

Audit.

Sec. 307. The auditor general may audit selected enrollments, degrees, and awards at selected independent colleges and universities receiving awards administered by the department of treasury. The audits shall be based upon definitions and requirements established by the Michigan higher education assistance authority, the state budget director, and the senate and house fiscal agencies. The auditor general shall accept the Free Application for Federal Student Aid (FAFSA) form as the standard of residency documentation. The auditor general shall submit a report of findings to the senate and house appropriations committees and state budget director by May 1, 2005.

Student financial aid programs; distributions.

Sec. 308. The sums appropriated in part 1 for the student financial aid programs shall be paid out of the state treasury and shall be distributed to the respective institutions under a quarterly payment system as follows:

(a) For the state competitive scholarship, nursing scholarship, tuition incentive, and tuition grant programs, 40% shall be paid at the beginning of the state's first fiscal quarter, 40% at the beginning of the state's second fiscal quarter, 10% at the beginning of the state's third fiscal quarter, and 10% at the beginning of the state's fourth fiscal quarter.

(b) For the work-study program, payments shall be made in 11 monthly installments from October 1 to August 31 of any year.

(c) For the part-time independent student program and the Michigan education opportunity grant program, 50% shall be paid at the beginning of the state's first fiscal quarter, 25% at the beginning of the state's second fiscal quarter, and 25% at the beginning of the state's third fiscal quarter.

(d) For the Robert C. Byrd honors scholarship program, 50% shall be paid at the beginning of the state's first fiscal quarter and 50% at the beginning of the state's second fiscal quarter.

(e) For the dental clinics grant program, 25% shall be paid at the beginning of the state's first fiscal quarter, 25% at the beginning of the state's second fiscal quarter, 25% at the beginning of the state's third fiscal quarter, and 25% at the beginning of the state's fourth fiscal quarter.

Needs analysis criteria.

Sec. 309. The Michigan higher education assistance authority shall determine the needs analysis criteria for students to qualify for the competitive scholarship program and tuition grant program. To be consistent with federal requirements, student wages may be taken into consideration when determining the amount of the award.

Tuition incentive program/high school completion program.

Sec. 310. (1) The funds appropriated in part 1 for the tuition incentive program/high school completion program shall be distributed as provided in this section and pursuant to the administrative procedures for the tuition incentive program/high school completion program of the department of treasury.

(2) As used in this section:

(a) "Phase I" means the first part of the tuition incentive assistance program defined as the academic period of 80 semester or 120 term credits, or less, leading to an associate degree or certificate.

(b) "Phase II" means the second part of the tuition incentive assistance program which provides assistance in the third and fourth year of 4-year degree programs.

(c) "Department" means the department of treasury.

(3) A person shall meet the following basic criteria and financial thresholds to be eligible for tuition incentive benefits:

(a) To be eligible for phase I, a person shall meet all of the following criteria:

(i) Apply for certification to the department before graduating from high school or completing the general education development (GED) certificate.

(ii) Be less than 20 years of age at the time of high school graduation or GED completion.

(iii) Be a United States citizen and a resident of Michigan according to institutional criteria.

(iv) Be at least a half-time student, earning less than 80 semester or 120 term credits at a participating educational institution within 4 years of high school graduation or GED certificate completion.

(b) To be eligible for phase II, a person shall meet either of the following criteria in addition to the criteria in subdivision (a):

(i) Complete at least 56 transferable semester or 84 transferable term credits.

(ii) Obtain an associate degree or certificate at a participating institution.

(c) To be eligible for phase I or phase II, a person must be financially eligible as determined by the department. A person is financially eligible for the tuition incentive program if that person was Medicaid eligible for 24 months within the 36 months before application. Certification of eligibility may begin in the sixth grade.

(4) For phase I, the department shall provide payment on behalf of a person eligible under subsection (3). The department shall reject billings that are excessive or outside the guidelines for the type of educational institution.

(5) For phase I, all of the following apply:

(a) Payments for associate degree or certificate programs shall not be made for more than 80 semester or 120 term credits for any individual student at any participating institution.

(b) For persons enrolled at a Michigan community college, the department shall pay the current in-district tuition and mandatory fees. For persons residing in an area that is not included in any community college district, the out-of-district tuition rate may be authorized.

(c) For persons enrolled at a Michigan public university, the department shall pay lower division resident tuition and mandatory fees for the current year.

(d) For persons enrolled at a Michigan independent, nonprofit degree granting college or university, or a Michigan federal tribally controlled community college, or Focus: HOPE, the department shall pay mandatory fees for the current year and a per-credit payment that does not exceed the average community college in-district per-credit tuition rate as reported on August 1, for the immediately preceding academic year.

(6) A person participating in phase II may be eligible for additional funds not to exceed \$500.00 per semester or \$400.00 per term up to a maximum of \$2,000.00 subject to the following conditions:

(a) Credits are earned in a 4-year program at a Michigan degree granting 4-year college or university.

(b) The tuition reimbursement is for coursework completed within 30 months of completion of the phase I requirements.

(7) The department shall work closely with participating institutions to develop an application and eligibility determination process that will provide the highest level of participation and ensure that all requirements of the program are met.

(8) Applications for the tuition incentive program may be approved at any time after the student begins the sixth grade. If a determination of financial eligibility is made, that determination is valid as long as the student meets all other program requirements and conditions.

(9) Each institution shall ensure that all known available restricted grants for tuition and fees are used prior to billing the tuition incentive program for any portion of a student's tuition and fees.

(10) The department shall ensure that the tuition incentive program is well publicized and that potentially eligible Medicaid clients are provided information on the program. The department shall provide the necessary funding and staff to fully operate the program.

(11) Any unexpended and unencumbered funds remaining on September 30, 2005 from the amounts appropriated in part 1 for the tuition incentive program shall not lapse on September 30, 2005, but shall continue to be available for expenditure for the tuition incentive program in the fiscal year ending September 30, 2006.

Availability of grant data.

Sec. 311. To enable the legislature and the state budget director to evaluate the appropriation needs of higher education, each independent college and university shall make available to the legislature or state budget director, upon request, data regarding grants for the preceding, current, and ensuing fiscal years.

Nursing scholarship program.

Sec. 312. From the funds appropriated in part 1, the Michigan higher education assistance authority shall administer the nursing scholarship program pursuant to 2002 PA 591, MCL 390.1181 to 390.1189.

Dental clinical services.

Sec. 315. Included in part 1 is funding for the dental clinics grant. This appropriation is for the University of Detroit Mercy to support dental clinical services provided by its school of dentistry to low-income residents in southeastern Michigan.

STATE UNIVERSITIES

Joseph F. Young, Sr. psychiatric research and training program; use of funds by Wayne State University.

Sec. 401. (1) Included in part 1 is \$5,605,892.00 to Wayne State University for the Joseph F. Young, Sr. psychiatric research and training program. Wayne State University shall use these funds for psychiatric laboratory and clinical research, training, and treatment services. Within the available appropriation, services shall not be denied to any patient who meets established research guidelines for treatment on the basis of personal financial circumstances, age, geographic residence, or projected/actual length of treatment as medically warranted.

(2) Wayne State University shall report the following information to the department of community health by November 1, 2005:

(a) The number and type of psychiatric research projects funded by the appropriation described in subsection (1).

(b) The number and type of students trained and the location of training funded by the appropriation.

(c) Demographic data regarding the number and profile of patients to receive psychiatric services funded by the appropriation and a profile of the services provided.

(d) A summary budget outlining major expenditure categories and any first- and third-party reimbursements.

(3) Copies of these reports shall also be provided to the house and senate fiscal agencies and the state budget director.

University of Michigan biological station at Douglas Lake.

Sec. 402. The University of Michigan biological station at Douglas Lake in Cheboygan County is regarded as a unique resource and is designated as a special research reserve. It is the intent of the legislature to protect and preserve the unique long-term research value and capabilities of the biological station area and Douglas Lake. The legislature further intends that no state programs or policies be developed that would have a deleterious impact on the research value of Douglas Lake.

Higher education institutional data inventory advisory committee.

Sec. 405. (1) There is created the higher education institutional data inventory advisory committee. The committee shall be appointed by the state budget director and shall consist of the following members:

(a) One representative from the house fiscal agency.

(b) One representative from the senate fiscal agency.

(c) One representative from the state budget director's office.

(d) Three representatives of the presidents council of state universities. The presidents council shall appoint 1 representative each from a masters, a doctoral, and a research university.

(2) The committee shall be responsible for maintaining and enhancing the state higher education database for which funding is included in part 1.

National charter schools institute.

Sec. 421. (1) Central Michigan University shall report by September 30, 2005 to the state budget director, house and senate appropriations committees, and the house and senate fiscal agencies information on the activities and effectiveness of the national charter schools institute for which an appropriation is provided in part 1. Included in the report shall be an accounting of all revenues and expenditures of the institute, the names of the public school academies served, and the type of assistance provided to each public school academy.

(2) All funds received under part 1 for the national charter schools institute are intended to be expended on activities of that institute.

Purchase of textbooks from private bookstores.

Sec. 426. It is the legislative intent that private bookstores that sell textbooks to university students and student governments that provide a book swap for university

students have accurate and timely access to lists of universities' required textbooks in order to provide prompt and efficient service for students. It is further the legislative intent that each state university allow students who are on financial aid or are receiving tuition grants to decide where to purchase their textbooks.

Project GREEN.

Sec. 433. (1) Included in part 1 is \$2,953,400.00 for the agricultural experiment station and \$2,619,000.00 for the cooperative extension service for project GREEN. Project GREEN is intended to address critical regulatory, food safety, economic, and environmental problems faced by this state's plant-based agriculture, forestry, and processing industries. "GREEN" is an acronym for generating research and extension to meet environmental and economic needs.

(2) The department of agriculture and Michigan State University, in consultation with agricultural commodity groups and other interested parties, shall develop project GREEN and its program priorities.

(3) Not later than September 30, 2005, a report shall be submitted by Michigan State University to the state budget director, the house and senate appropriations subcommittees on agriculture and on higher education, and the house and senate fiscal agencies for the preceding fiscal year regarding project GREEN projects. The report shall include, but is not limited to, the dollar amount of each project and a review of each project's performance and accomplishments.

State university tuition restraint incentives.

Sec. 436. (1) The amounts appropriated in part 1 for state university tuition restraint incentives shall only be paid to a state university certifying to the state budget director by October 1, 2004 that the state university meets 1 of the following criteria:

(a) For Grand Valley State University, Michigan State University, and Saginaw Valley State University, the university will not adopt an increase in tuition and required fees for the 2004-2005 academic year greater than 2.4% of the highest resident undergraduate rate authorized for any semester during the 2003-2004 academic year on an annualized basis.

(b) For Western Michigan University, the university will rebate at least \$200.00 of the \$500.00 1-time records fee to each resident undergraduate student who paid that records fee and the university will not adopt an increase in tuition and required fees for the 2004-2005 academic year greater than 2.4% of the average lower and upper division fall and winter resident tuition and required fees for the 2003-2004 academic year. For purposes of the 2.4% limit under this subdivision, the 1-time records fee shall not be included.

(c) For universities not listed in subdivision (a) or (b), the university will not adopt an increase in tuition and required fees for the 2004-2005 academic year greater than 2.8% of the average lower and upper division fall and winter resident tuition and required fees for the 2003-2004 academic year.

(2) The state budget director shall implement a reporting requirement based on definitions and uniform reporting requirements established by the state budget director and the house and senate fiscal agencies, to ensure that a state university receiving an appropriation under sections 102 through 116 has satisfied the tuition restraint requirements of this section.

(3) If a state university complies with the tuition restraint requirements described in this section, its state appropriation will not be reduced by executive order or any other manner during the 2004-2005 fiscal year.

(4) Tuition and required fees for each semester of the 2004-2005 academic year for each university shall not increase, on an annualized basis, by more than the limits provided in subsection (1) above the tuition and required fees for that university for the 2003-2004 academic year.

MPSERS stabilization subaccount; use of funds.

Sec. 437. It is the intent of the legislature that funds in a Michigan public school employee retirement system (MPERS) stabilization subaccount be used for fiscal year 2004-2005 to provide at least a \$4,900,000.00 subsidy of the payroll contribution rate for the 7 state universities that have employees in the MPERS system.

Tuition and fee charges; amounts as part of HEIDI data.

Sec. 440. All universities shall submit the amount of tuition and fees to be charged a full-time resident undergraduate student for academic year 2004-2005 as part of their higher education institutional data inventory (HEIDI) data by August 31, 2004. A university shall report any revisions to the reported academic year 2004-2005 tuition and fee charges to HEIDI within 15 days of being adopted.

Per-student floor funding; allocation.

Sec. 450. (1) For the fiscal year ending September 30, 2005, it is the intent of the legislature that an amount calculated under subsection (2) be allocated for per-student floor funding from the general fund/general purpose unreserved balances at the close of the 2003-2004 fiscal year.

(2) The amount allocated under subsection (1) for per-student floor funding is equal to \$4,000.00 per 2002-2003 fiscal-year-equated student at each university. The number of 2002-2003 fiscal-year-equated students at a university is determined by reference to the higher education institutional data inventory (HEIDI).

Student housing and housing facilities provided to institution's president or chancellor.

Sec. 460. By January 10, 2005, each state institution of higher education receiving an appropriation under part 1 shall report to the chairperson of the senate and house appropriations committees, the state budget director, and the senate and house fiscal agencies concerning the present condition of facilities for student housing and the present condition of any housing facilities provided to the institution's president or chancellor. The report shall include, but not be limited to, all of the following:

(a) Concerning student housing, all of the following:

(i) An assessment of the physical condition of student housing facilities.

(ii) An assessment of special maintenance needs and costs for each facility.

(iii) An assessment of the availability of student housing and whether there is adequate capacity to meet demand.

(iv) If there are shortages in availability of student housing, any action being considered to address the shortages.

(b) Concerning the president's or chancellor's housing, all of the following:

(i) The type of residence, if any, provided to the institution's president or chancellor.

(ii) The value at the time of the report of the residence, including both the land and the structure.

(iii) The cost of any renovations and maintenance done at the residence for the immediately preceding 5 years.

(iv) The annual cost of operating the residence.

(v) The fiscal year 2004-2005 compensation of the president or chancellor, including fringe benefits and bonuses.

Tuition waiver for North American Indians; payment to Bay Mills community college.

Sec. 461. From the amount appropriated in part 1 to Lake Superior State University for operations, \$100,000.00 shall be paid to Bay Mills Community College for the costs of waiving tuition for North American Indians under 1976 PA 174, MCL 390.1251 to 390.1253.

MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA PARKS PROGRAMS

Martin Luther King, Jr. - Cesar Chavez - Rosa Parks future faculty program.

Sec. 501. (1) Included in the appropriation for each public university in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks future faculty program, that is intended to increase the pool of minority candidates pursuing faculty teaching careers in postsecondary education. Each university shall apply the percentage change applicable to every university in the calculation of appropriations in part 1 to the amount of funds allocated to the future faculty program.

(2) The program shall be administered by each university in a manner prescribed by the Michigan department of labor and economic growth. The Michigan department of labor and economic growth shall use a good faith effort standard to evaluate whether a fellowship is in default.

Martin Luther King, Jr. - Cesar Chavez - Rosa Parks college day program.

Sec. 502. (1) Included in the appropriation for each public university in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks college day program that is intended to introduce school children underrepresented in postsecondary education to the potential of a college education.

(2) Individual program plans of each university shall include a budget of equal contributions from this program, the participating public university, the participating school district, and the participating independent degree granting college. College day funds shall not be expended to cover indirect costs. Not more than 20% of the university match shall be attributable to indirect costs. Each university shall apply the percentage change applicable to every university in the calculation of appropriations in part 1 to the amount of funds allocated to the college day program.

(3) The program shall be administered by each university in a manner prescribed by the Michigan department of labor and economic growth.

Martin Luther King, Jr. - Cesar Chavez - Rosa Parks select student support services program.

Sec. 503. (1) Included in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks select student support services program for developing academically

and economically disadvantaged student retention programs for 4-year public and independent educational institutions in this state.

(2) An award made under this program to any 1 institution shall not be greater than \$150,000.00, and the amount awarded shall be matched on a 70% state, 30% college or university basis.

(3) The program shall be administered by the Michigan department of labor and economic growth.

Martin Luther King, Jr. - Cesar Chavez - Rosa Parks college/university partnership program.

Sec. 504. (1) Included in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks college/university partnership program between 4-year public and independent colleges and universities and public community colleges, which is intended to increase the number of academically and economically disadvantaged students who transfer from community colleges into baccalaureate programs.

(2) The grants shall be made under this program to Michigan public and independent colleges and universities. An award to any 1 institution shall not be greater than \$150,000.00, and the amount awarded shall be matched on a 70% state, 30% college or university basis.

(3) The program shall be administered by the Michigan department of labor and economic growth.

Martin Luther King, Jr. - Cesar Chavez - Rosa Parks visiting professors program.

Sec. 505. (1) Included in the appropriation for each public university in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks visiting professors program which is intended to increase the number of underrepresented minority instructors in the classroom and provide role models for underrepresented minority students.

(2) The program shall be administered by the Michigan department of labor and economic growth.

Morris Hood, Jr. educator development program.

Sec. 506. (1) Included in the appropriation in part 1 is funding under the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks initiative for the Morris Hood, Jr. educator development program which is intended to increase the number of minority students, especially males, who enroll in and complete K-12 teacher education programs at the baccalaureate level.

(2) The program shall be administered by each state-approved teacher education institution in a manner prescribed by the Michigan department of labor and economic growth.

(3) Approved teacher education institutions may and are encouraged to use student support services funding in coordination with the Morris Hood, Jr. funding to achieve the goals of the program.

Notice to department of labor and economic growth.

Sec. 507. Each state institution of higher education receiving funds under section 503, 504, or 506 shall notify the Michigan department of labor and economic growth by April 15, 2005 as to whether it will expend by the end of its fiscal year the funds received under

section 503, 504, or 506. Notwithstanding the award limitations in sections 503 and 504, the amount of funding reported as not being expended will be reallocated to the institutions that intend to expend all funding received under section 503, 504, or 506.

STUDENT PERFORMANCE REPORTING

Academic status of students; notifying high school.

Sec. 601. (1) From the amount appropriated in part 1 for state universities, the state universities shall systematically inform Michigan high schools regarding the academic status of students from each high school in a manner prescribed by the presidents council, state universities of Michigan in cooperation with the Michigan association of secondary school principals.

(2) The Michigan high schools shall systematically inform the state universities about the use of information received under this section in a manner prescribed by the Michigan association of secondary school principals in cooperation with the presidents council, state universities of Michigan.

Academic status of community college transfers.

Sec. 602. From the amount appropriated in part 1 for state universities, the state universities shall inform Michigan community colleges regarding the academic status of community college transfer students in a manner prescribed by the presidents council, state universities of Michigan in cooperation with the Michigan community college association.

GENERAL REPORTS AND AUDITS

HEIDI enrollment data; review by auditor general.

Sec. 701. (1) The auditor general shall review higher education institutional data inventory (HEIDI) enrollment data submitted by all public universities and may perform audits of selected public universities if determined necessary. The review and audits shall be based upon the definitions, requirements, and uniform reporting categories established by the state budget director and the senate and house fiscal agencies. The auditor general shall submit a report of findings to the house and senate appropriations committees and the state budget director no later than July 1, 2005.

(2) Student credit hours reports shall not include the following:

(a) Student credit hours generated through instructional activity by faculty or staff in classrooms located outside Michigan, with the exception of instructional activity related to study-abroad programs or field programs.

(b) Student credit hours generated through distance learning instruction for students not paying the institution's resident tuition rate.

(c) Student credit hours generated through credit by examination.

(d) Student credit hours generated through inmate prison programs regardless of teaching location.

(e) Student credit hours generated in new degree programs after January 1, 1975, that have not been specifically authorized for funding by the legislature, except spin-off programs converted from existing core programs that do all of the following:

- (i) Represent new options, fields, or concentrations within existing programs.
- (ii) Are consistent with the current institutional role and mission.
- (iii) Are accommodated within the continuing funding base of the institution.
- (iv) Do not require a new degree level beyond that which the institution is currently authorized to grant within that discipline or field.
- (v) Do not require funding from the state other than that provided by the student credit hours generated within the program, either before program initiation or within the first 3 years of program operation.

(3) The auditor general shall periodically audit higher education institutional data inventory (HEIDI) data as submitted by the state universities for compliance with the definitions approved by the HEIDI advisory committee for the HEIDI database.

(4) “Distance learning instruction” as used in subsection (2) means instruction that occurs in other than a traditional classroom setting where the student and instructor are in the same physical location and for which a student receives course credits and is charged tuition and fees. Examples of distance learning instruction are instruction delivered solely through the Internet, cable television, teleconference, or mail.

Degree programs.

Sec. 701a. (1) Pursuant to section 701(2)(e), the following degree programs may be established:

(a) Bachelors

- Central Michigan University Electrical Engineering, B.S.E.E.
- Central Michigan University Mechanical Engineering, B.S.M.E.
- Ferris State University Secondary Education—History Major, B.S.
- Lake Superior State University Communication Major, B.A.
- Michigan State University Technology Systems Management, B.S.
- Michigan Technological University Psychology, B.S.
- Michigan Technological University Software Engineering, B.S.
- Oakland University Studio Art, B.A.
- Wayne State University Environmental Science, B.S.
- Western Michigan University Major in Electronic Business Design (eBizD), B.B.A.

(b) Masters

- Eastern Michigan University Clinical Research Administration, M.S.
- Eastern Michigan University Health Education, M.S.
- Eastern Michigan University Professional Master’s in Bioinformatics, M.S.
- Ferris State University M.S. in Nursing, M.S.N.
- Grand Valley State University Biostatistics, M.S.
- Grand Valley State University Cell and Molecular Biology, M.S.
- Grand Valley State University Medical and Bioinformatics, M.S.
- Grand Valley State University School Counseling, M.Ed.
- Lake Superior State University Curriculum and Instruction, M.A.
- Michigan State University Community, Agriculture, Recreation, & Resource Studies, M.S.
- Northern Michigan University Education Reading, M.A.
- Northern Michigan University Education Reading: Specialist, M.A.
- University of Michigan Health Services Research, M.S.

(c) Doctorate

Central Michigan University Physical Therapy, D.P.T.

Grand Valley State University Physical Therapy, D.P.T.

Michigan State University Community, Agriculture, Recreation, & Resource Studies, Ph.D.

Michigan State University Second Language Studies, Ph.D.

(2) The listing of degree programs in subsection (1) does not constitute legislative intent to provide additional dollars for those programs.

(3) When submitting the listing of new degree programs for future fiscal years, the presidents council shall also provide a listing of degree programs that will no longer be offered in subsequent academic years.

Report on auditor general recommendations.

Sec. 702. The principal executive officer of each institution of higher education receiving an appropriation under this act shall expend a portion of the funds appropriated to that institution to make a report to the auditor general, the house and senate fiscal agencies, and the state budget director within 60 days after the auditor general issues his or her report on the operation of the institution. The institution's report shall specify all of the following:

(a) The recommendations of the auditor general implemented by the institution, including projected dates and resources required, if any, to achieve compliance.

(b) The recommendations of the auditor general not implemented by the institution or implemented by the institution as modified.

(c) The rationale for not implementing a recommendation of the auditor general or of implementing a recommendation as modified.

Performance audits.

Sec. 708. The auditor general may conduct performance audits of state universities during the fiscal year ending September 30, 2005 as the auditor general considers necessary.

Student right-to-know and campus security.

Sec. 709. An institution receiving funds under this bill and also subject to the student right-to-know and campus security act, Public Law 101-522, 104 Stat. 2381, shall make a copy of all material prepared pursuant to the public information reporting requirements under the crime awareness and campus security act of 1990, title II of the student right-to-know and campus security act, Public Law 101-542, 104 Stat. 2381, available in electronic Internet format on their websites.

PART 2A

PROVISIONS CONCERNING APPROPRIATIONS FOR FISCAL YEAR 2003-2004

GENERAL SECTIONS

Additional state appropriation; satisfaction of tuition restraint requirements.

Sec. 1201. (1) Subject to subsection (2), a state university certifying to the state budget director by October 1, 2004 that it did not adopt an increase in tuition and required fees

for resident undergraduate students after December 1, 2003 for the 2003-2004 academic year shall be paid in the fiscal year ending September 30, 2004 from state general fund/general purpose revenues an additional state appropriation as follows:

Central Michigan University	\$	2,446,300
Eastern Michigan University		2,366,200
Ferris State University		1,499,000
Grand Valley State University		1,772,600
Lake Superior State University		385,300
Michigan State University		8,801,500
Michigan Technological University		1,491,500
Northern Michigan University		1,404,300
Oakland University		1,472,600
Saginaw Valley State University		800,200
University of Michigan - Ann Arbor		9,816,200
University of Michigan - Dearborn		755,800
University of Michigan - Flint		649,800
Wayne State University		6,848,400
Western Michigan University		3,393,300
Total	\$	<u>43,903,000</u>

(2) A university that adopted an increase in tuition and required fees for resident undergraduate students after December 1, 2003 for the 2003-2004 academic year shall be paid only 1/2 of the amount designated for that university in subsection (1).

(3) For the purposes of subsections (1) and (2), a state university that adopted an increase in tuition and required fees for resident undergraduate students after December 1, 2003, for the 2003-2004 academic year, but subsequently rebated to its resident undergraduate students an amount equal to that increase, shall be considered to have not adopted a tuition and required fees increase for the 2003-2004 academic year.

(4) The state budget director shall implement a reporting requirement based on definitions and uniform reporting requirements established by the state budget director and the house and senate fiscal agencies, to ensure that a state university receiving an appropriation under this section has satisfied its tuition restraint requirements.

(5) If the Northville Psychiatric Hospital property is not sold by the state prior to October 1, 2004, the appropriations listed in subsection (1) shall be paid in the fiscal year ending September 30, 2005, rather than the state fiscal year ending September 30, 2004, and it is the intent of the legislature that the appropriations will be paid in full no later than October 15, 2004.

REPEALERS

Repeal of section 452 of 2003 PA 237.

Enacting section 1. Section 452 of 2003 PA 237 is repealed.

This act is ordered to take immediate effect.

Approved September 30, 2004.

Filed with Secretary of State September 30, 2004.

[No. 353]**(HB 5509)**

AN ACT to make appropriations for the department of agriculture for the fiscal year ending September 30, 2005; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to require reports, audits, and plans; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by certain state agencies.

The People of the State of Michigan enact:

PART 1

LINE-ITEM APPROPRIATIONS

Appropriations; department of agriculture.

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of agriculture for the fiscal year ending September 30, 2005, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF AGRICULTURE

APPROPRIATION SUMMARY:

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	743.0	
GROSS APPROPRIATION		\$ 126,131,300
Interdepartmental grant revenues:		
IDG from MDCH, local public health operations		8,878,700
IDG from MDEQ, biosolids.....		86,100
IDG from MDEQ, right to farm		113,000
IDG from MDEQ, type II well survey		16,100
IDG from MDLEG (LCC), liquor quality testing fees		177,300
IDG from MDLEG (LCC), nonretail liquor license fees		560,500
IDG from MDNR, district forestry and wildlife program		1,000,000
Total interdepartmental grants and intradepartmental transfers		10,831,700
ADJUSTED GROSS APPROPRIATION.....		\$ 115,299,600
Federal revenues:		
DAG, multiple grants.....		30,758,100
EPA, multiple grants.....		2,368,500
HHS-FDA		349,600
Total federal revenues.....		33,476,200
Special revenue funds:		
Total local revenues		0
Private - slow-the-spread foundation.....		138,700
Total private revenues.....		138,700
Agricultural preservation fund		900,000
Agriculture equine industry development fund.....		17,302,200
Agriculture pollution prevention fund		100
Civil penalties.....		43,900
Commodity inspection fees		709,400
Gasoline inspection and testing fund		2,035,800

	For Fiscal Year Ending Sept. 30, 2005
Groundwater and freshwater protection fund.....	\$ 4,812,300
Horticulture fund.....	74,700
Industry support funds.....	612,100
Licensing and inspection fees.....	6,139,100
Michigan state fair revenue.....	5,486,100
Pseudorabies and swine brucellosis fund.....	21,200
Refined petroleum fund.....	3,000,000
State services fee fund.....	8,218,700
Testing fees.....	386,100
Upper Peninsula state fair revenue.....	1,291,500
Weights and measures regulation fees.....	560,100
Total other state restricted revenues.....	51,593,300
State general fund/general purpose.....	\$ 30,091,400

Executive.

Sec. 102. EXECUTIVE

Full-time equated unclassified positions.....	6.0
Full-time equated classified positions.....	52.0
Commission and boards.....	\$ 53,300
Unclassified positions—6.0 FTE positions.....	428,500
Executive direction—10.0 FTE positions.....	1,131,600
Management services—35.5 FTE positions.....	2,808,000
Statistical reporting service—4.0 FTE positions.....	339,300
Emergency management—2.5 FTE positions.....	220,100
Human resource optimization user charges.....	29,500
GROSS APPROPRIATION.....	\$ 5,010,300
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDLEG (LCC), nonretail liquor license fees.....	8,800
Special revenue funds:	
Gasoline inspection and testing fund.....	52,500
Industry support funds.....	30,000
Michigan state fair revenue.....	80,500
State services fee fund.....	352,000
Upper Peninsula state fair revenue.....	9,000
State general fund/general purpose.....	\$ 4,477,500

Departmentwide.

Sec. 103. DEPARTMENTWIDE

Rent and building occupancy charges.....	\$ 1,486,400
Employee turnover savings.....	(100,000)
Agriculture equine industry development fund reimbursement.....	0
GROSS APPROPRIATION.....	\$ 1,386,400
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDLEG (LCC), nonretail liquor license fees.....	5,800
Federal revenues:	
DAG, multiple grants.....	100,500

	For Fiscal Year Ending Sept. 30, 2005
EPA, multiple grants.....	\$ 61,200
HHS-FDA.....	13,100
Special revenue funds:	
Agricultural preservation fund.....	23,900
Agriculture equine industry development fund.....	2,025,000
Groundwater and freshwater protection fund.....	9,500
Licensing and inspection fees.....	48,200
State services fee fund.....	304,600
State general fund/general purpose.....	\$ (1,205,400)

Food and dairy.

Sec. 104. FOOD AND DAIRY

Full-time equated classified positions.....	107.0	
Food safety and quality assurance—107.0 FTE positions.....	\$ 10,265,400	
Local public health operations.....	8,878,700	
GROSS APPROPRIATION.....	\$ 19,144,100	
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDCH, local public health operations.....	8,878,700	
Federal revenues:		
DAG, multiple grants.....	24,800	
HHS-FDA.....	203,700	
Special revenue funds:		
Civil penalties.....	43,900	
Licensing and inspection fees.....	3,030,400	
State general fund/general purpose.....	\$ 6,962,600	

Animal industry.

Sec. 105. ANIMAL INDUSTRY

Full-time equated classified positions.....	49.0	
Animal health and welfare—22.5 FTE positions.....	\$ 2,299,500	
Bovine tuberculosis program—26.5 FTE positions.....	5,488,800	
GROSS APPROPRIATION.....	\$ 7,788,300	
Appropriated from:		
Federal revenues:		
DAG, multiple grants.....	1,251,000	
HHS-FDA.....	68,800	
Special revenue funds:		
Agriculture equine industry development fund.....	302,800	
Licensing and inspection fees.....	87,300	
Pseudorabies and swine brucellosis fund.....	21,200	
State general fund/general purpose.....	\$ 6,057,200	

Pesticide and plant pest management.

Sec. 106. PESTICIDE AND PLANT PEST MANAGEMENT

Full-time equated classified positions.....	274.8	
Pesticide and plant pest management—119.8 FTE positions.....	\$ 12,184,900	
Emerald ash borer control program—155.0 FTE positions.....	25,197,300	

	For Fiscal Year Ending Sept. 30, 2005
Michigan State University	\$ 210,000
GROSS APPROPRIATION	\$ 37,592,200
Appropriated from:	
Federal revenues:	
DAG, multiple grants	27,272,500
EPA, multiple grants	1,563,500
HHS-FDA	64,000
Special revenue funds:	
Private - slow-the-spread foundation	138,700
Commodity inspection fees	709,400
Horticulture fund	74,700
Industry support funds	319,900
Licensing and inspection fees	2,860,700
State general fund/general purpose	\$ 4,588,800

Environmental stewardship.

Sec. 107. ENVIRONMENTAL STEWARDSHIP

Full-time equated classified positions	47.0
Environmental stewardship—32.7 FTE positions	\$ 2,547,700
Groundwater and freshwater protection program—8.3 FTE positions	4,931,700
Farmland and open space preservation—6.0 FTE positions	875,900
Cooperative resources management initiative program	1,000,000
Agriculture pollution prevention program	100
Local conservation districts	1,580,000
Migrant labor housing	255,000
GROSS APPROPRIATION	\$ 11,190,400
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDEQ, biosolids	86,100
IDG from MDEQ, right to farm	113,000
IDG from MDEQ, type II well survey	16,100
IDG from MDNR, district forestry and wildlife program	1,000,000
Federal revenues:	
EPA, multiple grants	419,700
Special revenue funds:	
Agricultural preservation fund	875,900
Agriculture pollution prevention fund	100
Groundwater and freshwater protection fund	4,802,700
State general fund/general purpose	\$ 3,876,800

Laboratory program.

Sec. 108. LABORATORY PROGRAM

Full-time equated classified positions	148.0
Laboratory services—60.5 FTE positions	\$ 5,038,600
USDA monitoring—18.0 FTE positions	1,906,500
Consumer protection program—69.5 FTE positions	4,709,100
GROSS APPROPRIATION	\$ 11,654,200

For Fiscal Year
Ending Sept. 30,
2005

Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDLEG (LCC), liquor quality testing fees	\$ 174,500
Federal revenues:	
DAG, multiple grants.....	1,926,900
EPA, multiple grants.....	324,100
Special revenue funds:	
Gasoline inspection and testing fund	1,957,100
Refined petroleum fund.....	3,000,000
State services fee fund	479,600
Testing fees.....	386,100
Weights and measures regulation fees	560,100
State general fund/general purpose	\$ 2,845,800

Agriculture development.

Sec. 109. AGRICULTURE DEVELOPMENT

Full-time equated classified positions	8.0	
Agriculture development—5.0 FTE positions.....		\$ 750,000
Grape and wine program—3.0 FTE positions.....		677,600
Export market development program.....		50,000
Food bank		630,500
Future farmers of America.....		60,000
GROSS APPROPRIATION.....		\$ 2,168,100

Appropriated from:

Interdepartmental grant revenues:	
IDG from MDLEG (LCC), nonretail liquor license fees	545,400
Federal revenues:	
DAG, multiple grants.....	182,400
Special revenue funds:	
Industry support funds.....	232,200
State services fee fund	293,700
State general fund/general purpose	\$ 914,400

Fairs and expositions.

Sec. 110. FAIRS AND EXPOSITIONS

Full-time equated classified positions	25.5	
Michigan state fair operations—9.0 FTE positions.....		\$ 5,153,800
Upper Peninsula state fair—7.0 FTE positions		1,281,600
Fairs, racing and producer security—9.5 FTE positions		1,174,300
Building and track improvement - county and state fairs		963,200
Building and track improvement - licensed tracks.....		2,980,000
Premiums - county and state fairs		1,614,000
Purses and supplements - fairs/licensed tracks		2,579,700
Standardbred Fedele Fauri futurity		85,400
Standardbred Michigan futurity		85,400
Quarterhorse programs		38,500
Licensed tracks - light horse racing.....		115,800
Standardbred breeders' awards.....		1,358,900
Standardbred purses and supplements-licensed tracks.....		1,720,900

	For Fiscal Year Ending Sept. 30, 2005
Standardbred sire stakes	\$ 1,075,900
Thoroughbred sire stakes	1,002,900
Standardbred training and stabling	42,400
Thoroughbred program	2,754,900
Thoroughbred owners' awards.....	150,900
Distribution of outstanding winning tickets.....	700,000
Future farmers of America foundation.....	20,000
Michigan 4-H foundation	20,000
Michigan State University, college of agriculture and natural resources	80,000
GROSS APPROPRIATION.....	\$ 24,998,500
Appropriated from:	
Special revenue funds:	
Agriculture equine industry development fund.....	14,831,600
Industry support funds.....	30,000
Licensing and inspection fees.....	112,500
Michigan state fair revenue	5,316,800
State services fee fund	3,177,500
Upper Peninsula state fair revenue	1,281,600
State general fund/general purpose	\$ 248,500

Office of racing commissioner.

Sec. 111. OFFICE OF RACING COMMISSIONER

Full-time equated classified positions.....	31.7
Office of racing commissioner—31.7 FTE positions.....	\$ 3,609,200
GROSS APPROPRIATION.....	\$ 3,609,200
Appropriated from:	
Special revenue funds:	
State services fee fund	3,609,200
State general fund/general purpose	\$ 0

Information technology.

Sec. 112. INFORMATION TECHNOLOGY

Information technology services and projects.....	\$ 1,589,600
GROSS APPROPRIATION.....	\$ 1,589,600
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDLEG (LCC), liquor quality testing fees	2,800
IDG from MDLEG (LCC), nonretail liquor license fees	500
Special revenue funds:	
Agricultural preservation fund	200
Agriculture equine industry development fund.....	142,800
Gasoline inspection and testing fund	26,200
Groundwater and freshwater protection fund.....	100
Michigan state fair revenue	88,800
State services fee fund	2,100
Upper Peninsula state fair revenue	900
State general fund/general purpose	\$ 1,325,200

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS**Total state spending; payments to local units of government.**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2004-2005 is \$81,684,700.00 and state spending from state resources to be paid to local units of government for fiscal year 2004-2005 is \$3,380,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF AGRICULTURE

Groundwater and freshwater protection program	\$	1,800,000
Local conservation districts		<u>1,580,000</u>
TOTAL	\$	3,380,000

Appropriations subject to MCL 18.1101 to 18.1594.

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

Definitions.

Sec. 203. As used in this act:

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

Billing by department of civil service.

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

Hiring freeze; exceptions; report.

Sec. 205. (1) A hiring freeze is imposed on the state classified civil service. State departments and agencies are prohibited from hiring any new classified civil service employees and prohibited from filling any vacant state classified civil service positions.

This hiring freeze does not apply to internal transfers of classified employees from 1 position to another within a department.

(2) The hiring freeze described in subsection (1) does not apply to any classified state civil service position that meets any of the following criteria:

(a) Filling the vacant position will directly prevent the loss of federal funding.

(b) The vacant position deals directly with the direct provision of public safety services including prison officers, law enforcement officers, and child services enforcement workers.

(c) The vacant position provides direct health care services including physicians, nurses, and other direct health care providers.

(3) The state budget director shall report quarterly to the chairpersons of the senate and house of representatives standing committees on appropriations the number of new state classified civil service employees hired during the previous quarter and the reasons to justify the hiring.

Reporting requirements; use of Internet.

Sec. 208. Unless otherwise specified, the department shall use the Internet to fulfill the reporting requirements of this act. This shall include transmission of reports via electronic mail to the recipients identified for each reporting requirement and shall include placement of reports on an Internet or Intranet site.

Purchase of foreign goods or services; use of Michigan produced agricultural products.

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

(2) In addition to the requirements in subsection (1), the purchase of goods or services, or both, if competitively priced and of comparable quality shall be Michigan goods or services, or both, if available. The department shall also encourage the use of Michigan produced agricultural products by all state agencies and departments if competitively priced and of comparable quality and if available.

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

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

State restricted fund or account.

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

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

Indemnification.

Sec. 212. (1) Of the funds appropriated in part 1, the department may provide for indemnity as provided for pursuant to the animal industry act of 1987, 1988 PA 466, MCL 287.701 to 287.745, not to exceed \$100,000.00 per order from any line item for the fiscal year ending September 30, 2005. Before the department provides for an indemnification under this section, the department shall report the reason for the indemnification, the amount of the indemnification, and to whom the indemnification is to be paid. The report shall be given to each member of the house and senate appropriations subcommittees on agriculture and to the senate and house fiscal agencies and the state budget director.

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

Notice of grants.

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

Appropriation to Michigan agriculture equine industry development fund.

Sec. 216. The unexpended and unencumbered balance of revenue deposited pursuant to section 20 of the horse racing law of 1995, 1995 PA 279, MCL 431.320, for the fiscal year ending September 30, 2005, shall be appropriated to the Michigan agriculture equine industry development fund for distribution as set forth in section 20 of the horse racing law of 1995, 1995 PA 279, MCL 431.320.

Department of information technology schedule of rates, user fees, and assessments.

Sec. 219. The department of information technology shall annually publish a schedule of rates, user fees, and charges or assessments for standard services and information system support requirements to be made to departments for technology-related services and projects. This schedule, as well as copies of related interagency agreements, shall be provided to the state budget office and the house and senate committees on appropriations before October 15, 2004. The department of agriculture shall not process any payments or fund transfers to the department of information technology until 30 days after the 2004-2005 fiscal year schedule of rates, user fees, and assessments is provided to the legislature, pursuant to this section.

Information technology amounts as work projects; availability for expenditure.

Sec. 220. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of information technology. Funds designated in this manner

are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Position posting, recruiting, and hiring employees; cost savings realized from natural delay.

Sec. 222. The negative appropriation for employee turnover savings in part 1 shall be satisfied by employee cost savings realized from the natural delay associated with position posting, recruitment, and hiring of employees to fill approved vacancies for existing positions within the department. Appropriation authorization adjustments required to implement the negative appropriation shall be made after the approval of transfers by the legislature under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Out-of-state travel.

Sec. 223. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2005 shall be limited to situations in which 1 or more of the following conditions apply:

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

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

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

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

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

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

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

(3) Not later than January 1 of each year, each department shall prepare a travel report listing all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the chairs and members of the house and senate appropriations committees, the fiscal agencies, and the state budget director. The report shall include the following information:

(a) The name of each person receiving reimbursement for travel outside this state or whose travel costs were paid by this state.

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

(d) A brief statement of the reason for each travel occurrence.

(e) The transportation and related costs of each travel occurrence, including the proportion funded with state general fund/general purpose revenues, the proportion funded with state restricted revenues, the proportion funded with federal revenues, and the proportion funded with other revenues.

(f) A total of all out-of-state travel funded for the immediately preceding fiscal year.

EXECUTIVE**Per diem rates for commodity committees.**

Sec. 301. Per diem rates for commodity committees established in the agriculture commodities marketing act, 1965 PA 232, MCL 290.651 to 290.674, 1970 PA 29, MCL 290.421 to 290.430, 1965 PA 114, MCL 290.551 to 290.568, and the beef industry commission act, 1972 PA 291, MCL 287.601 to 287.610, will be set based upon levels established in section 301 of 2002 PA 516.

Fee revenue.

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

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

(2) The department shall notify the senate and house of representatives appropriations subcommittees on agriculture and the senate and house fiscal agencies 60 days prior to the effective date of any proposed changes to the fees authorized under this section.

(3) Annually, before February 1, the department shall provide a report to the senate and house of representatives appropriations subcommittees on agriculture and the senate and house fiscal agencies detailing all the fees charged by the department under the authorization provided in this section, including, but not limited to, rates, number of individuals paying each fee, and the revenue generated by each fee in the previous fiscal year.

Agricultural surveys.

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

FOOD AND DAIRY**Restaurant inspection and licensing functions carried out by local health departments; monitoring; report; additional costs resulting from food-borne outbreak.**

Sec. 401. (1) The department shall monitor restaurant inspection and licensing functions carried out by local health departments to ensure uniform application and enforcement of minimum program requirements. On or before April 1, 2005, the department shall report to the senate and house appropriations subcommittees on agriculture, the senate and house fiscal agencies, and the state budget director on local health department conformance with minimum program requirements.

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

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

Sec. 402. Not later than April 1, 2005, the department shall provide a report to the house and senate appropriations subcommittees on agriculture and the house and senate fiscal agencies describing significant food-borne outbreaks and emergencies including any enforcement actions taken related to food safety during the 2003-2004 fiscal year.

Reallocation or redistribution of program funds; prior approval.

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

ANIMAL INDUSTRY**Eradication of bovine tuberculosis; monitoring and testing wildlife.**

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

Whole herd and individual testing costs.

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

Animal or plant health outbreak; additional costs.

Sec. 452. In the event of a significant animal or plant health outbreak, the director shall seek additional state and federal resources to cover the additional costs associated with addressing the outbreak.

PESTICIDE AND PLANT PEST MANAGEMENT

Training applicators; availability of funds to Michigan cooperative extension service.

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

ENVIRONMENTAL STEWARDSHIP

Migrant labor housing; project grants.

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

Migrant labor housing; federal funds.

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

Local conservation districts; allocations.

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

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

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

AGRICULTURE DEVELOPMENT

Grape and wine industry council.

Sec. 701. Within the appropriations in part 1 for agriculture development, \$677,600.00 is for the grape and wine industry council, from which the department may provide grants for the purposes as described in section 303 of the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1303.

Purchase of foods by food bank council.

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

Future farmers of America grant; charges for indirect costs prohibited.

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

Export market development.

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

Northwest Michigan horticulture research station; appropriation.

Sec. 706. From the appropriation in part 1 for agriculture development, \$30,000.00 shall be provided to the northwest Michigan horticultural research station.

FAIRS AND EXPOSITIONS

Simulcasting revenues; report.

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

Licensed pari-mutuel horse racing tracks; purse supplements; allocations.

Sec. 802. (1) The appropriation in section 110 for standardbred purses and supplements - licensed tracks is intended to provide state purse supplements for 4 races at state licensed pari-mutuel horse racing tracks. The purse supplements are to be used for races comprised only of Michigan-bred horses segregated into a 4-year-old colt trot division, a 4-year-old filly trot division, a 4-year-old colt pace division, and a 4-year-old filly pace division.

(2) The appropriation in section 110 for licensed tracks - light horse racing shall be allocated as follows:

Arabian and Appaloosa horse racing	\$	19,200
Quarter horse racing		57,200

Thoroughbred yearling show.

Sec. 803. Included in the appropriation made in section 110 for the thoroughbred program is \$30,500.00 for the Michigan united thoroughbred breeders and owners association to conduct a thoroughbred yearling show. The Michigan united thoroughbred breeders and owners association shall submit to the department an itemized list of expenses showing that the expenses of the yearling show were paid.

Thoroughbred owners' awards.

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

Agriculture equine industry development fund; notice of planned reductions.

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

Prizes or awards; grievance.

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

Overnight purse supplements.

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

Michigan horse show association - fall youth show.

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

Youth involvement and adult exhibitions.

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

Outstanding winning tickets.

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

Michigan agriculture equine industry development fund; closing balance; transfer of fund balance.

Sec. 813. (1) On or before March 29, 2005, the department, together with the senate and house fiscal agencies and the department of management and budget, shall estimate the unreserved and unencumbered closing balance of the Michigan agriculture equine industry development fund for the fiscal year ending September 30, 2004. The estimate shall consider lapsed appropriations from the fund and any carryforward amounts designated for appropriation in the fiscal year ending September 30, 2004.

(2) On or before April 5, 2005, the department shall request a legislative transfer in accordance with section 393 of the management and budget act, 1984 PA 431, MCL 18.1393, to appropriate any estimated unreserved and unencumbered Michigan agriculture equine industry development fund balance in excess of \$250,000.00. The appropriations included in the transfer request shall be in accordance with the requirements of section 20 of the horse racing law of 1995, 1995 PA 279, MCL 431.320. At the same time the department forwards its transfer request to the department of management and budget, the department shall submit copies of the transfer request to the senate and house appropriations subcommittees on agriculture and the senate and house fiscal agencies.

Capital improvement at horse racing tracks; allocations.

Sec. 815. From the funds appropriated in section 110, \$2,980,000.00 shall be allocated to race meeting licensees under the horse racing law of 1995, 1995 PA 279, MCL 431.301 to 431.336, for capital improvement at horse racing tracks in Michigan. Each licensee shall receive, from the funds made available under this section, an amount equal to its proportion of the total amount of money wagered, live and simulcast, in this state on horse racing that is conducted in this state during the 2004 calendar year. The department shall distribute each race meeting licensee's allocation provided under this section in 4 equal amounts throughout the year. The funding shall only be made available to a race meeting licensee if matched, dollar for dollar, with funds provided by the licensee. It is the intent of the legislature that these funds shall be made available in the fiscal year ending September 30, 2005.

CANTER; allocation.

Sec. 816. From the appropriation in section 110 for fairs, racing and producer security, \$20,000.00 shall be granted to the communications alliance to network thoroughbred ex-racehorses (CANTER) to support racehorse rehabilitation programs.

OFFICE OF RACING COMMISSIONER**Crimes involving horse racing industry; rewards.**

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

This act is ordered to take immediate effect.

Approved September 30, 2004.

Filed with Secretary of State September 30, 2004.

[No. 354]**(HB 5521)**

AN ACT bill to make appropriations for the department of labor and economic growth, the Michigan strategic fund, and certain other state purposes for the fiscal year ending September 30, 2005; to provide for the expenditure of those appropriations; to provide for the imposition of certain fees; to provide for the disposition of fees and other income received by the state agencies; to provide for reports to certain persons; and to prescribe powers and duties of certain state departments and certain state and local agencies and officers.

The People of the State of Michigan enact:

PART 1

LINE-ITEM APPROPRIATIONS

Appropriations; department of labor and economic growth and Michigan strategic fund.

Sec. 101. The amounts listed in this part are appropriated for the department of labor and economic growth and the Michigan strategic fund, subject to the conditions set forth in this act, for the fiscal year ending September 30, 2005, from the funds identified in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF LABOR AND ECONOMIC GROWTH**APPROPRIATION SUMMARY:**

Full-time equated unclassified positions	58.5	
Full-time equated classified positions	4,248.5	
GROSS APPROPRIATION		\$ 1,241,865,600
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		515,200
ADJUSTED GROSS APPROPRIATION		\$ 1,241,350,400
Federal revenues:		
Total federal revenues		836,502,100
Special revenue funds:		
Total local revenues		15,669,600
Total private revenues		4,140,100
Total other state restricted revenues		290,500,600
State general fund/general purpose		\$ 94,538,000

Executive direction.**Sec. 102. EXECUTIVE DIRECTION**

Full-time equated unclassified positions	58.5	
Full-time equated classified positions	256.0	
Unclassified salaries		\$ 5,349,400
Energy office—9.0 FTE positions		4,213,500
Executive director programs—27.0 FTE positions		2,964,300
Policy development—25.0 FTE positions		2,734,700
Utility consumer representation		550,000
Regulatory efficiency improvements/backlog reduction initiative		665,600
MES board of review program—18.0 FTE positions		1,930,600

	For Fiscal Year Ending Sept. 30, 2005
Commission on disability concerns—7.0 FTE positions	\$ 969,100
Commission for the blind—94.0 FTE positions	18,122,400
Youth low-vision program.....	241,800
Bureau of hearings—68.0 FTE positions	8,196,300
Rights-of-way oversight authority—5.0 FTE positions	500,000
Land bank fast track authority—3.0 FTE positions	650,000
GROSS APPROPRIATION.....	\$ 47,087,700
Appropriated from:	
Federal revenues:	
DOE-OEERE, multiple grants	3,679,100
DOL-ETA, unemployment insurance	9,392,500
DOL-ETA, workforce investment act	99,200
DOL, federal funds	269,900
DOL, multiple grants for safety and health	170,200
Federal revenues	13,804,500
HHS, temporary assistance for needy families.....	23,000
Special revenue funds:	
Local revenues	500,000
Private - oil overcharge	30,000
Private revenues.....	120,700
Bank fees.....	174,800
Boiler fees	33,500
Construction code fund.....	480,900
Consumer finance fees.....	61,200
Corporation fees.....	2,425,300
Credit union fees.....	112,700
Elevator fees	37,400
Fees and collections/asbestos	11,100
Insurance regulatory fees	566,200
Land bank fast track authority.....	650,000
Licensing and regulation fees.....	1,121,500
Liquor license fees.....	100,000
Liquor purchase revolving fund.....	1,773,500
Manufactured housing commission fees.....	159,900
Metro authority fund	500,000
Michigan state housing development authority fees and charges.....	475,900
Motor carrier fees.....	36,100
Public utility assessments	1,399,600
Safety education and training fund	243,900
Second injury fund	82,300
Securities fees	2,328,900
Self-insurers security fund.....	22,300
Silicosis and dust disease fund	32,700
State restricted revenues.....	477,300
Tax tribunal fees.....	1,100
Utility consumer representation fund	550,000
Worker's compensation administrative revolving fund.....	80,800
State general fund/general purpose	\$ 5,059,700

For Fiscal Year
Ending Sept. 30,
2005

Management services.

Sec. 103. MANAGEMENT SERVICES

Full-time equated classified positions	161.0	
Administrative services—161.0 FTE positions		\$ 14,959,500
Building occupancy charges - property development services		9,282,400
Rent.....		17,338,600
Worker's compensation.....		1,947,700
Special project advances		940,000
Human resources optimization user charges.....		147,600
GROSS APPROPRIATION		\$ 44,615,800
Appropriated from:		
Interdepartmental grant revenues:		
IDG from department of community health.....		300,000
Federal revenues:		
CNS.....		295,700
DED-OSERS, rehabilitation services, vocational rehabilitation		
of state grants		4,854,000
DOL-ETA, workforce investment act		439,100
DOL-ETA, unemployment insurance		14,125,000
DOL, federal funds.....		2,306,500
DOL, multiple grants for safety and health		573,600
Federal funds		20,600
Federal revenues		785,700
HHS, temporary assistance for needy families.....		311,400
Special revenue funds:		
Local revenue		135,500
Private - special project advances		940,000
Bank fees.....		287,800
Boiler fee revenue		239,100
Construction code fund.....		1,294,900
Consumer finance fees.....		103,900
Contingent fund, penalty and interest account.....		804,500
Corporation fees.....		2,584,100
Credit union fees.....		207,000
Elevator fees		268,100
Fees and collections/asbestos		45,300
Fire service fees		295,700
Insurance licensing and regulation fees		1,748,600
Insurance regulatory fees		553,600
Licensing and regulation fees.....		462,400
Liquor purchase revolving fund.....		3,784,500
Manufactured housing commission fees.....		243,300
Michigan state housing development authority fees and charges.....		2,933,300
Motor carrier fees.....		149,100
Private occupational school license fees		14,000
Public utility assessments		1,402,700
Rehabilitation services fees		90,300
Safety education and training fund		359,900

	For Fiscal Year Ending Sept. 30, 2005
Second injury fund	\$ 171,200
Securities fees	304,700
Self-insurers security fund.....	61,000
Silicosis and dust disease fund	68,600
Worker's compensation administrative revolving fund.....	95,600
State general fund/general purpose	\$ 955,500

Office of financial and insurance services.

Sec. 104. OFFICE OF FINANCIAL AND INSURANCE SERVICES

Full-time equated classified positions	266.0	
Administration—8.0 FTE positions		\$ 2,632,400
Financial evaluation—145.0 FTE positions		19,543,000
Policy conduct and consumer assistance—113.0 FTE positions		12,865,700
GROSS APPROPRIATION		\$ <u>35,041,100</u>
Appropriated from:		
Federal revenues:		
Federal funds		50,400
Special revenue funds:		
Bank fees		7,078,600
Consumer finance fees		3,275,100
Credit union fees.....		4,484,200
Insurance continuing education fees		741,400
Insurance licensing and regulation fees		4,291,500
Insurance regulatory fees		13,288,100
Multiple employer welfare arrangement.....		65,700
Securities fees		1,766,100
State general fund/general purpose		\$ 0

Public service commission.

Sec. 105. PUBLIC SERVICE COMMISSION

Full-time equated classified positions	146.0	
Administration, planning and regulation—146.0 FTE positions.....		\$ 18,734,700
Low-income/energy efficiency assistance		45,000,000
GROSS APPROPRIATION		\$ <u>63,734,700</u>
Appropriated from:		
Federal revenues:		
DOE-OEERE, multiple grants		149,000
DOT-RSPA, gas pipeline safety.....		940,700
Special revenue funds:		
Low-income and energy efficiency fund		45,000,000
Motor carrier fees.....		1,958,500
Public utility assessments		15,686,500
State general fund/general purpose		\$ 0

Liquor control commission.

Sec. 106. LIQUOR CONTROL COMMISSION

Full-time equated classified positions	152.0	
Management support services— 28.0 FTE positions		\$ 2,901,800
Liquor licensing and enforcement—124.0 FTE positions		11,587,700
Liquor law enforcement grants.....		6,000,000

	For Fiscal Year Ending Sept. 30, 2005
Grant to department of agriculture, wine industry council.....	\$ 457,200
GROSS APPROPRIATION.....	\$ 20,946,700
Appropriated from:	
Special revenue funds:	
Liquor license revenue	11,411,500
Liquor purchase revolving fund.....	9,078,000
Nonretail liquor license revenue.....	457,200
State general fund/general purpose	\$ 0

Michigan broadband development authority.

Sec. 107. MICHIGAN BROADBAND DEVELOPMENT AUTHORITY

Full-time equated classified positions.....	10.0
Director of legal and regulatory affairs—1.0 FTE position.....	\$ 143,400
Director of finance—1.0 FTE position.....	134,500
Director of marketing and customer development—1.0 FTE position	134,500
Director of accounting and purchasing—1.0 FTE position.....	108,500
Project director—1.0 FTE position.....	108,500
Director of community and government affairs—1.0 FTE position..	92,300
Executive assistant 13—1.0 FTE position.....	71,100
Executive assistant 11—1.0 FTE position.....	61,900
Accountant—1.0 FTE position.....	54,000
Intern positions—1.0 FTE position.....	30,000
Administration	357,900
GROSS APPROPRIATION.....	\$ 1,296,600
Appropriated from:	
Special revenue funds:	
Michigan broadband development authority fees and charges.....	1,296,600
State general fund/general purpose	\$ 0

Michigan state housing development authority.

Sec. 108. MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

Full-time equated classified positions.....	232.0
Payments on behalf of tenants.....	\$ 120,000,000
Housing and rental assistance program—232.0 FTE positions	31,624,300
GROSS APPROPRIATION.....	\$ 151,624,300
Appropriated from:	
Federal revenues:	
HUD, lower income housing assistance program.....	136,971,200
Special revenue funds:	
Michigan state housing development authority fees and charges.....	14,653,100
State general fund/general purpose	\$ 0

Tax tribunal.

Sec. 109. TAX TRIBUNAL

Full-time equated classified positions.....	12.0
Operations—12.0 FTE positions	\$ 1,371,300
GROSS APPROPRIATION.....	\$ 1,371,300

For Fiscal Year
Ending Sept. 30,
2005

Appropriated from:
Special revenue funds:

Securities fees	\$	376,100
Tax tribunal fees.....		688,300
State general fund/general purpose	\$	306,900

Grants.

Sec. 110. GRANTS

Fire protection grants	\$	7,210,500
GROSS APPROPRIATION.....	\$	<u>7,210,500</u>

Appropriated from:
Special revenue funds:

Fire protection fund		3,500,000
Liquor purchase revolving fund.....		3,710,500
State general fund/general purpose	\$	0

Occupational regulation.

Sec. 111. OCCUPATIONAL REGULATION

Full-time equated classified positions	409.0	
Code enforcement and fire safety—177.0 FTE positions.....		\$ 16,501,800
Boiler inspection program—23.0 FTE positions.....		2,305,200
Elevator inspection program—27.0 FTE positions		2,374,700
Commercial services—149.0 FTE positions.....		14,735,700
Local manufactured housing communities inspections		250,000
Manufactured housing and land resources program—22.0 FTE positions.....		2,749,300
Property development group—11.0 FTE positions		1,408,300
Remonumentation grants.....		<u>10,000,000</u>
GROSS APPROPRIATION.....	\$	50,325,000

Appropriated from:
Interdepartmental grant revenues:

IDG from department of community health, inspection contract.....		111,100
Federal revenues:		
Federal funds		872,300
FEMA.....		150,000
DOT.....		85,000
Special revenue funds:		
Boiler fee revenue		2,460,000
Construction code fund.....		13,450,000
Corporation fees.....		5,143,000
Elevator fees		2,493,300
Fire service fees		2,100,000
Homeowner construction lien recovery fund.....		1,532,800
Licensing and regulation fees.....		8,307,100
Limited liability partnership revenue.....		10,000
Manufactured housing commission fees.....		2,364,300
Property development fees.....		253,200
Remonumentation fees		10,635,300

		For Fiscal Year Ending Sept. 30, 2005
Real estate appraiser continuing education fund	\$	45,000
Real estate education fund.....		217,500
State general fund/general purpose	\$	95,100

Employment relations.

Sec. 112. EMPLOYMENT RELATIONS

Full-time equated classified positions		25.0
Employment and labor relations—25.0 FTE positions.....	\$	3,306,400
GROSS APPROPRIATION	\$	3,306,400
Appropriated from:		
Federal revenues:		
EEOC, federal funds.....		10,000
Special revenue funds:		
Securities fees		3,238,400
State general fund/general purpose	\$	58,000

Safety and regulation.

Sec. 113. SAFETY AND REGULATION

Full-time equated classified positions		229.0
Occupational safety and health—229.0 FTE positions	\$	23,829,900
GROSS APPROPRIATION	\$	23,829,900
Appropriated from:		
Federal revenues:		
DOL, multiple grants for safety and health		11,400,100
Special revenue funds:		
Corporate fees		1,966,500
Fees and collections/asbestos		748,200
Licensing and regulation fees.....		1,062,200
Safety education and training fund		7,036,600
Securities fees		1,616,300
State general fund/general purpose	\$	0

Bureau of worker's and unemployment compensation.

Sec. 114. BUREAU OF WORKER'S AND UNEMPLOYMENT COMPENSATION

Full-time equated classified positions		1,216.0
Administration—96.6 FTE positions	\$	8,721,700
Board of magistrates and appellate commission—19.4 FTE positions.....		2,591,700
Wage and hour division—31.0 FTE positions		2,381,200
Insurance funds administration—28.0 FTE positions.....		4,199,200
Supplemental benefit fund		1,300,000
Unemployment programs—963.7 FTE positions.....		76,928,100
Advocacy assistance program—8.0 FTE positions		1,500,000
Expanded fraud control program—33.2 FTE positions		2,789,200
Special audit and collections program—34.0 FTE positions.....		2,467,500
Training program for agency staff—2.1 FTE positions		1,775,100
GROSS APPROPRIATION	\$	104,653,700

For Fiscal Year
Ending Sept. 30,
2005

Appropriated from:	
Federal revenues:	
DOL-ETA, employment and training administration.....	\$ 576,600
DOL-ETA, unemployment insurance	79,149,800
Federal Reed act funds	4,233,500
Special revenue funds:	
Corporation fees.....	3,512,000
Contingent fund, penalty and interest account.....	6,588,400
Licensing and regulation fees.....	703,500
Second injury fund	2,262,200
Securities fees	3,575,300
Self-insurers security fund.....	1,068,300
Silicosis and dust disease fund	868,700
Worker’s compensation administrative revolving fund.....	2,115,400
State general fund/general purpose	\$ 0

Information technology.

Sec. 115. INFORMATION TECHNOLOGY

Information technology services and projects.....	\$ 42,159,400
GROSS APPROPRIATION.....	\$ 42,159,400

Appropriated from:	
Federal revenues:	
DOL-ETA, unemployment insurance	20,162,000
DOL, multiple grants for safety and health	188,500
Federal revenues	7,065,900
Special revenue funds:	
Bank fees.....	463,700
Boiler fee revenue	256,900
Construction code fund.....	1,395,100
Consumer finance fees.....	91,700
Corporation fees.....	1,665,900
Credit union fees.....	261,900
Elevator fees	247,000
Fees and collections/asbestos	11,000
Insurance regulatory fees	483,600
Licensing and regulation fees.....	1,077,700
Liquor purchase revolving fund.....	4,216,700
Manufactured housing commission fees.....	69,900
Michigan state housing development authority fees and charges.....	1,798,800
Motor carrier fees.....	93,400
Public utility assessments	750,800
Safety education and training fund	277,000
Second injury fund	104,000
Securities fees	1,392,700
Self-insurers security fund.....	37,100
Silicosis and dust disease fund	48,100
State general fund/general purpose	\$ 0

For Fiscal Year
Ending Sept. 30,
2005

Workforce development.

Sec. 116. WORKFORCE DEVELOPMENT

Full-time equated classified positions	878.5		
Employment training services—503.0 FTE positions		\$	83,780,300
Michigan career and technical institute—77.5 FTE positions.....			11,545,600
Employment services—246.0 FTE positions.....			44,334,000
Labor market information—52.0 FTE positions.....			5,747,700
GROSS APPROPRIATION		\$	145,407,600
Appropriated from:			
Federal revenues:			
CNS.....			1,585,900
DAG, employment and training			172,400
DED-OPSE, multiple grants			1,115,500
DED-OSERS, centers for independent living.....			58,200
DED-OSERS, rehabilitation long-term training			566,900
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants			47,335,400
DED-OSERS, state grants for technical-related assistance			56,000
DOL-ETA, workforce investment act			4,077,500
DED, Perkins act.....			174,900
DOL, federal funds			61,821,500
DOL-ODEP			225,000
HHS, temporary assistance for needy families.....			3,207,100
HHS-SSA, supplemental security income.....			4,394,800
Special revenue funds:			
Local revenue			4,071,300
Local vocational rehabilitation match			3,054,000
Private - gifts, bequests, and donations			1,396,300
Contingent fund, penalty and interest account.....			1,710,600
Rehabilitation services fees			1,199,900
Second injury fund			51,500
Student fees			308,000
Training material fees.....			256,400
State general fund/general purpose		\$	8,568,500

Career education programs.

Sec. 117. CAREER EDUCATION PROGRAMS

Full-time equated classified positions	57.0		
Career and technical education—25.0 FTE positions		\$	3,266,100
Postsecondary education—14.0 FTE positions			2,455,000
Adult education—16.0 FTE positions.....			2,304,400
Commission on Spanish-speaking affairs—2.0 FTE positions.....			221,000
GROSS APPROPRIATION		\$	8,246,500
Appropriated from:			
Federal revenues:			
Federal revenues			6,116,700
Special revenue funds:			
Private occupational school license fees			388,600

	For Fiscal Year Ending Sept. 30, 2005
Defaulted loan collection fees	\$ 100,000
State general fund/general purpose	\$ 1,641,200

Department grants.

Sec. 118. DEPARTMENT GRANTS

Adult basic education.....	\$ 17,000,000
Carl D. Perkins grants.....	47,500,000
Focus: HOPE.....	5,860,200
Gear-up program grants.....	3,000,000
Job training programs subgrantees	119,612,700
Michigan community service commission subgrantees.....	5,900,000
Michigan virtual university.....	1,000,000
Personal assistance services	459,500
Precollege programs in engineering and the sciences	680,100
Vocational rehabilitation client services/facilities.....	54,989,500
Vocational rehabilitation independent living.....	3,079,700
Welfare-to-work programs.....	113,798,600
GROSS APPROPRIATION.....	\$ 372,880,300

Appropriated from:

Federal revenues:

CNS.....	5,500,000
DAG, employment and training	13,000,000
DED-OESE, gear-up	3,000,000
DED-OSERS, centers for independent living.....	450,200
DED-OSERS, client assistance for individuals with disabilities	440,000
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants.....	35,797,900
DED-OSERS, rehabilitation services facilities.....	2,272,500
DED-OSERS, supported employment	1,541,300
DED-OSERS, state grants for technical-related assistance	2,240,800
DED-OVAE, adult education.....	17,000,000
DED-OVAE, basic grants to states	47,500,000
DOL-ETA, workforce investment act	119,602,700
Federal section 903(d), SSA funds	21,300,000
HHS-SSA, supplemental security income.....	2,480,600
HHS, temporary assistance for needy families.....	67,299,000

Special revenue funds:

Local vocational rehabilitation facilities match.....	1,278,300
Local vocational rehabilitation match	6,630,500
Private - gifts, bequests, and donations	800,000
Contingent fund, penalty and interest account.....	1,000,000
State general fund/general purpose	\$ 23,746,500

Michigan strategic fund.

Sec. 119. MICHIGAN STRATEGIC FUND

Full-time equated classified positions.....	199.0
Administration—39.0 FTE positions	\$ 2,732,400
Job creation services—160.0 FTE positions.....	19,600,700

	For Fiscal Year Ending Sept. 30, 2005
Michigan promotion program	\$ 5,717,500
Economic development job training grants	10,048,000
Community development block grants	50,000,000
Technology tri-corridor: life sciences initiative.....	30,000,000
Human resources optimization user charges.....	29,500
GROSS APPROPRIATION.....	\$ 118,128,100
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDEQ, air quality fees.....	104,100
Federal revenues:	
DOL-ETA, employment service	813,600
HUD-CPD, community development block grant.....	52,200,700
Special revenue funds:	
Private - special project advances	853,100
Industry support fees	50,000
Tobacco settlement revenue	10,000,000
State general fund/general purpose	\$ 54,106,600

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS**Total state spending; payments to local units of government.**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2004-2005 is \$385,038,600.00 and state spending from state resources to be paid to local units of government for fiscal year 2004-2005 is \$25,112,200.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF LABOR AND ECONOMIC GROWTH

Fire protection grants	\$ 7,210,500
Liquor law enforcement	6,000,000
Local manufactured housing inspections.....	201,700
Remonumentation grants.....	10,000,000
Fire fighters training council.....	1,700,000
Total department of labor and economic growth.....	\$ 25,112,200

Appropriations subject to MCL 18.1101 to 18.1594.

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

Definitions.

Sec. 203. As used in this appropriation act:

(a) "CEO" means chief executive officer of the Michigan economic development corporation.

- (b) “CNS” means the corporation for national services.
- (c) “DAG” means the United States department of agriculture.
- (d) “DED” means the United States department of education.
- (e) “DED-OESE” means the DED office of elementary and secondary education.
- (f) “DED-OPSE” means the DED office of postsecondary education.
- (g) “DED-OSERS” means the DED office of special education rehabilitation services.
- (h) “DED-OVAE” means the DED office of vocational and adult education.
- (i) “Department” means the department of labor and economic growth, including the Michigan strategic fund.
- (j) “Director” means the director of the department of labor and economic growth.
- (k) “DOE” means the United States department of energy.
- (l) “DOE-OEERE” means the DOE office of energy efficiency and renewable energy.
- (m) “DOL” means the United States department of labor.
- (n) “DOL-ETA” means the DOL employment and training administration.
- (o) “DOL-ODEP” means the DOL office of disability employment policy.
- (p) “DOT” means the United States department of transportation.
- (q) “DOT-RSPA” means the DOT research and special programs administration.
- (r) “EEOC” means equal employment opportunity commission.
- (s) “Fiscal agencies” means Michigan house fiscal agency and Michigan senate fiscal agency.
- (t) “FTE” means full-time equated.
- (u) “Fund” means the Michigan strategic fund.
- (v) “GED” means general education degree.
- (w) “HHS” means the United States department of health and human services.
- (x) “HHS-SSA” means HHS social security administration.
- (y) “HUD” means the United States department of housing and urban development.
- (z) “HUD-CPD” means HUD community planning and development.
- (aa) “IDG” means interdepartmental grant.
- (bb) “MDCH” means the Michigan department of community health.
- (cc) “MDEQ” means the Michigan department of environmental quality.
- (dd) “MEDC” means the Michigan economic development corporation, which is the public body corporate created under section 28 of article VII of the state constitution of 1963 and the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, by contractual interlocal agreement effective April 5, 1999, between local participating economic development corporations formed under the economic development corporations act, 1974 PA 338, MCL 125.1601 to 125.1636, and the Michigan strategic fund.
- (ee) “MES” means Michigan employment security.
- (ff) “Subcommittees” means all members of the subcommittees of the house and senate appropriations committees with jurisdiction over the budget for the department.

Billing by department of civil service.

Sec. 204. The department of civil service shall bill the department at the end of the first fiscal quarter for the 1% charge authorized by section 5 of article XI of the state

constitution of 1963. Payments shall be made for the total amount of the billing by the end of the second fiscal quarter.

Hiring freeze; exceptions.

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

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

Privatization; project plan.

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

Reporting requirements; use of Internet.

Sec. 208. Unless otherwise specified, the department shall use the Internet to fulfill the reporting requirements of this act. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement or it may include placement of reports on the Internet or Intranet site.

Purchase of foreign goods or services.

Sec. 209. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available. Goods or services, or both, manufactured or provided by Michigan businesses shall be used if they are competitively priced and of comparable value.

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

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

Affirmative action programs; guidelines.

Sec. 211. The department shall establish and maintain affirmative action programs based on guidelines developed by the state equal opportunity workforce planning council

which was created by Executive Order No. 1996-13 in order to receive general fund/general purpose dollars.

Receipt and retention of reports.

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

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

Sec. 213. From the funds appropriated in part 1 for information technology, the department shall pay user fees to the department of information technology for technology-related services and projects. Such user fees shall be subject to provisions of an interagency agreement between the department and the department of information technology.

Information technology funds; designation as work project.

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

Revenue sources; identification and detail.

Sec. 216. It is the intent of the legislature that all revenue sources for funds appropriated in part 1 shall not be aggregated into general categories and shall be specifically identified and detailed as much as possible.

Out-of-state travel.

Sec. 217. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2005 shall be limited to situations in which 1 or more of the following conditions apply:

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

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

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

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

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

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

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

(3) Not later than January 1 of each year, each department shall prepare a travel report listing all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds

appropriated in the department's budget. The report shall be submitted to the chairs and members of the house and senate appropriations committees, the fiscal agencies, and the state budget director. The report shall include the following information:

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

REGULATORY

State-owned facilities for fire services; grants.

Sec. 301. The appropriation in part 1 for fire protection grants from the liquor purchase revolving fund and the fire protection fund shall be appropriated to cities, villages, and townships with state-owned facilities for fire services, instead of taxes, in accordance with 1977 PA 289, MCL 141.951 to 141.956.

Collection of funds by office of financial and insurance services; conservatorship.

Sec. 302. The funds collected by the office of financial and insurance services in connection with a conservatorship pursuant to section 32 of the mortgage brokers, lenders, and servicers licensing act, 1987 PA 173, MCL 445.1682, shall be appropriated for all expenses necessary to provide for the required services. Funds are available for expenditure when they are received by the department of treasury and shall not lapse to the general fund at the end of the fiscal year.

Collection of funds by department from liquidating corporations.

Sec. 303. The funds collected by the department from corporations being liquidated pursuant to the insurance code of 1956, 1956 PA 218, MCL 500.100 to 500.8302, shall be appropriated for all expenses necessary to provide for the required services. Funds are available for expenditure when they are received by the department of treasury and shall not lapse to the general fund at the end of the fiscal year.

Customized listing of nonconfidential information; fees; use of revenue; report.

Sec. 304. The department may make available to interested entities otherwise unavailable customized listings of nonconfidential information in its possession, such as names and addresses of licensees, and charge for this information as follows: base fee for 1 to 1,000 records at the cost to the department; 1,001 to 10,000 records at 2.5 cents per record; and 10,001 or more records at .5 cents per record. The revenue received from this service may be used to offset expenses of programs as appropriated in part 1. The balance of this revenue collected and unexpended at the end of the fiscal year shall revert to the

appropriate restricted revenue account or fund or, in absence of such an account or fund, to the general fund. The department shall submit an annual report on or before December 1 of each year to the state budget office and the subcommittees that states the amount of revenue received from the sale of information.

Michigan state housing development authority; housing production goals.

Sec. 306. The Michigan state housing development authority shall annually present a report to the state budget office and the subcommittees on the status of the authority's housing production goals under all financing programs established or administered by the authority. The report shall give special attention to efforts to raise affordable multifamily housing production goals.

Licenses, permits, and other elevator regulation fees; funds.

Sec. 308. The funds collected by the department for licenses, permits, and other elevator regulation fees set forth in R 408.8151 of the Michigan administrative code and as determined under section 8 of 1976 PA 333, MCL 338.2158, and section 16 of 1967 PA 227, MCL 408.816, that are unexpended at the end of the fiscal year shall carry forward to the subsequent fiscal year. The department shall submit a report on an annual basis to the state budget office and the subcommittees on the amount of funds available under this section.

Occupational safety and health; fees and collections; carrying forward excess amount.

Sec. 309. If the revenue collected by the department for occupational safety and health from fees and collections exceeds the amount appropriated in part 1, the revenue may be carried forward into the subsequent fiscal year. The revenue carried forward under this section shall be used as the first source of funds in the subsequent fiscal year.

Fire safety programs; inspection and plan review fees.

Sec. 310. Money appropriated under this act for fire safety programs shall not be expended unless, in accordance with section 2c of the fire prevention code, 1941 PA 207, MCL 29.2c, inspection and plan review fees will be charged according to the following schedule:

<u>Operation and maintenance inspection fee</u>		
<u>Facility type</u>	<u>Facility size</u>	<u>Fee</u>
Hospitals	Any	\$8.00 per bed
<u>Plan review and construction inspection fees for hospitals and schools</u>		
<u>Project cost range</u>	<u>Fee</u>	
\$101,000.00 or less	minimum fee of \$155.00	
\$101,001.00 to \$1,500,000.00	\$1.60 per \$1,000.00	
\$1,500,001.00 to \$10,000,000.00	\$1.30 per \$1,000.00	
\$10,000,001.00 or more	\$1.10 per \$1,000.00	
	or a maximum fee of \$60,000.00.	

Licensing and regulation fees; carrying forward excess revenues.

Sec. 313. If the revenue collected by the department from licensing and regulation fees exceeds the amount appropriated in part 1, the revenue may be carried forward into the subsequent fiscal year. The revenue carried forward under this section shall be used as the first source of funds in the subsequent fiscal year.

Unemployment insurance agency and employment service agency funds; expenditure of excess funds.

Sec. 314. Funds earned or authorized by the United States department of labor in excess of the gross appropriation in part 1 for the unemployment insurance agency and the employment service agency from the United States department of labor are appropriated and may be expended for staffing and related expenses incurred in the operation of its programs. These funds may be spent after the department notifies the state budget office and the subcommittees of the purpose and amount of each grant award.

Sale of documents.

Sec. 315. The department shall sell documents at a price not to exceed the cost of production and distribution. Money received from the sale of these documents shall revert to the department. The funds are available for expenditure when they are received by the department of treasury and may only be used for costs directly related to the continued updating and distribution of the documents pursuant to this section. This section applies only for the following documents:

(a) Corporation and securities division documents, reports, and papers required or permitted by law pursuant to section 1060(5) of the business corporation act, 1972 PA 284, MCL 450.2060.

(b) The subdivision control manual, the state boundary commission operations manual, and other local government assistance manuals.

(c) The Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1101 to 436.2303.

(d) The mobile home commission act, 1987 PA 96, MCL 125.2301 to 125.2349; the business corporation act, 1972 PA 284, MCL 450.1101 to 450.2098; the nonprofit corporation act, 1982 PA 162, MCL 450.2101 to 450.3192; and the uniform securities act, 1964 PA 265, MCL 451.501 to 451.818.

(e) Labor law books.

(f) Worker's compensation health care services rules.

(g) Construction code manuals.

(h) Copies of transcripts from administrative law hearings.

Number of individuals killed and injured on the job; annual report.

Sec. 317. The department, bureau of safety and regulation, shall provide an annual report by February 1 of each year to the state budget office, the fiscal agencies, and the subcommittees on the number of individuals killed and the number of individuals injured on the job within industries regulated by the bureau during the most recent year for which data are available.

Utility consumer representation; public service announcements.

Sec. 322. From the funds appropriated in part 1 for utility consumer representation, the department shall produce and facilitate the airing of public service announcements that inform utility customers of the availability and purpose of these funds. The utility consumer participation board shall report to the subcommittees, fiscal agencies, and state budget office by September 30 on its efforts in this area, including the amount of expenditures made for this purpose.

Commission for the blind; use of funds for tuition payments.

Sec. 326. The appropriation in part 1 for the Michigan commission for the blind includes funds for case services. These funds may be used for tuition payments for blind clients for the school year beginning September 2004.

Remote initial claims center automated phone system; option to speak with employee.

Sec. 330. (1) The bureau of worker's and unemployment compensation shall include in the remote initial claims center (RICCS) automated phone system a choice to speak with an employee of the unemployment agency as an option. This option should be provided in the system as early as possible as deemed appropriate in the system design. The department shall monitor the system to ensure compliance with these guidelines.

(2) The bureau of worker's and unemployment compensation should continue to provide training opportunities to employees affected with the implementation of RICCS.

Administrative law hearings; locations.

Sec. 332. It is the intent of the legislature that the department make every effort to hold administrative law hearings on actions initiated by the department against regulated businesses or against individuals in regulated occupations in locations that are within 150 miles of the regulated business or of the office of the individual in a regulated occupation. In addition, it is the intent of the legislature that the department make every effort to hold administrative law hearings on actions initiated by an individual outside the department in locations within 150 miles of the home of the individual bringing the action if that individual wishes to testify at the hearing.

Low-income/energy efficiency assistance program; report.

Sec. 335. The public service commission shall report by June 1 of each year to the subcommittees, the state budget office, and the fiscal agencies on the distribution of funds appropriated in part 1 for the low-income/energy efficiency assistance program.

Office of financial and insurance services; report on expenditures.

Sec. 336. The department shall provide the subcommittees, fiscal agencies, and state budget director with a report on or before December 1 outlining actual expenditures for the last completed fiscal year for each division within the office of financial and insurance services.

Office of financial and insurance services; copies of filings of health maintenance organizations.

Sec. 340. The office of financial and insurance services shall provide copies of the quarterly and annual financial filings of health maintenance organizations to the fiscal agencies on a timely basis.

Fire protection grants; additional funds; condition.

Sec. 347. In addition to the funds appropriated in part 1 for fire protection grants, \$3,700,000.00 shall be appropriated contingent upon enactment of House Bill No. 5313 of the 92nd Legislature and the meeting of the threshold conditions on revenue.

Senior assisted living.

Sec. 349. The department and the Michigan state housing development authority shall work collaboratively with other state departments and agencies to maximize the use of available Michigan state housing development authority fund equity to provide senior assisted living that offers a continuum of care from independent apartments to assisted living to nursing care and Alzheimer programs.

External review for adverse determination; right to request.

Sec. 350. (1) The department shall allocate funds to promote awareness of the right of a policyholder, subscriber, member, enrollee, or other individual participating in a health

benefit plan, after the covered person has exhausted the health carrier's internal grievance process provided for by law, to request an external review for an adverse determination.

(2) As used in this section, "covered person" means that term as defined in section 3 of the patient's right to independent review act, 2000 PA 251, MCL 550.1903.

Real estate continuing education courses.

Sec. 351. (1) The department shall issue a report to the subcommittees by the end of each calendar year, but not later than December 31 of each year, showing the date each real estate continuing education course was submitted for approval and the date of final disposition, approval, or denial.

(2) The department shall post on its website the approved real estate continuing education courses, as well as the dates, times, instructors, locations, course title, and credit hours of the courses.

(3) The department shall have available to the public online the precensure and continuing education course approvals.

(4) It is the intent of the legislature that sponsors of continuing education be able to report an applicant's or licensee's completion of courses to the department via electronic methods.

Worker's compensation appellate commissioners and board of magistrates; funding.

Sec. 352. From the funds appropriated in part 1 for unclassified salaries, the department shall provide funding for 5 worker's compensation appellate commissioners and 26 worker's compensation board of magistrates. Expenditures shall be made so that the 2 bodies shall decide worker's compensation cases in a timely manner.

Fire marshal; report.

Sec. 353. (1) The department shall prepare a detailed report and deliver it to the subcommittees not later than January 15, 2005.

(2) The report shall contain input from a delegate appointed from and by the following organizations:

- (a) Michigan fire chiefs association.
- (b) Michigan state fireman's association.
- (c) Michigan firefighter's union.
- (d) Michigan fire service instructors association.
- (e) Michigan fire inspectors society.
- (f) Michigan chapter of the international association of arson investigators.

(3) The report prepared pursuant to subsection (1) shall contain information about the quality and adequacy of service from the state fire investigation, education, and training under the reorganization of the fire marshal division responsibilities. The report shall be based on the performance of the fire marshal division in the performance of its fire safety duties during fiscal year 2003-2004.

Michigan commission for the blind; identification of matching funds.

Sec. 356. It is the intent of the legislature that the Michigan commission for the blind work collaboratively with service organizations to identify qualified match dollars to maximize use of available federal funds.

Remonumentation grants; additional funds.

Sec. 357. If there is insufficient funding in part 1 for remonumentation grants to meet the programmatic needs, the department is encouraged to request additional authorization through the legislative process.

Prelicensure and postlicensure education; delivery through on-line courses.

Sec. 358. The real estate education fund created in section 37 of the state license fee act, 1979 PA 152, MCL 338.2237, and administered by the department shall allow prelicensure and postlicensure education to be delivered through on-line courses by a community college, university, or private school, after licensure and approval by the department. Expenditures from this fund may also be made to support department grants for educational providers to establish on-line courses that would be made available to students throughout the year.

Real estate license continuing education credits; tracking system.

Sec. 360. The department shall create a tracking system for real estate license continuing education credits that would allow the licensee to ascertain the number of approved course credits that the licensee has completed.

Land bank fast track.

Sec. 361. In addition to the amounts appropriated in part 1 for the administration of the land bank fast track authority, the authority may expend revenues received under the land bank fast track act, 2003 PA 258, MCL 124.751 to 124.774, for the purposes authorized by the act including, but not limited to, the acquisition, lease, management, demolition, maintenance, or rehabilitation of real or personal property, payment of debt service for notes or bonds issued by the authority, and other expenses to clear or quiet title property held by the authority.

Boxing regulation.

Sec. 362. (1) Of the funds appropriated in part 1 for the department, \$200,000.00 may be used for administration and enforcement of boxing regulation in Michigan.

(2) It is the intent of the legislature that any additional responsibilities associated with the administration and enforcement of boxing regulation be accompanied by the passage and statutory changes that would provide an adequate fee structure to support those activities within the department.

Worker's compensation board of magistrates; vacancy.

Sec. 363. It is the intent of the legislature that the next vacancy on the worker's compensation board of magistrates be filled by an individual that is a permanent resident in the Upper Peninsula.

Broadband development authority; administrative costs.

Sec. 364. The department shall provide a report to the chairs of the appropriation subcommittees on labor and economic growth by January 1 on the total administrative costs allocated for the broadband development authority. These costs should include all staffing and other related costs associated with contracts. The report shall also include any payments to date for reimbursement to the Michigan state housing development authority. If no payments have been made, then the report shall include a detailed plan outlining the reimbursement schedule.

WORKFORCE AND CAREER DEVELOPMENT**Michigan career and technical institute; support of staff services.**

Sec. 401. The Michigan career and technical institute may receive equipment and in-kind contributions for the direct support of staff services through the Pine Lake fund, the Delton-Kellogg school district or other local or intermediate school district, or any combination of local or intermediate school districts in addition to those authorized in part 1.

Federal vocational rehabilitation funds; matching funds.

Sec. 402. The Michigan rehabilitation service shall make every effort to ensure that all sources of matching funds in this state are used to obtain federal vocational rehabilitation funds. All sources include, but are not limited to, privately raised funds to support public nonprofit rehabilitation centers as permitted by the rehabilitation act of 1973, Public Law 93-112, 29 USC 701 to 718, 720 to 751, 760 to 765, 771 to 776, 780 to 785, 791 to 794e, 795 to 795n, and 796 to 796l.

Vocational rehabilitation facilities establishment grants; local match requirements.

Sec. 403. The local match requirements for vocational rehabilitation facilities establishment grants shall not exceed 21.3% for the fiscal year ending September 30.

Centers for independent living.

Sec. 404. (1) Of the funds appropriated in part 1 for vocational rehabilitation independent living, all general fund/general purpose revenue not used to match federal funds shall be used for the support of centers for independent living which are in compliance with federal standards for such centers, for the development of new centers in areas presently unserved or underserved, for technical assistance to centers, and for projects to build capacity of centers to deliver independent living services. Applications for such funds shall be reviewed in accordance with criteria and procedures established by the statewide independent living council, the Michigan rehabilitation services unit within the department, and the Michigan commission for the blind. Funds must be used in a manner consistent with the priorities established in the state plan for independent living. The department is directed to work with the Michigan association of centers for independent living and the local workforce development boards to identify other competitive sources of funding.

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

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

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

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

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

(iv) The total number of disabled individuals served by personal care attendants and the number of personal care attendants provided through the use of any funds appropriated

in part 1 administered by a center for independent living and a comparison to the number served in the previous year.

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

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

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

Work first program.

Sec. 405. (1) The appropriation in part 1 to the department for the work first program shall be expended for grants which provide employment and training services to family independence program applicants and recipients and may be expended for grants that provide employment and training services to former family independence program recipients, as well as to recipients of noncash public assistance, specifically child day care, Medicaid, or food stamp benefits. The work first program, however, shall not be construed to be an entitlement to services.

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

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

(4) Work first program participants shall include applicants and recipients of the family independence program established under section 57a of the social welfare act, 1939 PA 280, MCL 400.57a, and such individuals referred to a job club program by a county