total wages paid by a reimbursing employer during the base period bears to the total wages paid by all reimbursing employers in the base period.

(2) Training benefits, and extended benefits to the extent they are not reimbursable by the federal government and have been allocated to a reimbursing employer, shall be charged to that reimbursing employer. A contributing employer's experience account shall not be charged with training benefits. Training benefits based on service with a contributing employer, to the extent they are not reimbursable by the federal government, shall be charged to the nonchargeable benefits account. Except as provided in section 17(3)(m), extended benefits paid and based on service with a contributing employer, to the extent they are not reimbursable by the federal government, shall be charged to that employer's experience account.

(3) If the training benefits or extended benefits are chargeable only to a single reimbursing employer, the benefits shall be charged in accordance with subsection (a). If the training benefits or extended benefits are chargeable to more than 1 reimbursing employer, or to 1 or more reimbursing employers and the nonchargeable benefits account, the benefits shall be charged as of the quarter in which the payments are made.

(4) Notice of charges made under this subsection shall be given to each employer by means of a current listing of charges, at least weekly, and subsequently by a quarterly summary statement of charges. The listing shall specify the name and social security number of each claimant paid benefits in the week, the weeks for which the benefits were paid, and the amount of benefits chargeable to that employer paid for each week. The quarterly summary statement of charges shall list each claimant by name and social security number and shall show total benefit payments chargeable to that employer and made to each claimant during the calendar quarter. The listing shall be considered to satisfy the requirements of sections 21(a) and 32(d) that notification be given to each employer of benefits charged against that employer's account by means of a listing of the benefit check. All protest and appeal rights applicable to benefit check listings shall also be applicable to the notice of charges. If an employer receives both a current listing of charges and a quarterly summary statement of charges under this subsection, all protest and appeal rights shall only be applicable to the first notice given.

(i) If a benefit year is established after the conversion date prescribed in section 75, the portion of benefits paid in that benefit year that are based on wages used to establish the immediately preceding benefit year that began before the conversion date shall not be charged to the employer or employers who paid those wages but shall be charged instead to the nonchargeable benefits account.

(j) If a reimbursing employer is charged for extended benefits during a period when extended benefits are paid based on the average rate of total unemployment, in accordance with section 64(5)(c)(ii), the bureau shall credit the account of the reimbursing employer for the full amount of those extended benefits. The bureau shall charge the contingent fund created under section 10(6) for amounts so credited to reimbursing employers. This subsection is effective with respect to benefit charges for extended benefits paid for weeks of unemployment beginning the week after the week in which this subsection becomes effective and ending the week ending January 17, 2004.

421.64 Payment of extended benefits.

Sec. 64. (1)(a) Payment of extended benefits under this section shall be made at the individual's weekly extended benefit rate, for any week of unemployment which begins in the individual's eligibility period, to each individual who is fully eligible and not disqualified under this act, who has exhausted all rights to regular benefits under this act, who is not seeking or receiving benefits with respect to that week under the unemployment compensation law of Canada, and who does not have rights to benefits under the unemployment compensation law of any other state or the United States or to compensation or allowances under any other federal law, such as the trade expansion act, the automotive products trade act, or the railroad unemployment insurance act; however, if the individual is seeking benefits and the appropriate agency finally determines that the individual is not entitled to benefits under another law, the individual shall be considered to have exhausted the right to benefits. For the purpose of the preceding sentence, an individual shall have exhausted the right to regular benefits under this section with respect to any week of unemployment in the individual's eligibility period under either of the following circumstances:

(i) When payments of regular benefits may not be made for that week because the individual has received all regular benefits available based on his or her employment or wages during the base period for the current benefit year.

(ii) When the right to the benefits has terminated before that week by reason of the expiration or termination of the benefit year with respect to which the right existed; and the individual has no, or insufficient, wages or employment to establish a new benefit year. However, for purposes of this subsection, an individual shall be considered to have exhausted the right to regular benefits with respect to any week of unemployment in his or her eligibility period when the individual may become entitled to regular benefits with respect to that week or future weeks, but the benefits are not payable at the time the individual claims extended benefits because final action on a pending redetermination or on an appeal has not yet been taken with respect to eligibility or qualification for the regular benefits or when the individual may be entitled to regular benefits with respect to future weeks of unemployment, but regular benefits are not payable with respect to any week of unemployment in his or her eligibility period by reason of seasonal limitations in any state unemployment compensation law.

(b) Except where inconsistent with the provisions of this section, the terms and conditions of this act that apply to claims for regular benefits and to the payment of those benefits apply to claims for extended benefits and to the payment of those benefits.

(c) An individual shall not be paid additional compensation and extended compensation with respect to the same week. If an individual is potentially eligible for both types of compensation in this state with respect to the same week, the bureau may pay extended compensation instead of additional compensation with respect to the week. If an individual is potentially eligible for extended compensation in 1 state and potentially eligible for additional compensation for the same week in another state, the individual may elect which of the 2 types of compensation to claim.

(2) The bureau shall establish, for each eligible individual who files an application, an extended benefit account with respect to that individual's benefit year. The amount established in the account shall be determined as follows:

(a) If subdivision (b) does not apply, whichever of the following is smaller:

(i) Fifty percent of the total amount of regular benefits payable to the individual under this act during the benefit year.

(ii) Thirteen times the individual's weekly extended benefit rate.

(b) With respect to a week beginning in a period in which the average rate of total unemployment as described in subsection (5)(c)(i) equals or exceeds 8%, but no later than December 27, 2003, whichever of the following is smaller:

(i) Eighty percent of the total amount of regular benefits payable to the individual under this act during the benefit year.

(ii) Twenty times the individual's weekly extended benefit rate.

If an amount determined under this subsection is not an exact multiple of 1/2 of the individual's weekly extended benefit rate, the amount shall be decreased to the next lower such multiple.

(3) All of the following apply to an extended benefit period:

(a) The period begins with the third week after whichever of the following weeks first occurs:

(i) A week for which there is a national "on" indicator as determined by the United States secretary of labor.

(i) A week for which there is a Michigan “on” indicator.

(b) The period ends with the third week after the first week for which there is both a national “off” indicator and a Michigan “off” indicator.

(c) The period is at least 13 consecutive weeks long, and does not begin by reason of a Michigan “on” indicator before the fourteenth week after the close of a prior extended benefit period under this section. However, an extended benefit period terminates with the week preceding the week for which no extended benefit payments are considered to be shareable compensation under the federal-state extended unemployment compensation act of 1970, title II of Public Law 91-373, section 3304 nt of the internal revenue code of 1986, 26 U.S.C. 3304 nt.

(4) An individual’s “eligibility period” consists of the weeks in his or her benefit year that begin in an extended benefit period, and if his or her benefit year ends within the extended benefit period, any weeks thereafter that begin in the period.

(5)(a) With respect to weeks beginning after September 25, 1982, a national “on” indicator for a week shall be determined by the United States secretary of labor.

(b) A national “off” indicator for a week shall be determined by the United States secretary of labor.

(c) There is a Michigan “on” indicator for a week if 1 or both of the following apply:

(i) The rate of insured unemployment under this act for the period consisting of that week and the immediately preceding 12 weeks equaled or exceeded 120% of the average of the insured unemployment rates for the corresponding 13-week period ending in each of the preceding 2 calendar years, and equaled or exceeded 5%.

(ii) For weeks beginning after the week in which this subparagraph becomes effective and ending on or before December 27, 2003, the average rate of total unemployment in this state, seasonally adjusted, as determined by the United States secretary of labor, for the period consisting of the most recent 3 months for which data for all states are published before the close of the week equaled or exceeded both of the following:

(A) Six and one-half percent.

(B) One hundred ten percent of the average rate of total unemployment in this state, seasonally adjusted, for the period consisting of the corresponding 3-month period in either or both of the preceding 2 calendar years.

(d) There is a Michigan “off” indicator for a week if, for the period consisting of that week and the immediately preceding 12 weeks, either subdivision (c)(i) or (c)(ii) was not satisfied. Notwithstanding any other provision of this act, if this state is in a period in which temporary extended unemployment compensation is payable in this state under title II of the jobs creation and worker assistance act of 2002, Public Law 107-147, or another similar federal law, and if the governor has the authority under this federal act or another similar federal law, then the governor may elect to trigger “off” the Michigan indicator for extended benefits under this act only for a period in which temporary extended unemployment compensation is payable in this state, if the election by the governor would not result in a decrease in the number of weeks of unemployment benefits payable to an individual under this act or under federal law.

(e) For purposes of subdivisions (c) and (d), the rate of insured unemployment for any 13-week period shall be determined by reference to the average monthly covered employment under this act for the first 4 of the most recent 6 calendar quarters ending before the close of that period.