

**No. 57**  
**JOURNAL OF THE SENATE**

---

Senate Chamber, Lansing, Tuesday, July 10, 2001.

10:00 a.m.

The Senate was called to order by the President pro tempore, Senator John J.H. Schwarz.

The roll was called by the Secretary of the Senate, who announced that a quorum was present.

Bennett—present  
Bullard—present  
Byrum—present  
Cherry—present  
DeBeaussaert—present  
DeGrow—present  
Dingell—present  
Dunaskiss—present  
Emerson—present  
Emmons—present  
Garcia—present  
Gast—present  
Goschka—present

Gougeon—present  
Hammerstrom—present  
Hart—present  
Hoffman—present  
Johnson—present  
Koivisto—present  
Leland—excused  
McCotter—present  
McManus—present  
Miller—present  
Murphy—present  
North—present

Peters—present  
Schuette—present  
Schwarz—present  
Scott—present  
Shugars—present  
Sikkema—present  
Smith—present  
Steil—present  
Stille—present  
Van Regenmorter—present  
Vaughn—excused  
Young—present

Senator Christopher D. Dingell of the 7th District offered the following invocation:

A great many people tried to test Jesus of Nazareth during His time on earth. During His final days, an expert in the law tested Jesus with a question: "Teacher, which is the greatest commandment in the law?"

Jesus replied, "Love the Lord your God with all your heart and with all your soul and with all your mind. This is the first and greatest commandment. And the second is like it: 'Love your neighbor as yourself.'" All the laws and prophets hang on these two commandments.

### Motions and Communications

Senator Emmons moved that Senators DeGrow, Dunaskiss, Garcia, McManus and Shugars be temporarily excused from today's session.

The motion prevailed.

Senator Emerson moved that Senators Vaughn and Leland be excused from today's session.

The motion prevailed.

The following communications were received:

Department of State

#### Administrative Rules Notices of Filing

June 18, 2001

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6, this is to advise you that the Office of Regulatory Reform, Legal Division filed at 2:50 p.m. this date, administrative rule (01-06-01) for the Department of Consumer and Industry Services, Director's Office, entitled "*Architects*," effective 7 days hereafter.

June 18, 2001

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6, this is to advise you that the Office of Regulatory Reform, Legal Division filed at 2:52 p.m. this date, administrative rule (01-06-02) for the Department of Consumer and Industry Services, Director's Office, entitled "*Engineers*," effective 7 days hereafter.

June 18, 2001

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6, this is to advise you that the Office of Regulatory Reform, Legal Division filed at 2:54 p.m. this date, administrative rule (01-06-03) for the Department of Consumer and Industry Services, Director's Office, entitled "*Nursing*," effective 7 days hereafter.

June 18, 2001

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6, this is to advise you that the Office of Regulatory Reform, Legal Division filed at 2:56 p.m. this date, administrative rule (01-06-04) for the Department of Consumer and Industry Services, Director's Office, entitled "*Psychology*," effective 7 days hereafter.

June 18, 2001

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6, this is to advise you that the Office of Regulatory Reform, Legal Division filed at 2:58 p.m. this date, administrative rule (01-06-05) for the Department of Consumer and Industry Services, Director's Office, entitled "*Professional Surveyors*," effective 7 days hereafter.

June 18, 2001

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6, this is to advise you that the Office of Regulatory Reform, Legal Division filed at 3:00 p.m. this date, administrative rule (01-06-06) for the Department of Consumer and Industry Services, Director's Office, entitled "*Mobile Homes*," effective 7 days hereafter.

June 18, 2001

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6, this is to advise you that the Office of Regulatory Reform, Legal Division filed at 3:02 p.m. this date, administrative rule (01-06-07) for the Department of Consumer and Industry Services, Director's Office, entitled "*Procedural Rules (Mfg. Housing)*," effective 7 days hereafter.

June 18, 2001

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6, this is to advise you that the Office of Regulatory Reform, Legal Division filed at 3:04 p.m. this date, administrative rule (01-06-08) for the Department of Consumer and Industry Services, Director's Office, entitled "*General Rules (Barrier Free Design Board)*," effective 7 days hereafter.

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

The communications were referred to the Secretary for record.

The following communications were received:  
Office of the Auditor General

June 20, 2001

Enclosed is a copy of the following audit report and/or executive digest:  
Performance and Financial Audit of the Homeowner Construction Lien Recovery Fund, Department of Consumer and Industry Services, October 1, 1997, through September 30, 2000.

June 20, 2001

Enclosed is a copy of the following audit report and/or executive digest:  
Financial Audit, Including the Provisions of the Single Audit Act, of the Department of State, October 1, 1998, through September 30, 2000.

June 25, 2001

Enclosed is a copy of the following audit report and/or executive digest:  
Financial Audit, Including the Provisions of the Single Audit Act, of the Department of Management and Budget, October 1, 1998, through September 30, 2000.

June 26, 2001

Enclosed is a copy of the following audit report and/or executive digest:  
Financial Audit, Including the Provisions of the Single Audit Act, of the Michigan Economic Development Corporation, October 1, 1998, through September 30, 2000.

June 26, 2001

Enclosed is a copy of the following audit report and/or executive digest:  
Financial Audit, Including the Provisions of the Single Audit Act, of the Michigan Strategic Fund, October 1, 1998, through September 30, 2000.

June 27, 2001

Enclosed is a copy of the following audit report and/or executive digest:  
Financial Audit, Including the Provisions of the Single Audit Act, of the Department of Attorney General, October 1, 1998, through September 30, 2000.

June 27, 2001

Enclosed is a copy of the following audit report and/or executive digest:  
Performance Audit of the Law Enforcement Division, Department of Natural Resources, June 2001.

June 28, 2001

Enclosed is a copy of the following audit report and/or executive digest:  
Financial Audit, Including the Provisions of the Single Audit Act, of the Department of Career Development, October 1, 1998, through September 30, 2000.

June 28, 2001

Enclosed is a copy of the following audit report and/or executive digest:  
Performance Audit of Selected State Universities' Reporting of Enrollment and Other Higher Education Institutional Data Inventory (HEIDI), Data Fiscal Year 1999-2000.

June 29, 2001

Enclosed is a copy of the following audit report and/or executive digest:  
Financial Audit, Including the Provisions of the Single Audit Act, of the Michigan Department of Transportation, October 1, 1998, through September 30, 2000.

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

The communications were referred to the Secretary for record.

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

June 25, 2001

Pursuant to Section 314 of P.A. 293 of 2000, we are enclosing copies of the following reports:

<u>Type of Report</u>	<u>Facility</u>	<u>License #</u>
Approval Study Report	Olympic	CS470201339

These reports were performed in compliance with the requirements of P.A. 116 of 1973 as amended, and the Administrative Rules for Child Caring Institutions. The report may also be viewed on our Web site at the following address: [http://www.cis.state.mi.us/fast/leg\\_rep00.htm](http://www.cis.state.mi.us/fast/leg_rep00.htm).

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

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

The communication was referred to the Secretary for record.

The following communication was received:  
State Budget Office

June 27, 2001

This letter transmits the "Statement of the Proportion of Total State Spending From State Sources Paid to Units of Local Government - Legal Basis" for fiscal year 1999-2000, which has been prepared in accordance with Sections 18.1115(5), 18.1303-18.1305, 18.1349, 18.1350, 18.1497, and 18.1498 of the Michigan Compiled Laws for the purpose of demonstrating compliance with Article 9, Section 30 of the Michigan Constitution.

The computed percentage of total state spending from state sources paid to local governments for fiscal year 1999-2000 is 61.68%, which is 12.71% in excess of the minimum required 48.97%.

The statement has been reviewed by the Office of the Auditor General and a copy of their independent accountant's review letter is enclosed.

If you have questions regarding this report, please contact Mr. Leon E. Hank, Director, Office of Financial Management, at 373-1010.

Sincerely,  
Mary A. Lannoye  
State Budget Director

The communication was referred to the Secretary for record.

The following communication was received:  
Department of State

July 3, 2001

On March 10, 2000, Public Act 29 of 1999 went into effect. This act gave police officers in Michigan the authority to stop and issue citations to motorists who are not wearing a safety belt, or whose passengers are not buckled up, even if no other violation has been committed. Concerns were raised during legislative debate about the potential for police officers using primary enforcement of the safety belt law as an opportunity to harass drivers in one way or another.

The act required the Secretary of State to engage an independent organization to conduct a three-year study to determine the effect that the primary enforcement of the safety belt requirements has on the number of incidents of police harassment of drivers (MCL 257.710e(9)). On January 3, 2001, the Department of State (DOS) entered into a contract with the University of Michigan Transportation Research Institute (UMTRI) to conduct this study. The prime consideration in the design of this study is to produce findings for the public, law enforcement and policy makers that are valid, reliable and credible.

Included in the act was the requirement that the organization that conducts the study must submit an annual report to the Legislature by June 30, 2001, June 30, 2002, and June 30, 2003. Please find enclosed UMTRI's first-year report.

UMTRI began their research efforts in late March. They have made significant progress on their first year tasks, however, data is still being collected and no analysis of any data has been conducted. Therefore, their first-year report contains no conclusions or recommendations, but is their detailed three-year work plan. This work plan should provide the legislature with a clear picture of the design and activities to be conducted to complete their research.

If you have any questions or need additional information, please feel free to call.

Respectfully,  
Elaine Charney, Bureau Director  
Bureau of Driver Safety

The communication was referred to the Secretary for record.

The Secretary announced that the following House bill was received in the Senate and filed on Tuesday, June 26:

**House Bill No. 4774**

The Secretary announced that the following House bills were received in the Senate and filed on Thursday, June 28:

**House Bill Nos. 4174 4939 4940 4941 4942 4943 4944 4945 4946 4947 4948 4949 4950 4951  
4952 4953 4954 4955 4956 4957**

The Secretary announced that the following House bill was received in the Senate and filed on Friday, June 29:

**House Bill No. 4371**

The Secretary announced the enrollment printing and presentation to the Governor on Thursday, June 28, for his approval the following bills:

**Enrolled Senate Bill No. 360 at 10:19 a.m.**

**Enrolled Senate Bill No. 361 at 10:21 a.m.**

The Secretary announced the printing and placement in the members' files on Wednesday, June 27, of:

**Senate Bill Nos. 548 549 550**

The Secretary announced the printing and placement in the members' files on Wednesday, June 27, of:

**House Bill Nos. 4988 4989 4990 4991 4992 4993 4994 4995**

The Secretary announced the printing and placement in the members' files on Thursday, June 28, of:

**Senate Bill Nos. 551 552 553 554 555 556 557 558 559 560 561 562 563 564  
565 566 567 568 569 570 571 572 573 574**

The Secretary announced the printing and placement in the members' files on Friday, June 29, of:

**House Bill Nos. 4996 4997 4998 4999 5000 5001**

Senator Emmons moved that rule 2.106 be suspended to allow all committees to meet during Senate session. The motion prevailed, a majority of the members serving voting therefor.

Senators McManus, Shugars, Dunaskiss and Garcia entered the Senate Chamber.

By unanimous consent the Senate proceeded to the order of  
**Introduction and Referral of Bills**

Senator Bullard introduced  
**Senate Bill No. 575, entitled**

A bill to amend 1975 PA 228, entitled "Single business tax act," (MCL 208.1 to 208.145) by adding section 39d. The bill was read a first and second time by title and referred to the Committee on Finance.

Senator Bullard introduced  
**Senate Bill No. 576, entitled**

A bill to amend 1937 PA 94, entitled "Use tax act," by amending section 4 (MCL 205.94), as amended by 2000 PA 200. The bill was read a first and second time by title and referred to the Committee on Finance.

Senator Bullard introduced  
**Senate Bill No. 577, entitled**

A bill to amend 1978 PA 59, entitled "Condominium act," by amending section 54 (MCL 559.154), as amended by 2000 PA 379.

The bill was read a first and second time by title and referred to the Committee on Economic Development, International Trade and Regulatory Affairs.

Senator Hart introduced  
**Senate Bill No. 578, entitled**

A bill to provide for the inspection, licensing, and regulation of paintball facilities; to provide for the safety of the public at paintball facilities; to prescribe certain powers and duties of the carnival-amusement safety board; to provide for the disposition of revenues; and to provide penalties for violations.

The bill was read a first and second time by title and referred to the Committee on Economic Development, International Trade and Regulatory Affairs.

Senators Scott, Young, Hart, Smith, Murphy and Miller introduced  
**Senate Bill No. 579, entitled**

A bill to amend 1980 PA 119, entitled "Motor carrier fuel tax act," by amending section 4 (MCL 207.214), as amended by 2000 PA 406.

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

Senators Murphy and Schwarz introduced  
**Senate Bill No. 580, entitled**

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," (MCL 500.100 to 500.8302) by adding section 3406q.

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

Senator Murphy introduced  
**Senate Bill No. 581, entitled**

A bill to amend 1978 PA 368, entitled "Public health code," by amending section 12905 (MCL 333.12905), as amended by 1993 PA 242.

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

Senators Murphy and Schwarz introduced  
**Senate Bill No. 582, entitled**

A bill to amend 1980 PA 350, entitled "The nonprofit health care corporation reform act," (MCL 550.1101 to 550.1704) by adding section 416c.

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

Senator Garcia introduced

**Senate Bill No. 583, entitled**

A bill to amend 1966 PA 346, entitled "State housing development authority act of 1966," by amending the title and sections 1, 11, 15a, 22, 24b, 32, 32a, 32b, 44, 44c, 44d, 97, 97a, 97b, 97c, 97d, 97e, 97f, 98, 98a, 98b, 98c, 98d, 98e, 98f, and 99c (MCL 125.1401, 125.1411, 125.1415a, 125.1422, 125.1424b, 125.1432, 125.1432a, 125.1432b, 125.1444, 125.1444c, 125.1444d, 125.1497, 125.1497a, 125.1497b, 125.1497c, 125.1497d, 125.1497e, 125.1497f, 125.1498, 125.1498a, 125.1498b, 125.1498c, 125.1498d, 125.1498e, 125.1498f, and 125.1499c), the title and sections 97c and 98c as amended by 1984 PA 215, sections 1 and 44d as amended by 1998 PA 33, sections 11, 44c, and 98a as amended by 1996 PA 475, section 15a as amended by 1994 PA 363, section 22 as amended by 1999 PA 131, sections 24b, 97, 97a, 97b, 97d, 97e, 97f, 98, 98b, 98d, 98e, and 98f as amended by 1983 PA 217, sections 32, 32a, 32b, and 44 as amended by 2000 PA 257, and section 99c as added by 1989 PA 220.

The bill was read a first and second time by title and referred to the Committee on Economic Development, International Trade and Regulatory Affairs.

Senator Garcia introduced

**Senate Bill No. 584, entitled**

A bill to amend 1937 PA 94, entitled "Use tax act," by amending sections 3 and 4g (MCL 205.93 and 205.94g), section 3 as amended by 1999 PA 117 and section 4g as added by 1985 PA 66.

The bill was read a first and second time by title and referred to the Committee on Economic Development, International Trade and Regulatory Affairs.

Senator Garcia introduced

**Senate Bill No. 585, entitled**

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending sections 76, 79, 627, 719a, 719b, 725, and 801 (MCL 257.76, 257.79, 257.627, 257.719a, 257.719b, 257.725, and 257.801), section 79 as amended by 1992 PA 134, section 627 as amended by 1990 PA 165, section 719a as amended by 1996 PA 136, section 719b as amended by 1993 PA 243, section 725 as amended by 1998 PA 247, and section 801 as amended by 2000 PA 502.

The bill was read a first and second time by title and referred to the Committee on Economic Development, International Trade and Regulatory Affairs.

Senator Garcia introduced

**Senate Bill No. 586, entitled**

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 16901 and 40103 (MCL 324.16901 and 324.40103), section 16901 as amended by 1997 PA 17 and section 40103 as amended by 2000 PA 191.

The bill was read a first and second time by title and referred to the Committee on Economic Development, International Trade and Regulatory Affairs.

Senator Garcia introduced

**Senate Bill No. 587, entitled**

A bill to amend 1966 PA 326, entitled "An act to regulate the rate of interest of money; to provide exceptions; to prescribe the rights of parties; and to repeal certain acts and parts of acts," by amending section 1c (MCL 438.31c), as amended by 1990 PA 94.

The bill was read a first and second time by title and referred to the Committee on Economic Development, International Trade and Regulatory Affairs.

Senator Garcia introduced

**Senate Bill No. 588, entitled**

A bill to amend 1962 PA 174, entitled "Uniform commercial code," by amending sections 2A104, 9201, and 9311 (MCL 440.2804, 440.9201, and 440.9311), section 2A104 as amended by 1996 PA 72 and sections 9201 and 9311 as amended by 2000 PA 348.

The bill was read a first and second time by title and referred to the Committee on Economic Development, International Trade and Regulatory Affairs.

Senator Garcia introduced

**Senate Bill No. 589, entitled**

A bill to amend 1978 PA 59, entitled "Condominium act," by amending sections 7, 121, 122, 122a, 122b, 123, 124, and 127 (MCL 559.107, 559.221, 559.222, 559.222a, 559.222b, 559.223, 559.224, and 559.227), sections 121, 122, and 127 as amended by 1982 PA 538, and section 122a as amended and section 122b as added by 1984 PA 356.

The bill was read a first and second time by title and referred to the Committee on Economic Development, International Trade and Regulatory Affairs.

Senator Garcia introduced

**Senate Bill No. 590, entitled**

A bill to amend 1961 PA 236, entitled "Revised judicature act of 1961," by amending sections 4704, 5714, 5771, 5773, 5775, 5777, 5779, 5781, 5783, and 5785 (MCL 600.4704, 600.5714, 600.5771, 600.5773, 600.5775, 600.5777, 600.5779, 600.5781, 600.5783, and 600.5785), section 4704 as added by 1988 PA 104, section 5714 as amended by 1990 PA 310, and sections 5771, 5773, 5775, 5777, 5779, 5781, 5783, and 5785 as added by 1988 PA 336.

The bill was read a first and second time by title and referred to the Committee on Economic Development, International Trade and Regulatory Affairs.

Senators McManus, Gast and Koivisto introduced

**Senate Bill No. 591, entitled**

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 78101, 78102, 78105, 78110, 78111, 78115, 78307, 78503, and 80115 (MCL 324.78101, 324.78102, 324.78105, 324.78110, 324.78111, 324.78115, 324.78307, 324.78503, and 324.80115), sections 78101 and 78110 as amended and section 78115 as added by 1998 PA 210 and sections 78102, 78105, 78111, 78307, 78503, and 80115 as added by 1995 PA 58, and by adding sections 78121, 78122, 78123, 78124, 78125, 78126, 78127, 78128, 78129, 78130, 78131, 78132, 78133, 78134, and 78135; and to repeal acts and parts of acts.

The bill was read a first and second time by title and referred to the Committee on Natural Resources and Environmental Affairs.

Senator Bullard introduced

**Senate Bill No. 592, entitled**

A bill to amend 1984 PA 218, entitled "Third party administrator act," by amending sections 14 and 18 (MCL 550.914 and 550.918); and to repeal acts and parts of acts.

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

Senator Bullard introduced

**Senate Bill No. 593, entitled**

A bill to amend 1933 PA 167, entitled "General sales tax act," by amending section 15 (MCL 205.65), as amended by 1993 PA 325.

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

Senator Bullard introduced

**Senate Bill No. 594, entitled**

A bill to amend 1937 PA 94, entitled "Use tax act," by amending section 5 (MCL 205.95).

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

Senator Bullard introduced

**Senate Bill No. 595, entitled**

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," by amending section 451 (MCL 206.451), as amended by 1987 PA 254.

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

**House Bill No. 4174, entitled**

A bill to amend 1961 PA 236, entitled "Revised judicature act of 1961," by amending section 5735 (MCL 600.5735).

The House of Representatives has passed the bill and ordered that it be given immediate effect.

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



**House Bill No. 4371, entitled**

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending sections 6, 11, 11f, 11g, 20, 20j, 22a, 22b, 24, 26a, 31a, 31d, 32a, 32b, 32c, 32d, 32e, 32f, 32g, 32h, 33, 41, 51a, 51c, 53a, 54, 56, 57, 61a, 62, 63, 67, 68, 74, 81, 94, 94a, 96, 97, 98, 99, 107, 108, and 147 (MCL 388.1606, 388.1611, 388.1611f, 388.1611g, 388.1620, 388.1620j, 388.1622a, 388.1622b, 388.1624, 388.1626a, 388.1631a, 388.1631d, 388.1632a, 388.1632b, 388.1632c, 388.1632d, 388.1632e, 388.1632f, 388.1632g, 388.1632h, 388.1633, 388.1641, 388.1651a, 388.1651c, 388.1653a, 388.1654, 388.1656, 388.1657, 388.1661a, 388.1662, 388.1663, 388.1667, 388.1668, 388.1674, 388.1681, 388.1694, 388.1694a, 388.1696, 388.1697, 388.1698, 388.1699, 388.1707, 388.1708, and 388.1747), sections 6, 11, 11f, 11g, 20, 20j, 24, 26a, 31a, 31d, 33, 41, 51a, 53a, 54, 56, 57, 61a, 62, 63, 67, 68, 74, 81, 94, 99, 107, and 147 as amended and sections 22a, 22b, 32a, 32b, 32c, 32d, 32e, 32g, 32h, 51c, 94a, 96, 97, 98, and 108 as added by 2000 PA 297 and section 32f as amended by 2000 PA 388; and to repeal acts and parts of acts.

The House of Representatives has passed the bill.

The bill was read a first and second time by title.

Senator Emmons moved that rule 3.203 be suspended and that the bill be referred to the Committee of the Whole and placed on the order of General Orders.

The motion prevailed, a majority of the members serving voting therefor.

**House Bill No. 4774, entitled**

A bill to amend 1962 PA 174, entitled "Uniform commercial code," by amending sections 9311 and 9616 (MCL 440.9311 and 440.9616), section 9311 as amended and section 9616 as added by 2000 PA 348.

The House of Representatives has passed the bill and ordered that it be given immediate effect.

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

**House Bill No. 4939, entitled**

A bill to amend 1984 PA 431, entitled "The management and budget act," by amending sections 114, 219, and 251 (MCL 18.1114, 18.1219, and 18.1251), section 114 as amended by 1990 PA 332 and sections 219 and 251 as amended by 1999 PA 8.

The House of Representatives has passed the bill and ordered that it be given immediate effect.

The bill was read a first and second time by title and referred to the Committee on Government Operations.

**House Bill No. 4940, entitled**

A bill to amend 1982 PA 540, entitled "Library of Michigan act," by amending the title and sections 2, 3, 4, 5, 6, 7, 10, and 11 (MCL 397.12, 397.13, 397.14, 397.15, 397.16, 397.17, 397.20, and 397.21), the title and sections 2, 4, and 6 as amended by 1995 PA 190 and sections 3, 5, 7, and 10 as amended by 1983 PA 114, and by adding section 10a.

The House of Representatives has passed the bill and ordered that it be given immediate effect.

The bill was read a first and second time by title and referred to the Committee on Government Operations.

**House Bill No. 4941, entitled**

A bill to create a department of history, arts, and libraries; to provide for its administration; and to provide for its powers, duties, functions, and responsibilities.

The House of Representatives has passed the bill and ordered that it be given immediate effect.

The bill was read a first and second time by title and referred to the Committee on Government Operations.

**House Bill No. 4942, entitled**

A bill to amend 1989 PA 24, entitled "The district library establishment act," by amending sections 2, 3, and 5 (MCL 397.172, 397.173, and 397.175), section 3 as amended by 1997 PA 160.

The House of Representatives has passed the bill and ordered that it be given immediate effect.

The bill was read a first and second time by title and referred to the Committee on Government Operations.

**House Bill No. 4943, entitled**

A bill to amend 1977 PA 89, entitled "State aid to public libraries act," by amending the title and sections 2, 3, 6, 9, 11, 12, 14, 15, 16, 17, 18, 19, 20, 22, 23, and 25 (MCL 397.552, 397.553, 397.556, 397.559, 397.561, 397.562, 397.564, 397.565, 397.566, 397.567, 397.568, 397.569, 397.570, 397.572, 397.573, and 397.575), the title and sections 2 and 15 as amended by 1982 PA 541 and section 11 as amended by 1984 PA 432.

The House of Representatives has passed the bill and ordered that it be given immediate effect.

The bill was read a first and second time by title and referred to the Committee on Government Operations.

**House Bill No. 4944, entitled**

A bill to amend 1913 PA 271, entitled "An act to create the Michigan historical commission; to provide for the appointment of members of the commission; to fix their terms of office, prescribe their powers and duties; to prescribe the powers and duties of certain state agencies and officers; to make an appropriation to carry out the provisions of this act; to provide for the distribution of certain revenue; to provide for the listing and destruction of useless documents, books and papers; and to repeal all acts and parts of acts inconsistent herewith," by amending sections 1, 2, 4a, 6, 7, 7a, 8a, and 10 (MCL 399.1, 399.2, 399.4a, 399.6, 399.7, 399.7a, 399.8a, and 399.10), section 4a as amended and section 10 as added by 1992 PA 190, sections 6 and 7 as amended by 1984 PA 309, and section 7a as added by 1988 PA 467.

The House of Representatives has passed the bill and ordered that it be given immediate effect.

The bill was read a first and second time by title and referred to the Committee on Government Operations.

**House Bill No. 4945, entitled**

A bill to amend 1970 PA 169, entitled "Local historic districts act," by amending sections 1a, 3, 5, and 9 (MCL 399.201a, 399.203, 399.205, and 399.209), section 1a as added and sections 3, 5, and 9 as amended by 1992 PA 96.

The House of Representatives has passed the bill and ordered that it be given immediate effect.

The bill was read a first and second time by title and referred to the Committee on Government Operations.

**House Bill No. 4946, entitled**

A bill to amend 1975 PA 197, entitled "An act to provide for the establishment of a downtown development authority; to prescribe its powers and duties; to correct and prevent deterioration in business districts; to encourage historic preservation; to authorize the acquisition and disposal of interests in real and personal property; to authorize the creation and implementation of development plans in the districts; to promote the economic growth of the districts; to create a board; to prescribe its powers and duties; to authorize the levy and collection of taxes; to authorize the issuance of bonds and other evidences of indebtedness; to authorize the use of tax increment financing; to reimburse downtown development authorities for certain losses of tax increment revenues; and to prescribe the powers and duties of certain state officials," by amending section 29 (MCL 125.1679).

The House of Representatives has passed the bill and ordered that it be given immediate effect.

The bill was read a first and second time by title and referred to the Committee on Government Operations.

**House Bill No. 4947, entitled**

A bill to amend 1975 PA 228, entitled "Single business tax act," by amending section 39c (MCL 208.39c), as amended by 1999 PA 213.

The House of Representatives has passed the bill and ordered that it be given immediate effect.

The bill was read a first and second time by title and referred to the Committee on Government Operations.

**House Bill No. 4948, entitled**

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," by amending section 266 (MCL 206.266), as amended by 1999 PA 214.

The House of Representatives has passed the bill and ordered that it be given immediate effect.

The bill was read a first and second time by title and referred to the Committee on Government Operations.

**House Bill No. 4949, entitled**

A bill to amend 1984 PA 431, entitled "The management and budget act," by amending sections 284, 287, 288, 289, and 292 (MCL 18.1284, 18.1287, 18.1288, 18.1289, and 18.1292), sections 284, 288, and 292 as added and section 289 as amended by 1988 PA 504 and section 287 as amended by 1992 PA 191.

The House of Representatives has passed the bill and ordered that it be given immediate effect.

The bill was read a first and second time by title and referred to the Committee on Government Operations.

**House Bill No. 4950, entitled**

A bill to amend 1992 PA 116, entitled "Records media act," by amending section 2 (MCL 24.402).

The House of Representatives has passed the bill and ordered that it be given immediate effect.

The bill was read a first and second time by title and referred to the Committee on Government Operations.

**House Bill No. 4951, entitled**

A bill to amend 1976 PA 69, entitled "An act to permit the secretary of state to acquire and operate state historic sites; to accept gifts for that purpose; and to permit investment in certain funds to carry out the purposes of this act," by amending the title and sections 1, 2, and 3 (MCL 399.111, 399.112, and 399.113).

The House of Representatives has passed the bill and ordered that it be given immediate effect.

The bill was read a first and second time by title and referred to the Committee on Government Operations.

**House Bill No. 4952, entitled**

A bill to amend 1976 PA 442, entitled "Freedom of information act," by amending section 13 (MCL 15.243), as amended by 2000 PA 88.

The House of Representatives has passed the bill and ordered that it be given immediate effect.

The bill was read a first and second time by title and referred to the Committee on Government Operations.

**House Bill No. 4953, entitled**

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 76102, 76103, 76104, 76105, 76107, 76108, 76109, 76110, 76111, 76112, 76113, 76114, and 76118 (MCL 324.76102, 324.76103, 324.26104, 324.76105, 324.76107, 324.76108, 324.76109, 324.76110, 324.76111, 324.76112, 324.76113, 324.76114, and 324.76118), sections 76102, 76103, 76104, 76105, 76107, 76108, 76109, 76110, 76112, 76113, 76114, and 76118 as added by 1995 PA 58 and section 76111 as amended by 2000 PA 441.

The House of Representatives has passed the bill and ordered that it be given immediate effect.

The bill was read a first and second time by title and referred to the Committee on Government Operations.

**House Bill No. 4954, entitled**

A bill to amend 1961 PA 236, entitled "Revised judicature act of 1961," by amending section 2137 (MCL 600.2137), as amended by 1992 PA 192.

The House of Representatives has passed the bill and ordered that it be given immediate effect.

The bill was read a first and second time by title and referred to the Committee on Government Operations.

**House Bill No. 4955, entitled**

A bill to amend 1984 PA 152, entitled "Michigan iron industry museum advisory board act," by amending the title and sections 3 and 4 (MCL 399.73 and 399.74), the title and section 3 as amended by 1990 PA 232.

The House of Representatives has passed the bill and ordered that it be given immediate effect.

The bill was read a first and second time by title and referred to the Committee on Government Operations.

**House Bill No. 4956, entitled**

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 76501, 76503, 76504, 76508, 76703, 76901, and 76903 (MCL 324.76501, 324.76503, 324.76504, 324.76508, 324.76703, 324.76901, and 324.76903), as added by 1995 PA 58, and by adding part 779; and to repeal acts and parts of acts.

The House of Representatives has passed the bill and ordered that it be given immediate effect.

The bill was read a first and second time by title and referred to the Committee on Government Operations.

**House Bill No. 4957, entitled**

A bill to amend 1998 PA 409, entitled "Michigan freedom trail commission act," by amending sections 2 and 3 (MCL 399.82 and 399.83).

The House of Representatives has passed the bill and ordered that it be given immediate effect.

The bill was read a first and second time by title and referred to the Committee on Government Operations.

By unanimous consent the Senate returned to the order of

**Messages from the House****House Bill No. 4965, entitled**

A bill to divide this state into 110 representative and 38 senatorial districts; and to prescribe the powers and duties of certain state departments and officers.

The House of Representatives has passed the bill and appointed Reps. Patterson, Rick Johnson and Kilpatrick as conferees.

The message was referred to the Secretary for record.

By unanimous consent the Senate returned to the order of  
**Motions and Communications**

The following communication was received and read:  
 Office of the Senate Majority Leader

June 28, 2001

Pursuant to Senate Rule 1.105, I hereby appoint the following members to the conference committee on House Bill 4965:

DeGrow  
 Schuette  
 Cherry

Sincerely,  
 Dan L. DeGrow  
 Senate Majority Leader

The communication was referred to the Secretary for the record.

By unanimous consent the Senate returned to the order of  
**Messages from the Governor**

The following messages from the Governor were received:

Date: June 28, 2001  
 Time: 5:42 p.m.

To the President of the Senate:

Sir—I have this day approved and signed  
**Enrolled Senate Bill No. 56 (Public Act No. 31), being**

An act to amend 1978 PA 368, entitled “An act to protect and promote the public health; to codify, revise, consolidate, classify, and add to the laws relating to public health; to provide for the prevention and control of diseases and disabilities; to provide for the classification, administration, regulation, financing, and maintenance of personal, environmental, and other health services and activities; to create or continue, and prescribe the powers and duties of, departments, boards, commissions, councils, committees, task forces, and other agencies; to prescribe the powers and duties of governmental entities and officials; to regulate occupations, facilities, and agencies affecting the public health; to regulate health maintenance organizations and certain third party administrators and insurers; to provide for the imposition of a regulatory fee; to promote the efficient and economical delivery of health care services; to provide for the appropriate utilization of health care facilities and services, and to provide for the closure of hospitals or consolidation of hospitals or services; to provide for the collection and use of data and information; to provide for the transfer of property; to provide certain immunity from liability; to regulate and prohibit the sale and offering for sale of drug paraphernalia under certain circumstances; to provide for the implementation of federal law; to provide for penalties and remedies; to provide for sanctions for violations of this act and local ordinances; to repeal certain acts and parts of acts; to repeal certain parts of this act; and to repeal certain parts of this act on specific dates,” by amending section 2891 (MCL 333.2891), as amended by 1992 PA 78.

(Filed with the Secretary of State on June 29, 2001, at 11:12 a.m.)

Date: June 28, 2001  
 Time: 5:45 p.m.

To the President of the Senate:

Sir—I have this day approved and signed  
**Enrolled Senate Bill No. 195 (Public Act No. 32), being**

An act to amend 1941 PA 207, entitled “An act to provide for the prevention of fires and the protection of persons and property from exposure to the dangers of fire or explosion; to authorize the investigation of fires and the discovery of crime or other offenses in relation thereto; to require the razing, repair, or alteration of buildings, and the clearing and improvement of premises which constitute a fire hazard or a menace to the peace, security, or safety of persons or property; to control the construction, use, and occupancy of those buildings and premises for fire safety purposes; to provide for the certification of fire inspectors and the delegation of certain powers to those certified fire inspectors; to provide for the regulation of the storage and transportation of hazardous material; to provide for the issuance of certificates; to prohibit the use of certain fire extinguishers and fire extinguishing agents; to provide immunity from liability for certain persons; to provide for the administration of this act and prescribe procedure for the enforcement of its provisions; to fix penalties for violation of this act; to provide for the promulgation of rules; to provide for the assessment of fees; and to repeal certain acts and parts of acts,” by amending section 6 (MCL 29.6).

(Filed with the Secretary of State on June 29, 2001, at 11:14 a.m.)

Date: June 28, 2001  
Time: 5:47 p.m.

To the President of the Senate:

Sir—I have this day approved and signed

**Enrolled Senate Bill No. 350 (Public Act No. 33), being**

An act to amend 1988 PA 466, entitled “An act to authorize and require the appointment of a state veterinarian within the department of agriculture; to protect the human food chain and the livestock and aquaculture industries of the state through prevention, control, and eradication of infectious, contagious, or toxicological diseases of livestock and other animals; to prevent the importation of certain nonindigenous animals under certain circumstances; to safeguard the human population from certain diseases that are communicable between animals and humans; to prevent or control the contamination of livestock with certain toxic substances through certain livestock or livestock products; to provide for indemnification for livestock under certain circumstances; to provide for certain powers and duties for certain state agencies and departments; to provide for the promulgation of rules; to provide for certain hearings; to provide for remedies and penalties; to repeal acts and parts of acts,” by amending section 26a (MCL 287.726a), as added by 2000 PA 323; and to repeal acts and parts of acts.

(Filed with the Secretary of State on June 29, 2001, at 11:16 a.m.)

Date: June 28, 2001  
Time: 5:50 p.m.

To the President of the Senate:

Sir—I have this day approved and signed

**Enrolled Senate Bill No. 29 (Public Act No. 34), being**

An act relative to the borrowing of money and the issuance of certain debt and securities; to provide for tax levies and sinking funds; to prescribe powers and duties of certain departments, state agencies, officials, and employees; to impose certain duties, requirements, and filing fees upon political subdivisions of this state; to authorize the issuance of certain debt and securities; to prescribe penalties; and to repeal acts and parts of acts.

(Filed with the Secretary of State on June 29, 2001, at 11:18 a.m.)

Respectfully,  
John Engler  
Governor

The following message from the Governor was received and read:

June 29, 2001

There is herewith presented for consideration and confirmation by the Senate, the following reappointment to office:

**Public Service Commission**

Ms. Laura Chappelle, 4218 Jacobs Meadow, Okemos, Michigan 48864, county of Ingham, as a member and chair, succeeding herself, for a term expiring on July 2, 2007.

Sincerely,  
John Engler  
Governor

The appointment was referred to the Committee on Government Operations.

By unanimous consent the Senate returned to the order of

**Messages from the House**

**Senate Bill No. 230, entitled**

A bill to make appropriations for the department of agriculture for the fiscal year ending September 30, 2002; 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.

(For Conference Report, see Senate Journal No. 56, p. 749.)

The House of Representatives has adopted the report of the Committee of Conference and ordered that the bill be given immediate effect.

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

**Senate Bill No. 232, entitled**

A bill to make appropriations for the department of career development and the Michigan strategic fund and certain other state purposes for the fiscal year ending September 30, 2002; to provide for the expenditure of the appropriations; and to provide for the disposition of fees and other income received by the state agencies.

(For Conference Report, see Senate Journal No. 56, p. 761.)

The House of Representatives has adopted the report of the Committee of Conference and ordered that the bill be given immediate effect.

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

**Senate Bill No. 236, entitled**

A bill to make appropriations for the judicial branch for the fiscal year ending September 30, 2002; to provide for the expenditure of these appropriations; to place certain restrictions on the expenditure of these appropriations; to prescribe the powers and duties of certain officials and employees; to require certain reports; and to provide for the disposition of fees and other income received by the judicial branch.

(For Conference Report, see Senate Journal No. 56, p. 776.)

The House of Representatives has adopted the report of the Committee of Conference and ordered that the bill be given immediate effect.

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

**Senate Bill No. 237, entitled**

A bill to make appropriations for the department of military and veterans affairs for the fiscal year ending September 30, 2002; to provide for the expenditure of the appropriations; to provide for certain powers and duties of the department of military and veterans affairs, other state agencies, and local units of government related to the appropriations; and to provide for the preparation of certain reports related to the appropriations.

(For Conference Report, see Senate Journal No. 56, p. 782.)

The House of Representatives has adopted the report of the Committee of Conference and ordered that the bill be given immediate effect.

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

**Senate Bill No. 238, entitled**

A bill to make appropriations for the department of state police and certain other state purposes for the fiscal year ending September 30, 2002; to provide for the expenditure of those appropriations; to provide for certain reports and the consideration of those reports; to provide for the disposition of other income received by the various state agencies; to provide for the testing of certain persons; to provide for certain emergency powers; and to provide for the powers and duties of certain committees, certain state agencies, and certain employees.

(For Conference Report, see Senate Journal No. 56, p. 789.)

The House of Representatives has adopted the report of the Committee of Conference and ordered that the bill be given immediate effect.

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

By unanimous consent the Senate returned to the order of

**Motions and Communications**

Senator Emmons moved that the Committee on Appropriations be discharged from further consideration of the following bill:

**Senate Bill No. 551, entitled**

A bill to amend 1855 PA 105, entitled "An act to regulate the disposition of the surplus funds in the state treasury; to provide for the deposit of surplus funds in certain financial institutions; to lend surplus funds pursuant to loan agreements secured by certain commercial, agricultural, or industrial real and personal property; to authorize the loan of surplus funds to certain municipalities; to authorize the participation in certain loan programs; to authorize an appropriation; and to prescribe the duties of certain state agencies;" (MCL 21.141 to 21.147) by adding section 2e.

The motion prevailed, a majority of the members serving voting therefor, and the bill was placed on the order of General Orders.

Senator Emmons moved that the Committee on Transportation and Tourism be discharged from further consideration of the following bill:

**House Bill No. 4576, entitled**

A bill to name a certain portion of highway I-69 the "Pearl Harbor Memorial Highway"; and to prescribe certain duties of the state transportation department.

The motion prevailed, a majority of the members serving voting therefor, and the bill was placed on the order of General Orders.

By unanimous consent the Senate proceeded to the order of  
**General Orders**

Senator Emmons moved that the Senate resolve itself into the Committee of the Whole for consideration of the General Orders calendar.

The motion prevailed, and the President pro tempore, Senator Schwarz, designated Senator Young as Chairperson.

After some time spent therein, the Committee arose; and, the President pro tempore, Senator Schwarz, having resumed the Chair, the Committee reported back to the Senate, favorably and without amendment, the following bill:

**House Bill No. 4576, entitled**

A bill to name a certain portion of highway I-69 the "Pearl Harbor Memorial Highway"; and to prescribe certain duties of the state transportation department.

The bill was placed on the order of Third Reading of Bills.

**Recess**

Senator Emmons moved that the Senate recess subject to the call of the President.  
The motion prevailed, the time being 10:27 a.m.

12:18 p.m.

The Senate was called to order by the President, Lieutenant Governor Posthumus.

During the recess, Senator DeGrow entered the Senate Chamber.

By unanimous consent the Senate returned to the order of  
**Messages from the House**

**Senate Bill No. 152, entitled**

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending section 3101 (MCL 324.3101), as amended by 1997 PA 29, and by adding section 3103a.

Substitute (H-1).

The question being on concurring in the substitute made to the bill by the House,

The substitute was concurred in, a majority of the members serving voting therefor, as follows:

**Roll Call No. 243**

**Yeas—33**

Bennett	Garcia	McCotter	Scott
Byrum	Gast	McManus	Shugars
Cherry	Goschka	Miller	Sikkema
DeBeaussaert	Gougeon	Murphy	Smith
DeGrow	Hammerstrom	North	Steil
Dingell	Hart	Peters	Stille
Dunaskiss	Johnson	Schuetter	Van Regenmorter
Emerson	Koivisto	Schwarz	Young
Emmons			

**Nays—0**

**Excused—2**

Leland

Vaughn

**Not Voting—2**

Bullard

Hoffman

In The Chair: President

The question being on concurring in the committee recommendation to give the bill immediate effect,  
 The recommendation was concurred in, 2/3 of the members serving voting therefor.  
 The Senate agreed to the full title.  
 The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

**Senate Bill No. 206, entitled**

A bill to amend 1972 PA 284, entitled "Business corporation act," by amending sections 106, 122, 123, 131, 133, 141, 143, 151, 338, 342a, 344, 404, 405, 407, 413, 488, 489, 521, 525, 563, 564b, 703a, 753, 754, 901, and 1060 (MCL 450.1106, 450.1122, 450.1123, 450.1131, 450.1133, 450.1141, 450.1143, 450.1151, 450.1338, 450.1342a, 450.1344, 450.1404, 450.1405, 450.1407, 450.1413, 450.1488, 450.1489, 450.1521, 450.1525, 450.1563, 450.1564b, 450.1703a, 450.1753, 450.1754, 450.1901, and 450.2060), sections 106, 122, 133, 141, 405, 521, 525, and 563 as amended and sections 342a and 754 as added by 1989 PA 121, section 123 as amended by 1993 PA 357, sections 131, 338, 407, and 1060 as amended by 1993 PA 91, and sections 151, 344, 404, 489, 564b, 703a, and 753 as amended and section 488 as added by 1997 PA 118, and by adding section 406a.

Substitute (H-1).

The question being on concurring in the substitute made to the bill by the House,  
 The substitute was concurred in, a majority of the members serving voting therefor, as follows:

**Roll Call No. 244****Yeas—34**

Bennett	Emmons	McCotter	Scott
Bullard	Garcia	McManus	Shugars
Byrum	Gast	Miller	Sikkema
Cherry	Goschka	Murphy	Smith
DeBeaussaert	Gougeon	North	Steil
DeGrow	Hammerstrom	Peters	Stille
Dingell	Hart	Schuette	Van Regenmorter
Dunaskiss	Johnson	Schwarz	Young
Emerson	Koivisto		

**Nays—0****Excused—2**

Leland

Vaughn

**Not Voting—1**

Hoffman

In The Chair: President



The question being on concurring in the committee recommendation to give the bill immediate effect, The recommendation was concurred in, 2/3 of the members serving voting therefor. The Senate agreed to the full title. The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

Senator Emmons moved that consideration of the following bill be postponed temporarily:  
**Senate Bill No. 374**  
 The motion prevailed.

**Senate Bill No. 351, entitled**

A bill to amend 1980 PA 299, entitled “Occupational code,” by amending sections 2411 and 2412 (MCL 339.2411 and 339.2412), section 2411 as amended by 1991 PA 166 and section 2412 as amended by 1980 PA 496.

The House of Representatives has substituted (H-1) the bill.

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

Pending the order that, under rule 3.202, the bill be laid over one day,

Senator Emmons moved that the rule be suspended.

The motion prevailed, a majority of the members serving voting therefor.

The question being on concurring in the substitute made to the bill by the House,

The substitute was concurred in, a majority of the members serving voting therefor, as follows:

**Roll Call No. 245**

**Yeas—34**

Bennett	Emmons	McCotter	Scott
Bullard	Garcia	McManus	Shugars
Byrum	Gast	Miller	Sikkema
Cherry	Goschka	Murphy	Smith
DeBeaussaert	Gougeon	North	Steil
DeGrow	Hammerstrom	Peters	Stille
Dingell	Hart	Schuette	Van Regenmorter
Dunaskiss	Johnson	Schwarz	Young
Emerson	Koivisto		

**Nays—0**

**Excused—2**

Leland	Vaughn
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**Not Voting—1**

Hoffman

In The Chair: President

The Assistant Associate President pro tempore, Senator Miller, assumed the Chair.

The question being on concurring in the committee recommendation to give the bill immediate effect, The recommendation was concurred in, 2/3 of the members serving voting therefor. The Senate agreed to the full title.

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

By unanimous consent the Senate proceeded to the order of  
**Conference Reports**

Senator Schwarz submitted the following:

**FIRST CONFERENCE REPORT**

The Committee of Conference on the matters of difference between the two Houses concerning  
**Senate Bill No. 234, entitled**

A bill to make appropriations for the departments of attorney general, civil rights, civil service, management and budget, state, and treasury, the executive office, and the legislative branch for the fiscal year ending September 30, 2002; to provide for the expenditure of these appropriations; to provide for the funding of certain work projects; to provide for the imposition of certain fees; to establish or continue certain funds, programs, and categories; to transfer certain funds; to prescribe certain requirements for bidding on state contracts; to provide for disposition of year-end balances for the fiscal year ending September 30, 2002; to prescribe the powers and duties of certain principal executive departments and state agencies, officials, and employees; and to provide for the disposition of fees and other income received by the various principal executive departments and state agencies.

Recommends:

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

A bill to make appropriations for the departments of attorney general, civil rights, civil service, management and budget, state, and treasury, the executive office, and the legislative branch for the fiscal year ending September 30, 2002; to provide for the expenditure of these appropriations; to provide for the funding of certain work projects; to provide for the imposition of certain fees; to establish or continue certain funds, programs, and categories; to transfer certain funds; to prescribe certain requirements for bidding on state contracts; to provide for disposition of year-end balances for the fiscal year ending September 30, 2002; to prescribe the powers and duties of certain principal executive departments and state agencies, officials, and employees; and to provide for the disposition of fees and other income received by the various principal executive departments and state agencies.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

**PART 1**

**LINE-ITEM APPROPRIATIONS**

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the departments of attorney general, civil rights, civil service, management and budget, state, and treasury, the executive office, the legislative branch, and certain other state purposes, for the fiscal year ending September 30, 2002, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**TOTAL GENERAL GOVERNMENT**

Full-time equated unclassified positions .....	42.0	
Full-time equated classified positions .....	5,955.3	
<b>GROSS APPROPRIATION .....</b>		<b>\$ 2,684,902,900</b>
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		\$ 165,233,800
<b>ADJUSTED GROSS APPROPRIATION .....</b>		<b>\$ 2,519,669,100</b>
Federal revenues:		
Total federal revenues .....		53,069,200
Special revenue funds:		
Total local revenues .....		3,350,100
Total private revenues .....		1,796,700
Total other state restricted revenues .....		1,956,589,500
State general fund/general purpose .....		\$ 504,863,600

**Sec. 102. DEPARTMENT OF ATTORNEY GENERAL**

**(1) APPROPRIATION SUMMARY:**

Full-time equated unclassified positions .....	6.0	
Full-time equated classified positions .....	595.0	
<b>GROSS APPROPRIATION .....</b>		<b>\$ 64,761,100</b>
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		9,756,900
<b>ADJUSTED GROSS APPROPRIATION .....</b>		<b>\$ 55,004,200</b>

	For Fiscal Year Ending Sept. 30, 2002
Federal revenues:	
Total federal revenues .....	\$ 7,624,800
Special revenue funds:	
Total local revenues .....	0
Total private revenues .....	1,171,600
Total other state restricted revenues .....	8,871,900
State general fund/general purpose .....	\$ 37,335,900
<b>(2) ATTORNEY GENERAL OPERATIONS</b>	
Full-time equated unclassified positions .....	6.0
Full-time equated classified positions .....	595.0
Attorney general .....	\$ 124,900
Unclassified positions—5.0 FTE positions.....	467,000
Attorney general operations—576.5 FTE positions.....	62,396,800
Prosecuting attorneys coordinating council—18.5 FTE positions.....	1,638,800
PACC, training project .....	325,000
GROSS APPROPRIATION .....	\$ 64,952,500
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDA, bovine research.....	301,600
IDG from FIA .....	2,616,700
IDG from MDCIS, financial and insurance services .....	102,100
IDG from MDCIS, health services.....	1,150,500
IDG from MDCIS, public utility assessments .....	1,652,100
IDG from MDSP, Michigan justice training fund.....	325,000
IDG from MDOT, state aeronautics fund .....	123,600
IDG from MDOT, comprehensive transportation fund .....	129,400
IDG from MDOT, state trunkline fund.....	2,524,300
IDG from Michigan gaming control board.....	831,600
Federal revenues:	
DAG, state administrative match grant/food stamps.....	1,057,200
DED-OPSE, student loan, federal lender allowance.....	289,600
DOL-ETA, unemployment insurance .....	1,373,600
DOL-OSHA, occupational safety and health.....	270,500
EPA, multiple grants .....	238,900
Federal funds .....	719,100
HHS-OS, state Medicaid fraud control units.....	3,124,900
HHS, medical assistance, medigrant .....	551,000
Special revenue funds:	
Private - accident fund company revenue.....	1,171,600
Antitrust enforcement collections .....	550,000
Auto repair facilities fees.....	192,900
Collections revenue.....	583,400
Corporate fees and security fees .....	126,300
Environmental response fund .....	643,300
Franchise fees .....	241,300
Game and fish protection fund.....	683,500
Liquor purchase revolving fund .....	866,300
Manufactured housing fees .....	186,500
Michigan state housing development authority fees.....	481,900
Michigan underground storage tank financial assurance fund .....	159,300
Oil and gas privilege fee revenue.....	142,900
Prisoner reimbursement.....	298,900
Prosecuting attorneys training fees .....	236,800
Retirement funds.....	617,000
Second injury fund.....	935,800
Self-insurers security fund .....	160,600

	For Fiscal Year Ending Sept. 30, 2002
Silicosis and dust disease fund.....	\$ 478,300
State building authority revenue.....	81,100
State hospital authority .....	314,900
State lottery fund .....	205,200
Utility consumers fund.....	472,600
Waterways fund. ....	82,800
Worker’s compensation administrative revolving fund .....	130,300
State general fund/general purpose .....	\$ 37,527,300
<b>(3) BUDGETARY SAVINGS</b>	
Budgetary savings.....	\$ (191,400)
<b>GROSS APPROPRIATION .....</b>	<b>\$ (191,400)</b>
Appropriated from:	
State general fund/general purpose .....	\$ (191,400)
<b>Sec. 103. DEPARTMENT OF CIVIL RIGHTS</b>	
<b>(1) APPROPRIATION SUMMARY:</b>	
Full-time equated unclassified positions .....	5.0
Full-time equated classified positions .....	166.5
<b>GROSS APPROPRIATION .....</b>	<b>\$ 15,527,000</b>
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers .....	0
<b>ADJUSTED GROSS APPROPRIATION .....</b>	<b>\$ 15,527,000</b>
Federal revenues:	
Total federal revenues .....	934,000
Special revenue funds:	
Total local revenues .....	0
Total private revenues .....	0
Total other state restricted revenues .....	0
State general fund/general purpose .....	\$ 14,593,000
<b>(2) CIVIL RIGHTS OPERATIONS</b>	
Full-time equated unclassified positions .....	5.0
Full-time equated classified positions .....	166.5
Commission (per diem \$75.00) .....	\$ 16,200
Unclassified positions—5.0 FTE positions.....	374,100
Civil rights operations—166.5 FTE positions .....	15,211,500
<b>GROSS APPROPRIATION .....</b>	<b>\$ 15,601,800</b>
Appropriated from:	
Federal revenues:	
HUD, grant .....	134,000
EEOC, state and local antidiscrimination agency contracts.....	800,000
State general fund/general purpose .....	\$ 14,667,800
<b>(3) BUDGETARY SAVINGS</b>	
Budgetary savings.....	\$ (74,800)
<b>GROSS APPROPRIATION .....</b>	<b>\$ (74,800)</b>
Appropriated from:	
State general fund/general purpose .....	\$ (74,800)
<b>Sec. 104. DEPARTMENT OF CIVIL SERVICE</b>	
<b>(1) APPROPRIATION SUMMARY:</b>	
Full-time equated classified positions .....	230.5
<b>GROSS APPROPRIATION .....</b>	<b>\$ 30,649,200</b>
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers .....	3,300,000
<b>ADJUSTED GROSS APPROPRIATION .....</b>	<b>\$ 27,349,200</b>
Federal revenues:	
Total federal revenues .....	4,779,100
Special revenue funds:	
Total local revenues .....	1,700,000

	For Fiscal Year Ending Sept. 30, 2002
Total private revenues .....	\$ 150,000
Total other state restricted revenues .....	9,502,900
State general fund/general purpose .....	\$ 11,217,200
<b>(2) CIVIL SERVICE OPERATIONS</b>	
Full-time equated classified positions .....230.5	
Civil service operations—230.5 FTE positions .....	\$ 30,706,700
<b>GROSS APPROPRIATION</b> .....	<b>\$ 30,706,700</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG, training charges.....	2,000,000
IDG, 1% special funds .....	1,300,000
Federal revenues:	
Federal funds 1% .....	4,779,100
Special revenue funds:	
Local funds 1% .....	1,700,000
Private funds 1% .....	150,000
Freedom of information fees.....	1,100
State restricted funds 1% .....	6,851,800
State sponsored group insurance .....	2,650,000
State general fund/general purpose .....	\$ 11,274,700
<b>(3) BUDGETARY SAVINGS</b>	
Budgetary savings.....	\$ (57,500)
<b>GROSS APPROPRIATION</b> .....	<b>\$ (57,500)</b>
Appropriated from:	
State general fund/general purpose .....	\$ (57,500)
<b>Sec. 105. EXECUTIVE OFFICE</b>	
<b>(1) APPROPRIATION SUMMARY:</b>	
Full-time equated unclassified positions .....10.0	
Full-time equated classified positions .....75.0	
<b>GROSS APPROPRIATION</b> .....	<b>\$ 5,709,800</b>
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers .....	0
<b>ADJUSTED GROSS APPROPRIATION</b> .....	<b>\$ 5,709,800</b>
Federal revenues:	
Total federal revenues .....	0
Special revenue funds:	
Total local revenues .....	0
Total private revenues .....	0
Total other state restricted revenues .....	0
State general fund/general purpose .....	\$ 5,709,800
<b>(2) EXECUTIVE OFFICE OPERATIONS</b>	
Full-time equated unclassified positions .....10.0	
Full-time equated classified positions .....75.0	
Governor.....	\$ 176,600
Lieutenant governor .....	123,600
Executive office—75.0 FTE positions.....	4,605,700
Unclassified positions—8.0 FTE positions.....	833,100
<b>GROSS APPROPRIATION</b> .....	<b>\$ 5,739,000</b>
Appropriated from:	
State general fund/general purpose .....	\$ 5,739,000
<b>(3) BUDGETARY SAVINGS</b>	
Budgetary savings.....	\$ (29,200)
<b>GROSS APPROPRIATION</b> .....	<b>\$ (29,200)</b>
Appropriated from:	
State general fund/general purpose .....	\$ (29,200)

For Fiscal Year  
Ending Sept. 30,  
2002

**Sec. 106. LEGISLATURE**

**(1) APPROPRIATION SUMMARY:**

GROSS APPROPRIATION .....	\$	129,773,300
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		1,612,200
ADJUSTED GROSS APPROPRIATION .....	\$	128,161,100
Federal revenues:		
Total federal revenues .....		0
Special revenue funds:		
Total local revenues .....		0
Total private revenues .....		400,000
Total other state restricted revenues .....		1,478,600
State general fund/general purpose .....	\$	126,282,500

**(2) LEGISLATURE**

Senate .....	\$	29,771,800
Senate automated data processing .....		2,267,900
Senate fiscal agency .....		3,373,100
House of representatives .....		43,633,900
House automated data processing .....		1,783,700
House fiscal agency .....		3,182,800
Legislative auditor general .....		15,437,600
GROSS APPROPRIATION .....	\$	99,450,800

Appropriated from:

Interdepartmental grant revenues:		
IDG from MDCIS, liquor purchase revolving fund .....		87,000
IDG from MDCS .....		76,200
IDG from MDOT, comprehensive transportation fund .....		47,600
IDG from MDOT, Michigan transportation fund .....		108,900
IDG from MDOT, state aeronautics fund .....		31,100
IDG from MDOT, state trunkline fund .....		314,200
IDG, single audit act .....		947,200

Special revenue funds:

Construction lien fund .....		15,100
Contract audit administration fees .....		55,100
Correctional industries revolving fund .....		30,900
Game and fish protection fund .....		20,000
Marine safety fund .....		1,800
Michigan economic development corporation .....		36,800
Michigan state fair revolving fund .....		28,000
Michigan state housing development authority fees .....		52,700
Michigan strategic fund .....		36,800
Michigan veterans trust fund .....		20,100
Motor transport revolving fund .....		37,900
Office services revolving fund .....		28,300
Waterways fund .....		5,300
State general fund/general purpose .....	\$	97,469,800

**(3) LEGISLATIVE COUNCIL**

Legislative council .....	\$	11,159,600
Legislative service bureau automated data processing .....		1,580,600
e-Law, legislative council technology enhancement project .....		2,505,000
Legislative corrections ombudsman .....		580,800
Worker's compensation .....		160,000
National association dues .....		405,800
GROSS APPROPRIATION .....	\$	16,391,800

Appropriated from:

Special revenue funds:		
Private - gifts and bequests revenues .....		400,000
State general fund/general purpose .....	\$	15,991,800

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2002

**(4) LEGISLATIVE RETIREMENT SYSTEM**

General nonretirement expenses.....	\$	4,389,400
<b>GROSS APPROPRIATION</b> .....	\$	<u>4,389,400</u>
Appropriated from:		
Special revenue funds:		
Court fees .....		1,109,800
State general fund/general purpose .....	\$	3,279,600

**(5) PROPERTY MANAGEMENT**

Capitol building .....	\$	1,894,200
Cora Anderson building .....		6,970,900
Farnum building .....		676,200
<b>GROSS APPROPRIATION</b> .....	\$	<u>9,541,300</u>
Appropriated from:		
State general fund/general purpose .....	\$	9,541,300

**Sec. 107. LIBRARY OF MICHIGAN**

**(1) APPROPRIATION SUMMARY:**

<b>GROSS APPROPRIATION</b> .....	\$	39,880,100
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		0
<b>ADJUSTED GROSS APPROPRIATION</b> .....	\$	39,880,100
Federal revenues:		
Total federal revenues .....		4,557,400
Special revenue funds:		
Total local revenues .....		0
Total private revenues .....		75,000
Total other state restricted revenues .....		86,900
State general fund/general purpose .....	\$	35,160,800

**(2) LIBRARY OF MICHIGAN**

Operations.....	\$	8,952,900
Michigan library and historical center operations .....		2,815,900
Library automation .....		735,300
Statewide database access .....		1,059,800
Collected gifts and fees.....		161,900
Book distribution centers .....		325,400
State aid to libraries.....		14,063,700
Grant to the Detroit public library .....		5,754,200
Grand Rapids public library .....		398,300
Subregional state aid.....		592,200
Wayne County library for the blind & physically handicapped .....		49,200
Library services and technology act.....		4,557,400
Renaissance zone reimbursement .....		413,900
<b>GROSS APPROPRIATION</b> .....	\$	<u>39,880,100</u>

Appropriated from:

Federal revenues:		
Library services and technology act.....		4,557,400
Special revenue funds:		
Private - gifts and bequests revenues .....		75,000
User fees.....		86,900
State general fund/general purpose .....	\$	35,160,800

**Sec. 108. DEPARTMENT OF MANAGEMENT AND BUDGET**

**(1) APPROPRIATION SUMMARY:**

Full-time equated unclassified positions .....	6.0
Full-time equated classified positions .....	919.5
<b>GROSS APPROPRIATION</b> .....	\$ 174,994,200
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers .....	85,513,600
<b>ADJUSTED GROSS APPROPRIATION</b> .....	\$ 89,480,600

	For Fiscal Year Ending Sept. 30, 2002
Federal revenues:	
Total federal revenues .....	\$ 380,300
Special revenue funds:	
Total local revenues .....	0
Total private revenues .....	0
Total other state restricted revenues .....	42,923,200
State general fund/general purpose .....	\$ 46,177,100
<b>(2) MANAGEMENT AND BUDGET SERVICES</b>	
Full-time equated unclassified positions .....	6.0
Full-time equated classified positions .....	740.0
Unclassified positions—6.0 FTE positions .....	\$ 559,600
Departmentwide services—62.0 FTE positions .....	14,870,600
Statewide administrative services—264.0 FTE positions .....	26,578,400
Statewide support services—303.0 FTE positions .....	79,409,700
Michigan administrative information network—111.0 FTE positions .....	25,106,200
<b>GROSS APPROPRIATION</b> .....	<b>\$ 146,524,500</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDOT, state aeronautics fund .....	30,500
IDG from MDOT, comprehensive transportation fund .....	57,000
IDG from MDOT, state trunkline fund .....	1,057,000
IDG from building occupancy and parking charges .....	78,224,600
IDG from department of career development .....	100,000
IDG from MDCH .....	235,000
IDG from user fees .....	4,554,500
Federal revenues:	
Federal-MESA, administration fund .....	380,300
Special revenue funds:	
Game and fish protection fund .....	209,600
Health management funds .....	1,294,800
Marine safety fund .....	20,800
MAIN user charges .....	4,697,000
Special revenue, internal service, and pension trust funds .....	7,236,000
State building authority revenue .....	472,500
State lottery fund .....	137,900
Waterways fund .....	46,800
State sponsored group insurance, flexible spending accounts and COBRA .....	4,832,700
State general fund/general purpose .....	\$ 42,937,500
<b>(3) STATEWIDE APPROPRIATIONS</b>	
Professional development fund - MPES .....	\$ 105,000
Professional development fund - UAW .....	900,000
Professional development fund - local 31-M .....	50,000
Professional development fund - MSC .....	150,000
Professional development fund - nonexclusively represented employees .....	50,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 1,255,000</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG from employer contributions .....	1,255,000
State general fund/general purpose .....	\$ 0
<b>(4) SPECIAL PROGRAMS</b>	
Full-time equated classified positions .....	179.5
Building occupancy charges-property management services for executive/legislative building occupancy .....	\$ 2,101,900
Retirement services—165.5 FTE positions .....	23,975,100



	For Fiscal Year Ending Sept. 30, 2002
Office of children’s ombudsman—14.0 FTE positions .....	\$ 1,221,900
Health insurance reserve fund payment.....	154,100
<b>GROSS APPROPRIATION</b> .....	<b>\$ 27,453,000</b>
Appropriated from:	
Special revenue funds:	
Deferred compensation .....	1,373,600
Pension trust funds.....	22,601,500
State general fund/general purpose .....	\$ 3,477,900
<b>(5) BUDGETARY SAVINGS</b>	
Budgetary savings.....	\$ (238,300)
<b>GROSS APPROPRIATION</b> .....	<b>\$ (238,300)</b>
Appropriated from:	
State general fund/general purpose .....	\$ (238,300)
<b>Sec. 109. DEPARTMENT OF STATE</b>	
<b>(1) APPROPRIATION SUMMARY:</b>	
Full-time equated unclassified positions .....	6.0
Full-time equated classified positions .....	1,973.3
<b>GROSS APPROPRIATION</b> .....	<b>\$ 182,326,200</b>
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers .....	55,814,100
<b>ADJUSTED GROSS APPROPRIATION</b> .....	<b>\$ 126,512,100</b>
Federal revenues:	
Total federal revenues .....	1,303,600
Special revenue funds:	
Total local revenues .....	0
Total private revenues .....	100
Total other state restricted revenues .....	64,451,900
State general fund/general purpose .....	\$ 60,756,500
<b>(2) EXECUTIVE DIRECTION</b>	
Full-time equated unclassified positions .....	6.0
Full-time equated classified positions .....	25.2
Secretary of state .....	\$ 124,900
Unclassified positions—5.0 FTE positions.....	467,000
Operations—25.2 FTE positions .....	1,781,200
<b>GROSS APPROPRIATION</b> .....	<b>\$ 2,373,100</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDOT, Michigan transportation fund.....	482,100
Special revenue funds:	
Auto repair facilities fees.....	50,000
Driver fees .....	83,600
Expedient service fees .....	42,900
Look-up fees.....	393,400
Parking ticket court fines .....	6,800
Personal identification card fees .....	10,100
Reinstatement fees - operator licenses .....	89,200
Vehicle theft prevention fees.....	29,400
State general fund/general purpose .....	\$ 1,185,600
<b>(3) DEPARTMENT SERVICES</b>	
Full-time equated classified positions .....	274.3
Operations—162.8 FTE positions .....	\$ 18,324,700
Data processing—105.0 FTE positions .....	24,871,700
Assigned claims assessments—6.5 FTE positions.....	639,700
<b>GROSS APPROPRIATION</b> .....	<b>\$ 43,836,100</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDOT, Michigan transportation fund.....	16,136,800

	For Fiscal Year Ending Sept. 30, 2002
Federal revenues:	
Federal funds .....	\$ 105,900
Special revenue funds:	
Administrative order processing fee.....	10,400
Assigned claims assessments .....	639,700
Auto repair facilities fees.....	542,100
Child support clearance fees .....	46,100
Driver fees .....	1,121,000
Expedient service fees .....	683,100
Look-up fees.....	9,310,800
Marine safety fund.....	67,000
Off-road vehicle title fees .....	6,900
Parking ticket court fines .....	125,500
Personal identification card fees .....	100,300
Reinstatement fees - operator licenses .....	886,700
Scrap tire fund .....	61,500
Snowmobile registration fee revenue .....	15,800
Vehicle theft prevention fees.....	393,300
State general fund/general purpose .....	\$ 13,583,200
<b>(4) REGULATORY SERVICES</b>	
Full-time equated classified positions .....	258.1
Operations—156.4 FTE positions .....	\$ 12,608,500
Auto regulations—101.7 FTE positions .....	7,313,900
<b>GROSS APPROPRIATION</b> .....	<b>\$ 19,922,400</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDOT, Michigan transportation fund.....	4,157,600
Federal revenues:	
Federal funds .....	84,700
Special revenue funds:	
Auto repair facilities fees.....	3,881,600
Commercial driver training school fees.....	58,300
Driver fees .....	972,500
Expedient service fees .....	27,600
Look-up fees.....	3,916,700
Motorcycle safety fund .....	98,100
Parking ticket court fines .....	7,500
Personal identification card fees .....	39,400
Reinstatement fees - operator licenses .....	1,470,700
Vehicle theft prevention fees.....	1,307,400
State general fund/general purpose .....	\$ 3,900,300
<b>(5) CUSTOMER DELIVERY SERVICES</b>	
Full-time equated classified positions .....	1,384.2
Branch operations—961.4 FTE positions .....	\$ 64,473,600
Central records—378.6 FTE positions .....	28,226,900
Field services administration—23.0 FTE positions .....	2,031,700
Record administration—5.0 FTE positions .....	498,400
Commemorative license plates—16.2 FTE positions .....	2,153,300
Specialty license plates .....	3,915,000
Olympic center plate.....	75,700
Organ donor program.....	104,100
<b>GROSS APPROPRIATION</b> .....	<b>\$ 101,478,700</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDOT, Michigan transportation fund.....	32,423,500

	For Fiscal Year Ending Sept. 30, 2002
Federal revenues:	
Federal funds .....	\$ 1,113,000
Special revenue funds:	
Private funds .....	100
Auto repair facilities fees .....	78,400
Child support clearance fees .....	336,400
Driver fees .....	11,178,800
Expedient service fees .....	2,486,100
Look-up fees .....	14,675,800
Marine safety fund .....	969,000
Mobile home commission fees .....	402,200
Motorcycle safety fund .....	29,800
Olympic center training fund .....	75,700
Off-road vehicle title fees .....	103,600
Parking ticket court fines .....	1,385,900
Personal identification card fees .....	1,297,100
Reinstatement fees - operator licenses .....	984,400
Snowmobile registration fee revenue .....	283,800
Vehicle theft prevention fees .....	178,600
State general fund/general purpose .....	\$ 33,476,500
<b>(6) ELECTION REGULATION</b>	
Full-time equated classified positions .....	31.5
Election administration and services—28.5 FTE positions .....	\$ 2,924,900
Fees to local units .....	69,800
Qualified voter file—3.0 FTE positions .....	1,404,400
<b>GROSS APPROPRIATION</b> .....	<b>\$ 4,399,100</b>
Appropriated from:	
State general fund/general purpose .....	\$ 4,399,100
<b>(7) DEPARTMENTWIDE APPROPRIATIONS</b>	
Building occupancy charges/rent .....	\$ 9,884,000
Worker's compensation .....	773,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 10,657,000</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDOT, Michigan transportation fund .....	2,614,100
Special revenue funds:	
Auto repair facilities fees .....	158,500
Driver fees .....	487,400
Expedient service fees .....	16,100
Look-up fees .....	2,303,400
Parking ticket court fines .....	525,500
State general fund/general purpose .....	\$ 4,552,000
<b>(8) BUDGETARY SAVINGS</b>	
Budgetary savings .....	\$ (340,200)
<b>GROSS APPROPRIATION</b> .....	<b>\$ (340,200)</b>
Appropriated from:	
State general fund/general purpose .....	\$ (340,200)
<b>Sec. 110. DEPARTMENT OF TREASURY</b>	
<b>(1) APPROPRIATION SUMMARY:</b>	
Full-time equated unclassified positions .....	9.0
Full-time equated classified positions .....	1,995.5
<b>GROSS APPROPRIATION</b> .....	<b>\$ 2,041,282,000</b>
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers .....	9,237,000
<b>ADJUSTED GROSS APPROPRIATION</b> .....	<b>\$ 2,032,045,000</b>

	For Fiscal Year Ending Sept. 30, 2002
Federal revenues:	
Total federal revenues .....	\$ 33,490,000
Special revenue funds:	
Total local revenues .....	1,650,100
Total private revenues .....	0
Total other state restricted revenues .....	1,829,274,100
State general fund/general purpose .....	\$ 167,630,800
<b>(2) EXECUTIVE DIRECTION</b>	
Full-time equated unclassified positions .....9.0	
Full-time equated classified positions .....4.0	
Unclassified positions—9.0 FTE positions.....	\$ 774,200
Office of the director—4.0 FTE positions.....	479,300
<b>GROSS APPROPRIATION</b> .....	\$ 1,253,500
Appropriated from:	
Special revenue funds:	
State lottery fund .....	120,200
State services fee fund .....	136,300
State general fund/general purpose .....	\$ 997,000
<b>(3) DEPARTMENTWIDE APPROPRIATIONS</b>	
Travel.....	\$ 1,815,900
Rent and building occupancy charges - property management services.....	4,503,600
Worker's compensation insurance premium .....	589,000
<b>GROSS APPROPRIATION</b> .....	\$ 6,908,500
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDOT, state aeronautics fund .....	2,700
IDG, state agency collection fees.....	17,900
Special revenue funds:	
Delinquent tax collection revenue .....	3,799,200
Municipal finance fees .....	11,200
Treasury fees.....	18,900
Waterways fund .....	2,300
State general fund/general purpose .....	\$ 3,056,300
<b>(4) LOCAL GOVERNMENT PROGRAMS</b>	
Full-time equated classified positions .....99.0	
Supervision of the general property tax law—66.5 FTE positions .....	\$ 6,499,400
Property tax assessor training—4.0 FTE positions.....	361,800
Local finance—28.5 FTE positions.....	1,816,500
State compliance audits.....	60,000
Pari-mutuel audits .....	240,000
<b>GROSS APPROPRIATION</b> .....	\$ 8,977,700
Appropriated from:	
Special revenue funds:	
Local - assessor training fees .....	361,800
Local - audit charges.....	488,300
Local - equalization study charge-backs .....	50,000
Local - revenue from local government.....	50,000
Land reutilization fund.....	928,300
Municipal finance fees .....	243,300
State general fund/general purpose .....	\$ 6,856,000
<b>(5) TAX PROGRAMS</b>	
Full-time equated classified positions .....763.5	
Revenue—755.5 FTE positions .....	\$ 59,569,000
Home heating assistance .....	1,600,000
Senior prescription drug credit processing .....	182,500
Michigan underground storage tank assurance fund—4.0 FTE positions .....	219,300

	For Fiscal Year Ending Sept. 30, 2002
Multistate use tax initiative.....	\$ 200,000
Joint federal/state motor fuel compliance project.....	100,000
Bottle bill implementation .....	250,000
New hire reporting.....	1,545,000
Tobacco tax collection—4.0 FTE positions.....	213,300
<b>GROSS APPROPRIATION .....</b>	<b>\$ 63,879,100</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDOT, state aeronautics fund .....	42,300
IDG from FIA .....	1,545,000
IDG from MDCH.....	213,300
IDG, data/collection services fees.....	250,900
Federal revenues:	
HHS-SSA, low-income energy assistance .....	1,600,000
DOT-FHA, intermodal surface transportation efficiency act.....	100,000
Special revenue funds:	
Bottle deposit fund.....	250,000
Children’s trust fund .....	6,400
Delinquent tax collection revenue .....	40,381,900
Michigan pharmaceutical .....	182,500
Michigan underground storage tank financial assurance revenue .....	219,300
Tobacco tax revenue.....	325,000
Waterways fund .....	55,100
State general fund/general purpose .....	\$ 18,707,400
<b>(6) BANKING AND TECHNOLOGY</b>	
Full-time equated classified positions .....	525.5
Administrative services—122.5 FTE positions.....	\$ 13,710,100
Financial services—232.0 FTE positions .....	17,086,600
Information technology services—171.0 FTE positions .....	15,693,100
<b>GROSS APPROPRIATION .....</b>	<b>\$ 46,489,800</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDOT, state aeronautics fund .....	16,700
IDG receipt, warrant and cash processing fees.....	3,736,300
IDG, levy, warrant cost assessment fees .....	1,822,100
IDG, state agency collection fees.....	445,600
IDG from FIA, title IV D.....	501,100
IDG, user services.....	492,500
Special revenue funds:	
Delinquent tax collection revenue .....	18,937,500
Escheats revenue .....	3,029,900
Garnishment fees .....	414,200
Treasury fees.....	159,800
Waterways fund .....	17,900
State general fund/general purpose .....	\$ 16,916,200
<b>(7) FINANCIAL PROGRAMS</b>	
Full-time equated classified positions .....	298.5
Retirement investments—86.5 FTE positions.....	\$ 9,465,900
Michigan merit award board/MEAP administration—21.0 FTE positions.....	21,045,400
Michigan education savings program .....	2,000,000
Common cash investments and debt management—13.5 FTE positions.....	971,600
Student financial assistance programs—177.5 FTE positions.....	33,828,300
<b>GROSS APPROPRIATION .....</b>	<b>\$ 67,311,200</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG, fiscal agent service fees .....	150,600

	For Fiscal Year Ending Sept. 30, 2002
Federal revenues:	
DED-OPSE, federal lenders allowance .....	\$ 9,487,900
DED-OPSE, higher education act of 1965, insured loans.....	22,302,100
Special revenue funds:	
College work-study .....	46,300
Michigan merit award trust fund.....	23,408,800
Retirement funds.....	9,465,900
School bond fees.....	340,600
Treasury fees.....	236,000
State general fund/general purpose .....	\$ 1,873,000
<b>(8) DEBT SERVICE</b>	
Water pollution control bond and interest redemption.....	\$ 2,750,400
School bond loan .....	36,273,700
Quality of life bond .....	55,834,900
Clean Michigan initiative.....	11,136,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 105,995,000</b>
Appropriated from:	
Special revenue funds:	
Local - school bond loan repayments by school districts .....	700,000
State general fund/general purpose .....	\$ 105,295,000
<b>(9) GRANTS</b>	
Grants to counties in lieu of taxes.....	\$ 10,000
Convention facility development distribution .....	48,000,000
Senior citizen cooperative housing tax exemption program.....	13,700,600
Commercial mobile radio service payments.....	23,000,000
Health and safety fund grants .....	22,350,000
Tax increment finance authority payments .....	500,100
City of Benton Harbor - enterprise zone .....	127,900
<b>GROSS APPROPRIATION</b> .....	<b>\$ 107,688,600</b>
Appropriated from:	
Special revenue funds:	
Commercial mobile radio service fees .....	23,000,000
Convention facility development fund.....	48,000,000
Health and safety fund .....	22,350,000
State general fund/general purpose .....	\$ 14,338,600
<b>(10) STATE LOTTERY</b>	
Full-time equated classified positions .....	202.0
Lottery operations—164.0 FTE positions.....	\$ 13,815,500
Promotion and advertising .....	18,372,000
Lottery data processing—38.0 FTE positions.....	5,011,100
<b>GROSS APPROPRIATION</b> .....	<b>\$ 37,198,600</b>
Appropriated from:	
Special revenue funds:	
State lottery fund .....	37,198,600
State general fund/general purpose .....	\$ 0
<b>(11) CASINO GAMING</b>	
Full-time equated classified positions .....	103.0
Michigan gaming control board .....	\$ 500,000
Casino gaming control administration—103.0 FTE positions .....	16,388,700
Grant to department of agriculture.....	1,300,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 18,188,700</b>
Appropriated from:	
Casino gambling agreements.....	383,500
State services fee fund .....	17,805,200
State general fund/general purpose .....	\$ 0

For Fiscal Year  
Ending Sept. 30,  
2002

**(12) REVENUE SHARING**

Constitutional state general revenue sharing grants.....	\$ 672,600,000
Statutory state general revenue sharing grants .....	905,200,000
<b>GROSS APPROPRIATION .....</b>	<b>\$ 1,577,800,000</b>

Appropriated from:

Sales tax .....	1,577,800,000
State general fund/general purpose .....	\$ 0

**(13) BUDGETARY SAVINGS**

Budgetary savings.....	\$ (408,700)
<b>GROSS APPROPRIATION .....</b>	<b>\$ (408,700)</b>

Appropriated from:

State general fund/general purpose .....	\$ (408,700)
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**PART 2**

**PROVISIONS CONCERNING APPROPRIATIONS**

**GENERAL SECTIONS**

Sec. 201. (1) 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 2001-2002 is \$2,461,453,100.00 and state spending from state resources to be paid to local units of government for fiscal year 2001-2002 is \$1,694,363,900.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

**LEGISLATIVE BRANCH - LIBRARY OF MICHIGAN**

State aid to libraries.....	\$ 14,063,700
Detroit public library .....	5,754,200
Grand Rapids public library.....	398,300
Subregional state aid.....	592,200
Wayne County library for the blind and physically handicapped .....	49,200
Renaissance zone reimbursement.....	413,900
Subtotal.....	\$ 21,271,500

**DEPARTMENT OF STATE**

Fees to local units.....	\$ 69,800
Subtotal.....	\$ 69,800

**DEPARTMENT OF TREASURY**

Senior citizen cooperative housing tax exemption.....	\$ 13,700,600
Grants to counties in lieu of taxes.....	10,000
Health and safety fund grants .....	22,350,000
City of Benton Harbor enterprise zone.....	127,900
Constitutional state general revenue sharing grants.....	672,600,000
Statutory state general revenue sharing grants .....	905,200,000
Convention facility development fund distribution.....	48,000,000
Tax increment finance authority payments.....	500,100
Commercial mobile radio service payments.....	10,534,000
Subtotal.....	\$ 1,673,022,600
<b>TOTAL GENERAL GOVERNMENT.....</b>	<b>\$ 1,694,363,900</b>

(2) Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state sources for fiscal year 2001-2002 is estimated at \$26,253,198,180.00 in the 2001-2002 appropriations acts and total state spending from state sources paid to local units of government for fiscal year 2001-2002 is estimated at \$15,827,514,592.00. The state-local proportion is estimated at 60.29% of total state spending from state resources.

(3) If payments to local units of government and state spending from state sources for fiscal year 2001-2002 are different than the amounts estimated in subsection (2), the state budget director shall report the payments to local units of government and state spending from state sources that were made for fiscal year 2001-2002 to the senate and house of representatives standing committees on appropriations within 30 days after the final bookclosing for fiscal year 2001-2002.

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

Sec. 203. As used in this act:

- (a) "COBRA" means the consolidated omnibus budget reconciliation act of 1985, Public Law 99-272, 100 Stat. 82.
- (b) "CPI" means consumer price index.

- (c) "DAG" means the United States department of agriculture.
- (d) "DED-OPSE" means the United States department of education, office of postsecondary education.
- (e) "DOI-NPS" means the United States department of the interior, national park service.
- (f) "DOJ" means the United States department of justice.
- (g) "DOL-ETA" means the United States department of labor, employment and training administration.
- (h) "DOL-OSHA" means the United States department of labor, occupational safety and health administration.
- (i) "DOT-FHA" means the United States department of transportation, federal highway administration.
- (j) "EEOC" means the United States equal employment opportunity commission.
- (k) "EPA" means the United States environmental protection agency.
- (l) "FIA" means the Michigan family independence agency.
- (m) "FTE" means full-time equated.
- (n) "GF/GP" means general fund/general purpose.
- (o) "HHS" means the United States department of health and human services.
- (p) "HHS-OS" means the HHS office of the secretary.
- (q) "HHS-SSA" means the HHS social security administration.
- (r) "HUD" means the United States department of housing and urban development.
- (s) "IDG" means interdepartmental grant.
- (t) "MAIN" means the Michigan administrative information network.
- (u) "MCL" means the Michigan Compiled Laws.
- (v) "MDA" means the Michigan department of agriculture.
- (w) "MDCH" means the Michigan department of community health.
- (x) "MDCIS" means the Michigan department of consumer and industry services.
- (y) "MDCS" means the Michigan department of civil service.
- (z) "MDOT" means the Michigan department of transportation.
- (aa) "MDSP" means the Michigan department of state police.
- (bb) "MEAP" means the Michigan educational assessment program.
- (cc) "MESA" means the Michigan employment security agency.
- (dd) "MPES" means the Michigan professional employees society.
- (ee) "MSC" means managerial, supervisory, and confidential.
- (ff) "MUSTFA" means Michigan underground storage tank financial assurance.
- (gg) "PA" means public act.
- (hh) "PACC" means the prosecuting attorneys coordinating council.
- (ii) "UAW" means the united auto workers.
- (jj) "WIC" means women, infants, and children.

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

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

(2) The state budget director shall grant exceptions to this hiring freeze when the state budget director believes that the hiring freeze will result in rendering a state department or agency unable to deliver basic services, cause 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 by the last day of each month to the chairpersons of the senate and house of representatives standing committees on appropriations the number of exceptions to the hiring freeze approved during the previous month and the reasons to justify the exception.

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

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



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

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

Sec. 211. Pursuant to section 352 of the management and budget act, 1984 PA 431, MCL 18.1352, that provides for a transfer of state general funds into the countercyclical budget and economic stabilization fund, there is appropriated into the countercyclical budget and economic stabilization fund the sum of \$0.0. The calculation required by section 352 of the management and budget act, 1984 PA 431, MCL 18.1352, is determined as follows:

	2000	2001
Michigan personal income (millions) .....	\$294,299	\$301,951
less: transfer payments .....	39,599	41,896
Subtotal .....	254,700	260,055
Divided by: Detroit CPI for 12 months.....		
Ending June 30 (1982=1.00).....	1.670	1.729
Equals: Real adjusted Michigan personal income.....	\$152,515	\$150,383
Percentage change.....		(1.4%)
Percentage change under 0%.....		(1.4%)
Multiplied by: estimated GF/GP revenue in FY 2000-2001 (millions) .....		9,189.1
Equals: countercyclical budget and economic stabilization fund calculation for the fiscal year ending September 30, 2002.....		\$0.0

Sec. 212. The departments and agencies receiving appropriations under this act shall receive and retain copies of all reports funded from appropriations in part 1. Federal and state guidelines for short-term and long-term retention of records shall be followed.

Sec. 213. (1) The negative appropriation for budgetary savings in part 1 shall be satisfied by savings from the hiring freeze imposed in section 205 and, if necessary, by other savings identified by the department director and approved by the state budget director.

(2) Appropriation authorizations shall be adjusted after the approval of transfers by the legislature pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 214. Funds appropriated in part 1 shall not be used by this state, a department, an agency, or an authority of this state to purchase an ownership interest in a casino enterprise or a gambling operation as those terms are defined in the Michigan gaming control and revenue act, the Initiated Law of 1996, MCL 432.201 to 432.226.

Sec. 215. All departments shall adhere to the privacy policy adopted under section 715(7).

**DEPARTMENT OF ATTORNEY GENERAL**

Sec. 300. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$1,500,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

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

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

Sec. 301. (1) The attorney general shall perform all legal services, including representation before courts and administrative agencies rendering legal opinions and providing legal advice to a principal executive department or state agency. A principal executive department or state agency shall not employ or enter into a contract with any other person for services described in this section.

(2) The attorney general shall defend judges of all state courts if a claim is made or a civil action is commenced for injuries to persons or property caused by the judge through the performance of the judge's duties while acting within the scope of his or her authority as a judge.

(3) The attorney general shall perform the duties specified in 1846 RS 12, MCL 14.28 to 14.35, and 1919 PA 232, MCL 14.101 to 14.102, and as otherwise provided by law.

Sec. 302. The attorney general may sell copies of the biennial report in excess of the 500 copies that the attorney general may distribute on a gratis basis. The attorney general shall sell copies of the report at not less than the actual cost of the report and shall deposit the money received into the general fund.

Sec. 303. The department of attorney general has retained the responsibility for legal representation for state of Michigan state employee worker's disability compensation cases handled by the accident fund company. The accident fund company revenue appropriation in part 1 is to be satisfied by billings from the department of attorney general to the accident fund company for the actual costs of legal representation, including salaries and support costs.

Sec. 304. In addition to the funds appropriated in part 1, up to \$400,000.00 shall be reimbursed per fiscal year for food stamp fraud cases heard by the third circuit court of Wayne County that were initiated by the department of attorney general pursuant to the existing contract between the family independence agency, the prosecuting attorneys coordinating council, and the department of attorney general. The source of this funding is money earned by the department of attorney general under the agreement after the allowance for reimbursement to the department of attorney general for costs associated with the prosecution of food stamp fraud cases. It is recognized that the federal funds are earned by the department of attorney general for its documented progress on the prosecution of food stamp fraud cases according to the United States department of agriculture regulations and that once earned by this state, the funds become state funds.

Sec. 305. Any proceeds from a lawsuit initiated by or settlement agreement entered into on behalf of this state against a manufacturer of tobacco products by the attorney general are state funds and are subject to appropriation as provided by law.

Sec. 306. Any unobligated antitrust enforcement revenue in excess of the funds appropriated in part 1, not to exceed \$250,000.00, may be carried forward and available for appropriation in the succeeding fiscal year.

#### **DEPARTMENT OF CIVIL RIGHTS**

Sec. 400. In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$500,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 401. (1) In addition to the appropriations contained in part 1, the department of civil rights may receive and expend funds from local or private sources for all of the following purposes:

- (a) Developing and presenting training for employers on equal employment opportunity law and procedures.
- (b) The publication and sale of civil rights related informational material.
- (c) The provision of copy material made available under freedom of information requests.
- (d) Other copy fees, subpoena fees, and witness fees.
- (e) Developing, presenting, and participating in mediation processes for certain civil rights cases.

(2) The department of civil rights shall annually report to the state budget director, to the senate and house of representatives standing committees on appropriations, and to the senate and house fiscal agencies the amount of funds received and expended for purposes authorized under this section.

Sec. 402. The department of civil rights may contract with local units of government to review equal employment opportunity compliance of potential contractors and may charge for and expend amounts received from local units of government for the purpose of developing and providing these contractual services.

#### **DEPARTMENT OF CIVIL SERVICE**

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

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

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

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

Sec. 501. (1) All restricted funds shall be assessed a sum not less than 1% of the total aggregate payroll paid from those funds for financing the department of civil service on the basis of actual 1% restricted sources and programs total aggregate payroll of the classified service for fiscal year 2001 in accordance with section 5 of article XI of the state constitution of 1963. This includes, but is not limited to, restricted funds appropriated in part 1 of any appropriations bill. Unexpended 1% appropriated funds shall be returned to each 1% fund source at the end of the fiscal year.

(2) The 1% financing from restricted sources and programs shall be credited to the department of civil service by the end of the second fiscal quarter.

Sec. 502. Except where specifically appropriated for this purpose, 1% of the financing from restricted sources and programs shall be credited to the department of civil service. For restricted sources of funding within the general fund that have the legislative authority for carryover, if current spending authorization or revenues are insufficient to accept the charge, the shortage shall be taken from carryforward balances of that funding source. Restricted revenue sources

that do not have carryforward authority shall be utilized to satisfy departmental operating deducts first and civil service obligations second. General fund dollars are hereby appropriated for any shortfall, pursuant to approval by the state budget director.

**EXECUTIVE OFFICE**

Sec. 550. Funds collected by the executive office under sections 55, 57, 58, and 59 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.255, 24.257, 24.258, and 24.259, and section 203 of the legislative council act, 1986 PA 268, MCL 4.1203, are appropriated for all expenses necessary to provide for the costs of publication and distribution. The funds appropriated under this section are allotted 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.

**LEGISLATIVE BRANCH**

**LEGISLATURE**

Sec. 600. The senate, the house of representatives, or an agency within the legislative branch may receive, expend, and transfer funds in addition to those authorized in part 1.

Sec. 601. (1) Funds appropriated in part 1 to an entity within the legislative branch shall not be expended or transferred to another account without written approval of the authorized agent of the legislative entity. If the authorized agent of the legislative entity notifies the state budget director of its approval of an expenditure or transfer, the state budget director shall immediately make the expenditure or transfer. The authorized legislative entity agency shall be designated by the speaker of the house of representatives for house entities, the senate majority leader for senate entities, and the legislative council for library of Michigan and legislative council entities.

(2) Funds appropriated within the legislative branch, to a legislative council or library of Michigan component, shall not be expended by any agency or other subgroup included in that component without the approval of the legislative council.

Sec. 602. The senate may charge rent and assess charges for utility costs. The amounts received for rent charges and utility assessments are appropriated to the senate for the renovation, operation, and maintenance of the Farnum building and adjoining property.

Sec. 603. The appropriation contained in part 1 for national association dues is to be distributed in the following manner by the legislative council:

National conference of state legislatures.....	\$	184,900
Council of state governments.....	\$	166,300
National conference of insurance legislators.....	\$	10,000
National conference of commissioners on uniform state laws.....	\$	44,600

Sec. 604. (1) The appropriation in part 1 to the legislative branch, legislative council, includes funds to operate the legislative parking facilities in the capitol area. The legislative council shall establish rules regarding the operation of the legislative parking facilities.

(2) The legislative council shall collect a fee from state employees and the general public using certain legislative parking facilities. The revenues received from the parking fees shall be allocated by the legislative council.

Sec. 605. The appropriation in part 1 to the legislative branch, legislative council, for publication of the Michigan manual is considered a work project account. The unexpended portion remaining on September 30 shall not lapse and shall be carried forward into the subsequent fiscal year for use in paying the associated biennial costs of publication of the Michigan manual.

Sec. 606. The appropriation in part 1 to the legislative branch, for property management, is considered a work project account. The unexpended portion remaining on September 30 shall not lapse and shall be carried forward into the subsequent fiscal year for the use for which it was intended.

Sec. 607. In addition to funds appropriated in part 1, the Michigan capitol committee publications save the flags fund account may accept contributions, gifts, bequests, devises, grants, and donations. Those funds that are not expended in the fiscal year ending September 30 shall not lapse at the close of the fiscal year and shall be carried forward for expenditure in the following fiscal years.

Sec. 608. Funds appropriated in part 1 for e-Law, the legislative council's technology enhancement project, shall be used to support technology improvements for legislative functions performed by the legislative council agencies and to provide greater access to the public regarding legislative information. These funds, along with funds previously appropriated for the legislative session integration system, are designated as a work project and shall not lapse at the end of the fiscal year, and shall continue to be available for expenditure until the project has been completed. The total cost is estimated at \$3,992,750.00, and the tentative completion date is September 30, 2003.

Sec. 609. The funds appropriated in part 1 shall not be used to pay for health insurance benefits for unmarried domestic partners of legislators or legislative employees.

Sec. 610. Public access to legislative offices shall not be restricted during normal business hours.

Sec. 611. In addition to the funds appropriated in part 1 for the legislative auditor general, there is appropriated an amount not to exceed \$500,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 612. Pursuant to section 53 of article IV of the state constitution of 1963, the auditor general shall conduct audits of the judicial branch. The audits may include the supreme court and its administrative units, the court of appeals, and trial courts.

Sec. 613. (1) The auditor general shall take all reasonable steps to ensure that certified minority- and women-owned and operated accounting firms, and accounting firms owned and operated by persons with disabilities participate in the audits of the books, accounts, and financial affairs of each principal executive department, branch, institution, agency, and office of this state.

(2) The auditor general shall strongly encourage firms with which it contracts to perform audits of the principal executive departments and state agencies to subcontract with certified minority- and women-owned and operated accounting firms, and accounting firms owned and operated by persons with disabilities.

(3) The auditor general shall compile an annual report regarding the number of contracts entered into with certified minority- and women-owned and operated accounting firms, and accounting firms owned and operated by persons with disabilities. The auditor general shall deliver the report to the state budget director and the senate and house of representatives standing committees on appropriations subcommittees on general government by November 1 of each year.

Sec. 614. (1) From the funds appropriated in part 1 to the legislative branch, office of the auditor general, there is appropriated the amounts necessary for the auditing of school district financial and pupil accounting records utilized for state school aid distributions. The office of the auditor general may conduct audits under this section on a contractual basis.

(2) The office of the auditor general shall continue to perform an oversight function of the state aid membership reporting and auditing process including the department of education's quality assurance system.

(3) The office of the auditor general shall submit a report for the fiscal year ending September 30, 2002 to the department of education, the state budget director, and the senate and house of representatives standing committees on appropriations on or before January 31, 2003. The report shall contain the results of the office of the auditor general's assessment of the internal control structure for the state's membership reporting and auditing process, and recommendations to improve the internal control structure. The report shall also state the names of the contractors, the contract cost, the dollar amount of audit citations for any membership audits that may be conducted, and other pertinent information relating to the determination of whether this audit function should be continued.

Sec. 615. The office of the auditor general shall report to the state budget director, the senate and house of representatives standing committees on appropriations, and the senate and house fiscal agencies on all recommendations made by the auditor general, in all audit reports, that are not complied with by the audited agencies.

Sec. 616. From the funds appropriated in part 1 to the legislative auditor general, the legislative auditor general's salary shall be \$127,400.00. Funding for the remaining 2.0 FTE unclassified positions is limited to an aggregate amount of \$138,400.00.

Sec. 617. A hiring freeze is imposed on the office of the auditor general. The office of the auditor general shall not hire new employees other than to fill vacancies as they arise. The leadership of the senate and house of representatives may grant exceptions to this hiring freeze when they determine it is in the best interest of the state.

#### **LIBRARY OF MICHIGAN**

Sec. 651. In addition to funds appropriated in part 1, the library of Michigan may accept contributions, gifts, bequests, devises, user fees, grants, and donations. Those funds that are not expended in the current fiscal year shall not lapse at the close of the fiscal year and may be carried over by the library of Michigan for expenditure in the following fiscal years.

Sec. 652. The appropriation in part 1 to the library of Michigan, for subregional state aid, shall not be expended unless the local unit of government agrees to not reduce local support below the level of local support expended for subregional library services in the local unit of government's immediately preceding fiscal year. A reduction in local expenditures that equally affects all agencies within a local unit of government shall not be interpreted as a replacement of local financial or in-kind support with state aid funds.

Sec. 653. The appropriation in part 1 to the library of Michigan, for a subregional library, shall not be released until a budget for that subregional library has been approved by the library of Michigan for expenditures for library services directly serving the blind and persons with disabilities. Subregional state aid shall be used only for providing services to the blind and to persons with disabilities.

Sec. 654. The appropriation in part 1 to the library of Michigan, for statewide database access, shall be used only for making computerized databases, searches of those databases, and the products of those searches, available through the libraries of Michigan. Only those libraries that qualify under the federal library services and technology act, subtitle B of title II of the museum and library services act, Public Law 94-462, 110 Stat. 3009-901, are eligible to participate in this project.

Sec. 655. From the state general fund/general purpose appropriation in part 1, there is allocated \$413,900.00 to reimburse public libraries as provided by section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692, for property taxes levied in 2001. Reimbursements shall be made in amounts to each eligible recipient not later than 60 days after the department of treasury certifies to the library of Michigan that it has received all necessary

information to properly determine the amounts due each eligible recipient under section 12(4) of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692. Any excess allocations shall lapse to the general fund.

Sec. 656. The chair and vice chair of the legislative council have approval authority over the recommendations of the library of Michigan foundation and the state librarian for the naming of the board room and rare book room of the library of Michigan for which private funds have been raised and committed.

**DEPARTMENT OF MANAGEMENT AND BUDGET**  
**OPERATIONS**

Sec. 700. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$2,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$50,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 701. Proceeds in excess of necessary costs incurred in the conduct of transfers or auctions of state surplus, salvage, or scrap property made pursuant to section 267 of the management and budget act, 1984 PA 431, MCL 18.1267, are appropriated to the department of management and budget to offset costs incurred in the acquisition and distribution of federal surplus property.

Sec. 702. The department of management and budget may receive and expend funds in addition to those authorized in part 1 for conducting training and orientation workshops and seminars that are consistent with the programmatic mission of the individual unit sponsoring or coordinating the program.

Sec. 703. (1) The department of management and budget may receive and expend funds in addition to those authorized by part 1 for maintenance and operation services provided specifically to other principal executive departments or state agencies, the legislative branch, or the judicial branch or provided in connection with facilities transferred to the operational jurisdiction of the department of management and budget.

(2) The department of management and budget may receive and expend funds in addition to those authorized by part 1 for real estate, architectural, design, and engineering services provided specifically to other principal executive departments or state agencies, the legislative branch, or the judicial branch.

(3) The department of management and budget may receive and expend funds in addition to those authorized in part 1 for mail pickup and delivery services provided specifically to other principal executive departments and state agencies, the legislative branch, or the judicial branch.

(4) The department of management and budget may receive and expend funds in addition to those authorized in part 1 for purchasing services provided specifically to other principal executive departments and state agencies, the legislative branch, or the judicial branch.

Sec. 704. The department of management and budget may enter into agreements to supply census information, spatial information, and technical services to other principal executive departments, state agencies, local units of government, and other organizations. The department of management and budget may receive and expend funds in addition to those authorized in part 1 for providing information and technical services, publications, maps, and other census-related products. The department of management and budget may expend amounts received for salaries, supplies, and equipment necessary to provide informational products and technical services.

Sec. 705. (1) The appropriation in part 1 to the department of management and budget, for statewide appropriations from employer contributions, represents amounts included within the various appropriations for longevity and insurance, whether appropriated as a single line item or commingled with program line items, throughout state government for the current fiscal year for purposes of funding the child care information and referral services, severance pay funds, and professional development funds included within statewide appropriations. Deposits against the interdepartmental grant from employer contributions shall be made from assessments levied against the longevity and insurance appropriations during the current fiscal year in a manner prescribed by the department of management and budget. Any deposits made under this subsection and any unencumbered funds are restricted revenues, may be carried over into the succeeding fiscal years, and are appropriated.

(2) From the funds appropriated in part 1 to the department of management and budget for professional development funds and child care information and referral services, the department of management and budget may expend funds for staff support associated with administration of the professional development funds and child care information and referral services in amounts as may be specified in joint labor/management agreements or through the coordinated compensation hearings process.

(3) In addition to the funds appropriated in part 1 for severance pay funds, the department of management and budget may receive and expend funds from other state agencies for staff support associated with the administration of these funds.

(4) In addition to the funds appropriated in part 1 to the department of management and budget, for statewide appropriations from employer contributions, the department of management and budget may receive and expend funds in such additional amounts as may be specified in joint labor/management agreements or through the coordinated compensation hearings process in the same manner and subject to the same conditions as prescribed in subsections (1), (2), and (3).

Sec. 706. To the extent a specific appropriation is required for a detail source of financing included in part 1 for the department of management and budget appropriations financed from special revenue and internal service and pension trust funds, or MAIN user charges, the specific amounts are appropriated within the special revenue internal service and pension trust funds in portions not to exceed the aggregate amount appropriated in part 1.

Sec. 707. From the funds appropriated in part 1 to the department of management and budget, for departmentwide services, the department of management and budget may expend funds for staff salaries and fringe benefits for continued operation of the automated retirement management system.

Sec. 708. The per diem amounts authorized for the following boards within the department of management and budget are as follows:

(a) Judges retirement board.....	\$	50.00
(b) Public school employees retirement board .....		50.00
(c) State police retirement board.....		50.00

Sec. 709. In addition to the funds appropriated in part 1 to the department of management and budget, the department may receive and expend funds from other principal executive departments and state agencies to implement donated annual leave and administrative leave bank transfer provisions as may be specified in joint labor/management agreements. The amounts may also be transferred to other principal executive departments and state agencies under the joint agreement and any amounts transferred under the joint agreement are authorized for receipt and expenditure by the receiving principal executive department or state agency. Any amounts received by the department of management and budget under this section and intended, under the joint labor/management agreements, to be available for use beyond the close of the fiscal year and any unencumbered funds may be carried over into the succeeding fiscal year.

Sec. 710. The appropriation in part 1 for the Michigan administrative information network shall be funded by proportionate charges assessed against the respective state funds benefiting from this project in the amounts determined by the department.

Sec. 711. The legislature shall have access to all historical and current data contained within MAIN pertaining to state departments. State departments shall have access to all historical and current data contained within MAIN.

Sec. 712. (1) Deposits against the interdepartmental grant from building occupancy and parking charges appropriated in part 1 shall be collected, in part, from state agencies, and the judiciary based on estimated costs associated with maintenance and operation of buildings managed by the department of management and budget. To the extent excess revenues are collected due to estimates of building occupancy charges exceeding actual costs, the excess revenues may be carried forward into succeeding fiscal years for the purpose of returning funds to state agencies.

(2) Appropriations in part 1 to the department of management and budget, for management and budget services from building occupancy charges and parking charges, may be increased to return excess revenue collected to state agencies.

Sec. 713. The appropriation in part 1 to the department of management and budget, for state-sponsored group insurance, flexible spending accounts, and COBRA, represents amounts, in part, included within the various appropriations throughout state government for the current fiscal year to fund the flexible spending account program included within management and budget services. Deposits against state-sponsored group insurance, flexible spending accounts, and COBRA for the flexible spending account program shall be made from assessments levied during the current fiscal year in a manner prescribed by the department of management and budget. Unspent employee contributions to the flexible spending accounts may be used to offset administrative costs for the flexible spending account program, with any remaining balance of unspent employee contributions to be lapsed to the general fund.

Sec. 714. In accordance with section 52 of the state employees' retirement act, 1943 PA 240, MCL 38.52, \$154,100.00 is appropriated in part 1 to the health insurance reserve fund of the state employees' retirement system created by section 11(8) of the state employees' retirement act, 1943 PA 240, MCL 38.11, representing the estimated general fund/general purpose savings from implementing the defined contribution retirement plan for the period October 1, 1999 through September 30, 2000.

Sec. 715. (1) The e-Michigan office may sell and accept paid advertising for placement on any state website under its jurisdiction. The office shall review and approve the content of each advertisement. The office may refuse to accept advertising from any person or organization or require modification to advertisements based upon criteria determined by the office. Revenue received under this subsection will be used for operating costs of the office and for future technology enhancements to state of Michigan e-government initiatives. Funds received under this subsection shall be limited to \$250,000.00. Any funds in excess of \$250,000.00 shall be deposited in the state general fund.

(2) The e-Michigan office may accept gifts, donations, contributions, bequests, and grants of money from any public or private source to assist with the underwriting or sponsorship of state web pages or services offered on those web pages. A private or public funding source may receive recognition in the web page. The office may reject a gift, donation, contribution, bequest, or grant.

(3) The e-Michigan office may enter into agreements to supply services to other principal executive departments and agencies. The e-Michigan office may receive and expend funds in addition to those authorized in 2000 PA 291 for providing such services. The e-Michigan office may expend amounts received for salaries, supplies, services, and equipment necessary to provide e-Michigan services.

(4) Funds accepted by the e-Michigan office under subsections (1), (2), and (3) are appropriated and allotted when received and may be expended upon receipt.

(5) Any unexpended revenue received under this section shall not lapse to the general fund and shall be available for future appropriations.

(6) The e-Michigan office shall develop a search function of all state departments and agencies. This search function shall be easily accessible to visitors on the front page of the state's website.

(7) The privacy policy adopted by the e-Michigan office shall include the following provisions:

(a) Instruction on how visitors can set their browsers to be warned before each cookie is written to a visitor's computer.

(b) The e-Michigan office will also include instructions for visitors to inform them how to view and remove cookies on their personal computers.

(8) By April 1, the e-Michigan office shall report to the senate and house of representatives standing committees on appropriations and the senate and house fiscal agencies all of the following information:

(a) The amount of gifts, donations, contributions, bequests, and grants of money received by the office under this section for the prior fiscal year.

(b) A listing of the expenditures made from the amounts received by the office as reported in subdivision (a).

(c) A listing of any gift, donation, contribution, bequest, or grant of property other than funding received by the office under this section for the prior year.

(d) The total revenue received from the sale of paid advertising accepted under this section and a statement of the total number of advertising transactions.

Sec. 716. The department of management and budget shall notify the chairpersons of the senate and house of representatives standing committees on appropriations and the chairpersons of the senate and house of representatives standing committees on appropriations subcommittees on general government on any revisions exceeding \$500,000.00 to current contracts for computer software development, hardware acquisition, or quality assurance at least 14 days before the department of management and budget finalizes the revisions.

Sec. 718. By February 15 of each fiscal year, the department of management and budget together with the department of treasury shall provide to the state budget director, the senate and house of representatives standing committees on appropriations, and the senate and house fiscal agencies a report on restricted fund balances, projected revenues, and projected expenditures for each restricted fund appropriated in part 1 for the prior, current, and immediately subsequent fiscal years.

Sec. 721. The department of management and budget shall maintain an Internet website that contains notice of all invitations for bids and requests for proposals over \$50,000.00 issued by the department or by any state agency operating under delegated authority. The department shall not accept an invitation for bid or request for proposal in less than 14 days after the notice is made available on the Internet website, except in situations where it would be in the best interest of the state and documented by the department. In addition to the requirements of this section, the department may advertise the invitations for bids and requests for proposals in any manner the department determines appropriate, in order to give the greatest number of individuals and businesses the opportunity to make bids or requests for proposals.

#### **DEPARTMENT OF STATE**

Sec. 800. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$1,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$7,500,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$50,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

Sec. 801. All funds made available by section 3171 of the insurance code of 1956, 1956 PA 218, MCL 500.3171, are appropriated and made available to the department of state to be expended only for the uses and purposes for which the funds are received as provided by sections 3171 to 3177 of the insurance code of 1956, 1956 PA 218, MCL 500.3171 to 500.3177.

Sec. 802. From the funds appropriated in part 1, the department of state shall sell copies of records including, but not limited to, records of motor vehicles, off-road vehicles, snowmobiles, watercraft, mobile homes, personal identification cardholders, drivers, and boat operators and shall charge \$6.55 per record sold only as authorized in section 208b of the Michigan vehicle code, 1949 PA 300, MCL 257.208b, section 7 of 1972 PA 222, MCL 28.297, and sections 80130, 80315, 81114, and 82156 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.80130, 324.80315, 324.81114, and 324.82156. The department shall use the revenue received from the sale of records for necessary expenses as appropriated in part 1. The balance of the fee revenue remaining on September 30 shall revert to the general fund.

Sec. 803. From the funds appropriated in part 1, the secretary of state may enter into agreements with the department of corrections for the manufacture of vehicle registration plates 15 months before the registration year in which the registration plates will be used.

Sec. 804. The federal funds appropriated in part 1 for the historic site preservation grants are for work projects and shall not lapse at the end of the fiscal year and shall continue to be available for expenditure until the projects for which the funds were reserved have been completed or are terminated. The purpose of these work projects is the identification, designation, and preservation of historic resources. The method used will be to solicit applications from eligible recipients, score applications based upon established criteria, and award the contracts and subgrants. The total cost is \$900,000.00 and the tentative completion date is September 30, 2003.

Sec. 805. (1) The department of state may accept gifts, donations, contributions, and grants of money and other property from any private or public source to underwrite, in whole or in part, the cost of a departmental publication that is prepared and disseminated under the Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923. A private or public funding source may receive written recognition in the publication and may furnish a traffic safety message, subject to departmental approval, for inclusion in the publication. The department may reject a gift, donation, contribution, or grant. The department may furnish copies of a publication underwritten, in whole or in part, by a private source to the underwriter at no charge.

(2) The department of state may sell and accept paid advertising for placement in a departmental publication that is prepared and disseminated under the Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923. The department may charge and receive a fee for any advertisement appearing in a departmental publication and shall review and approve the content of each advertisement. The department may refuse to accept advertising from any person or organization. The department may furnish a reasonable number of copies of a publication to an advertiser at no charge.

(3) Pending expenditure, the funds received under this section shall be deposited in the Michigan department of state publications fund created by section 211 of the Michigan vehicle code, 1949 PA 300, MCL 257.211. Funds given, donated, or contributed to the department from a private source are appropriated and allocated for the purpose for which the revenue is furnished. Funds granted to the department from a public source are allocated and may be expended upon receipt. The department shall not accept a gift, donation, contribution, or grant if receipt is conditioned upon a commitment of state funding at a future date. Revenue received from the sale of advertising is appropriated and may be expended upon receipt.

(4) Any unexpended revenues received under this section shall be carried over into subsequent fiscal years and shall be available for appropriation for the purposes described in this section.

(5) On March 1 of each year, the department of state shall file a report with the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the state budget director. The report shall include all of the following information:

(a) The amount of gifts, contributions, donations, and grants of money received by the department under this section for the prior fiscal year.

(b) A listing of the expenditures made from the amounts received by the department as reported in subdivision (a).

(c) A listing of any gift, donation, contribution, or grant of property other than funding received by the department under this section for the prior year.

(d) The total revenue received from the sale of paid advertising accepted under this section and a statement of the total number of advertising transactions.

(6) In addition to copies delivered without charge as the secretary of state considers necessary, the department of state may sell copies of manuals and other publications regarding the sale, ownership, or operation or regulation of motor vehicles, with amendments, at prices to be established by the secretary of state. As used in this subsection, the term "manuals and other publications" means videos and proprietary electronic publications. All funds received from sales of these manuals and other publications shall be credited to the Michigan department of state publications fund.

Sec. 806. Funds collected by the department of state under section 211 of the Michigan vehicle code, 1949 PA 300, MCL 257.211, are appropriated for all expenses necessary to provide for the costs of the publication. Funds are allotted for expenditure when they are received by the department of treasury and shall not lapse to the general fund at the end of the fiscal year.

Sec. 807. Funds collected by the department of state under sections 3, 6, 7, and 7a of 1913 PA 271, MCL 399.3, 399.6, 399.7, and 399.7a, are appropriated to the department for the purpose for which they were received, and shall not lapse to the general fund at the end of the fiscal year.



Sec. 808. For purposes of administering the museum store as provided in section 7a of 1913 PA 271, MCL 399.7a, the department of state is exempt from section 261 of the management and budget act, 1984 PA 431, MCL 18.1261.

Sec. 809. From the funds appropriated in part 1, the department of state shall use available balances at the end of the state fiscal year to provide payment to the department of state police in the amount of \$307,900.00 for the services provided by the traffic accident records program as first appropriated in 1990 PA 196 and 1990 PA 208.

Sec. 810. From the funds appropriated in part 1, the department of state may restrict funds from miscellaneous revenue to cover cash shortages created from normal branch office operations. This amount shall not exceed \$50,000.00 of the total funds available in miscellaneous revenue.

Sec. 811. (1) Commemorative and specialty license plate fee revenue collected by the department of state and deposited into the Michigan transportation fund is authorized for expenditure up to the amount of revenue collected but not to exceed the amount appropriated to the department of state in part 1 to administer commemorative and specialty license plate programs.

(2) Commemorative and specialty license plate fee revenue collected by the department of state and deposited in the Michigan transportation fund in addition to that appropriated in part 1 to the department of state shall be available for other Michigan transportation fund-supported programs.

Sec. 812. (1) From the state funds appropriated in part 1, the department of state may award discretionary historical grants to preserve Michigan lighthouses. The department of state may award up to \$152,700.00 in grants for this purpose and may use a portion of those funds to assist in the transfer of lighthouses from federal ownership. A portion of the funds may also be dedicated to program administration and project coordination.

(2) The department of state shall allocate grant funds under this section pursuant to eligibility and scoring requirements established by the department of state. The method used will be to solicit applications from eligible recipients, score applications based on the established criteria, and award grants through executed contracts.

(3) Grants under this section may be awarded for purposes of stabilization, rehabilitation, or other preservation work on a Michigan lighthouse, but shall not be awarded for operational purposes. The department of state shall not allocate a grant that exceeds \$20,000.00.

(4) The funds appropriated and allocated by this section are for work projects. The funds shall not lapse to the general fund at the end of the fiscal year but shall remain available in subsequent fiscal years, until the funds have been expended, the projects for which the funds were reserved have been completed, or the projects are terminated, whichever occurs first. The tentative date for completion is September 30, 2002.

Sec. 813. Funds or revenues in the Olympic education training center fund, after deducting manufacturing and administrative costs, are appropriated for distribution to the Olympic education training center at Northern Michigan University. Distributions shall occur on a quarterly basis. Any undistributed revenue remaining at the end of the fiscal year shall be carried over into the next fiscal year.

Sec. 814. The department of state may produce and sell copies of a training video designed to inform registered automotive repair facilities of their obligations under Michigan law. The price shall not exceed the cost of production and distribution. The money received from the sale of training videos shall revert to the department of state and be placed in the auto repair facility account.

Sec. 815. From the funds appropriated in part 1 for historical administration and services, \$71,200.00 shall be allocated to support the operations of the Michigan freedom trail commission. These funds shall be used to reimburse commission members, to pay for necessary contractual services of the commission, and to hire not more than 1.0 FTE position in the department's history division to support commission operations.

Sec. 816. (1) In addition to the funds appropriated in part 1, the department of state shall collect an application fee of \$250.00 for each application submitted under section 1 of 1955 PA 10, MCL 399.151, for property designated as a state historic site.

(2) The department of state shall deposit the fees collected under subsection (1) in a separate revolving fund. Any revenue remaining in the fund at the end of the fiscal year shall not lapse but shall remain available for future expenditures. The department may expend any revenues in the fund immediately upon receipt. Expenditures shall be made only for the purpose of correcting, repairing, or replacing numbered markers erected pursuant to section 2 of 1955 PA 10, MCL 399.152.

Sec. 817. (1) The department of state, in collaboration with the gift of life transplantation society or its successor federally designated organ procurement organization, may develop and administer a public information campaign concerning the Michigan organ donor program.

(2) The department may solicit funds from any private or public source to underwrite, in whole or in part, the public information campaign authorized by this section. The department may accept gifts, donations, contributions, and grants of money and other property from private and public sources for this purpose. A private or public funding source underwriting the public information campaign, in whole or in substantial part, shall receive sponsorship credit for its financial backing.

(3) Funds received pursuant to this section, including grants from state and federal agencies, shall not lapse to the general fund at the end of the fiscal year but shall remain available in fiscal year 2003 for expenditure for the purposes described in this section.

Sec. 818. Collector plate and fund-raising registration plate revenues collected by the department of state are appropriated and allotted for distribution to the recipient Michigan university or agency overseeing a state-sponsored goal when received. Distributions shall occur on a quarterly basis or as otherwise authorized by law. Any revenues remaining at the end of the fiscal year shall not lapse to the general fund but shall remain available for distribution to the university or agency in the next fiscal year.

Sec. 819. (1) The department of state may accept gifts, donations, contributions, bequests, and grants of money from any public or private source, including fund-raising license plate donations, to assist with underwriting the discretionary historical grant program, including administrative and other associated costs, for the preservation of Michigan lighthouses.

(2) Funds accepted by the department of state under subsection (1) are appropriated and allocated when received and may be expended immediately upon receipt or at any later time. Any revenue remaining in the fund at the end of the fiscal year shall not lapse to the general fund but shall remain available for future expenditures for the purposes for which it was given.

Sec. 820. From the funds appropriated in part 1 for the department of state, the department shall develop a program that identifies to law enforcement officers vehicles whose drivers are exempt from the use of a safety belt under section 710e of the Michigan vehicle code, 1949 PA 300, MCL 257.710e. The department shall submit a report on or before November 1, 2001 to the senate and house of representatives standing committees on appropriations that identifies the recommendations of the department.

Sec. 823. (1) Funding appropriated in part 1 for the organ donor program shall be used for producing a pamphlet to be distributed with driver licenses and personal identification cards regarding organ donations. The funds shall be used to update and print a pamphlet that will explain the organ donor program and encourage people to become donors by marking a checkoff on driver license and personal identification card applications.

(2) The pamphlet shall include a return reply form addressed to the gift of life organization. Funding appropriated in part 1 for the organ donor program shall be used to pay for return postage costs.

Sec. 824. The department shall reimburse municipalities with voting populations over 5,000 in any calendar year for qualified voter file systems, subject to the appropriations of funds to the department by the legislature for this purpose.

#### **DEPARTMENT OF TREASURY**

##### **OPERATIONS**

Sec. 900. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$1,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$10,000,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

(4) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$50,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 901. (1) Amounts needed to pay for interest, fees, principal, arbitrage rebates as required by federal law, and costs associated with the payment, registration, trustee services, credit enhancements, and issuing costs in excess of the amount appropriated to the department of treasury in part 1 for debt service on notes and bonds that are issued by the state under sections 14, 15, and 16 of article IX of the state constitution of 1963 as implemented by 1967 PA 266, MCL 17.451 to 17.455, are appropriated.

(2) In addition to the amount appropriated to the department of treasury for debt service in part 1, there is appropriated an amount for fiscal year cash-flow borrowing costs to pay for interest on interfund borrowing made under 1967 PA 55, MCL 12.51 to 12.53.

Sec. 902. (1) From the funds appropriated in part 1, the department of treasury may contract with private collection agencies and law firms to collect taxes and other accounts due this state. In addition to the amounts appropriated in part 1 to the department of treasury, there is appropriated amounts necessary to fund collection costs and fees not to exceed 25% of the collections or 2.5% plus operating costs, whichever amount is prescribed by the contract. The appropriation to fund collection costs and fees for the collection of taxes or other accounts due this state are from the fund or account to which the revenues being collected are recorded or dedicated. However, if the taxes collected are constitutionally dedicated for a specific purpose, the appropriation of collection costs and fees are from the general purpose account of the general fund.

(2) The department of treasury shall submit a report for the immediately preceding fiscal year ending September 30 to the state budget director and the senate and house of representatives standing committees on appropriations not later than November 30 stating the agencies or law firms employed, the amount of collections for each, the costs of collection, and other pertinent information relating to determining whether this authority should be continued.

Sec. 903. (1) The department of treasury, through its bureau of investments, may charge an investment service fee against the applicable retirement funds. The fees may be expended for necessary salaries, wages, contractual services, supplies, materials, equipment, travel, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement funds. Service fees shall not exceed the aggregate amount appropriated in part 1. The department of treasury shall maintain accounting records in sufficient detail to enable the retirement funds to be reimbursed periodically for fee revenue that is determined by the department of treasury to be surplus.

(2) In addition to the funds appropriated in part 1 from the retirement funds to the department of treasury, there is appropriated from retirement funds an amount sufficient to pay for the services of money managers, investment advisors, investment consultants, custodians and other outside professionals, the state treasurer considers necessary for the prudent management of the retirement funds' investment portfolios. The state treasurer shall report annually to the senate and house of representatives standing committees on appropriations concerning the performance of each portfolio by investment advisor.

Sec. 904. The department of treasury shall sell copies of the state tax manual, uniform accounting procedures manual, general property tax law manual, and other local government assistance manuals with amendments, at a price not to exceed the cost of printing. The revenue received from the sale of preparation and local government assistance manuals shall revert to the department of treasury and be placed in the local government assistance manual revolving fund.

Sec. 905. The department of treasury may provide receipt, warrant and cash processing, data/collection, investment, fiscal agent, levy/warrant cost assessment, writ of garnishment, and other user services for other principal executive departments and state agencies. Funds for the services provided are appropriated and shall be expended for salaries and wages, fees, supplies, and equipment necessary to provide the services. An unobligated balance of the funds received shall revert to the general fund of this state as of September 30.

Sec. 906. (1) The department of treasury shall charge for audits as permitted by state or federal law or under contractual arrangements with local units of government, other principal executive departments, or state agencies. A report detailing audits performed and audit charges shall be submitted to the state budget director and the senate and house fiscal agencies not later than November 30.

(2) The appropriation in part 1 to the department of treasury, for state compliance audits, shall be used to cover the cost of the state audits performed by independent certified public accountants or department of treasury auditors. The scope of the state audit shall be defined by the state treasurer. The state audits shall be performed by independent certified public accountants contracted with by the state treasurer or by department of treasury auditors, if the county has agreed to contract with and pay the department for their financial single audit.

(3) The state audits shall be performed for the most current county fiscal year in conjunction with the financial single audit. The state audit may be performed either by certified public accountants contracted by the state treasurer or department of treasury staff, independent of the financial single audit, if a state audit has not been performed within the last 3 years.

Sec. 907. A revolving fund known as the assessor certification and training fund is created under the control of the department of treasury. The assessor certification and training fund shall be used to organize and operate a property assessor certification and training program. Each participant certified and trained shall pay to the department of treasury an examination fee of \$25.00, an initial certification fee of \$35.00, an annual renewal fee of \$50.00 for levels 1 and 2 and \$95.00 for levels 3 and 4 to offset the cost of administering the certification and training program. Training courses shall be offered in assessment administration. Each participant shall pay a fee to cover the expenses incurred in offering the optional programs to certified assessing personnel and other individuals interested in an assessment career opportunity. The fees collected shall be credited to the assessor certification and training fund.

Sec. 908. The department of treasury may expend revenues received under the hospital finance authority act, 1969 PA 38, MCL 331.31 to 331.84, for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund. The department of treasury shall maintain accounting records in sufficient detail to enable the hospital clients to be reimbursed periodically for fees that are determined by the department of treasury to be surplus to needs.

Sec. 909. The department of treasury may enter into agreements to supply data or collection services to other executive principal departments or state agencies, the United States department of treasury, or local units of government within this state. The department of treasury may charge for this tax data service and amounts received are appropriated and shall be expended for salaries and wages, fees, supplies, and equipment necessary to provide the service.

Sec. 910. The amount appropriated in part 1 to the department of treasury, home heating assistance program, is to cover the costs, including data processing, of administering the federal home heating credits to eligible claimants and to administer the supplemental fuel cost payment program for eligible tax credit and welfare recipients.

Sec. 911. (1) The department of treasury shall provide accounts receivable collections services to other principal executive departments and state agencies under 1927 PA 375, MCL 14.131 to 14.134. The department of treasury shall deduct a fee equal to the cost of collections from all receipts except unrestricted general fund collections. Fees shall

be credited to a restricted revenue account and appropriated to the department of treasury to pay for the cost of collections. The department of treasury shall maintain accounting records in sufficient detail to enable the respective accounts to be reimbursed periodically for fees deducted that are determined by the department of treasury to be surplus to the actual cost of collections.

(2) The department of treasury shall submit a report for fiscal year ending September 30, 2002 to the state budget director and the senate and house fiscal agencies not later than November 30, 2002 stating the principal executive departments and state agencies served, funds collected, and costs of collection under subsection (1).

Sec. 912. The department of treasury may expend revenue received under the shared credit rating act, 1985 PA 227, MCL 141.1051 to 141.1076, for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund.

Sec. 913. Revenue received under the Michigan education trust act, 1986 PA 316, MCL 390.1421 to 390.1444, may be expended by the board of directors of the Michigan education trust for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund.

Sec. 914. (1) Revenue from the airport parking tax act, 1987 PA 248, MCL 207.371 to 207.383, is appropriated and shall be distributed under section 7 of the airport parking tax act, 1987 PA 248, MCL 207.377.

(2) The disbursement by the department of treasury from the bottle deposit fund to dealers as required by section 3c(2) of the Initiated Law of 1976, MCL 445.573c, is appropriated.

Sec. 915. The appropriation in part 1 to the department of treasury, for treasury fees, shall be assessed against all restricted funds that contribute to the total value of state managed investments in the ratio each restricted fund contributes to the total value of state managed investments and shall be comprised of the following fees and amounts:

1989 trunkline bond proceeds .....	\$ 800
1992 comprehensive transportation bond proceeds .....	2,600
1992 trunkline bond proceeds .....	2,700
1992 trunkline/bridge bond proceeds .....	500
1994 trunkline bond proceeds .....	1,200
1996 trunkline bond proceeds .....	400
Aboveground storage tank.....	600
Armory construction .....	700
Asbestos abatement.....	400
Auto theft prevention fees.....	2,300
Bankrupt self-insured worker's diecast .....	200
Bankrupt self-insured worker's disability no. 1 .....	300
Blue Water Bridge.....	3,100
Boiler inspection.....	1,200
Bottle deposit.....	12,900
Children's institute.....	100
Children's trust fund .....	2,300
Clean MI initiative bond - environmental project.....	8,900
Clean MI initiative bond - state programs.....	2,800
Community dispute resolution fees .....	900
Comprehensive transportation bond and interest reduction .....	500
Comprehensive transportation .....	5,300
Compulsive gambling prevention .....	900
Construction lien recovery .....	1,100
Crime victims benefits .....	2,700
Debt service - MUSTFA .....	700
DOJ, local law enforcement block grant .....	100
Drunk driving caseflow .....	2,500
Drunk driving prevention and training fund .....	300
Emission control .....	900
Environmental education.....	200
Environmental pollution prevention .....	1,100
Environmental protection bond .....	4,600
Farmland and open space withdrawal.....	2,300
Forensic science.....	400
Forest development .....	2,100
Game and fish protection .....	4,200
Game and fish trust.....	11,000

Gasoline inspection and testing.....	900
Gifts, bequests, deposits.....	7,000
Great Lakes protection.....	1,400
Groundwater and freshwater protection.....	1,200
Hazardous and solid waste.....	1,000
Hazardous materials transportation permit.....	200
Health professions regulatory.....	1,200
Healthy Michigan fund.....	4,100
Hospital patient's trust.....	300
Land and water permit fees.....	500
Land exchange facilitation.....	100
Landfill maintenance.....	100
Liquor purchasing revolving.....	12,100
Marine safety.....	1,700
MDOT, federal transportation funds.....	1,300
Medical waste emergency response.....	100
MESA contingent fund.....	11,900
Michigan higher education facilities authority.....	100
Michigan higher education assistance authority.....	700
Michigan underground storage tank.....	600
Michigan conservation endowment trust.....	4,000
Michigan merit award trust.....	9,300
Michigan natural resources trust fund.....	27,200
Michigan state park endowment.....	12,100
Michigan veterans benefit.....	7,600
Michigan health initiative fund.....	1,000
Michigan justice training.....	2,100
Motor vehicle accident claims fund.....	600
Narcotics investigation revenues.....	200
Nongame fish and wildlife.....	1,500
Nurse professions regulatory.....	800
Oil and gas regulation fee.....	1,000
Orphan well subfund.....	700
Peet packing corporation worker's compensation.....	200
Recreation bond - local project.....	1,400
Recreation bond - state projects.....	1,300
Remonumentation fees.....	2,100
RETAP-retired engineering technical assistance.....	2,400
Safety, education, and training.....	1,000
Scrap tire regulatory.....	800
Second injury.....	3,900
Self-insurers security.....	1,100
Sewage sludge land applications.....	200
Silicosis and dust disease.....	2,000
Small business pollution prevention revolving loans.....	1,500
Snowmobile registration fee.....	700
Snowmobile trail improvement.....	1,000
Solid waste management fee perpetuity.....	500
Solid waste management fee staff.....	200
State water pollution control.....	3,400
State aeronautics.....	2,400
State construction code.....	2,700
State court.....	2,100
State lottery.....	105,800
State park improvement.....	3,000
State sponsored group insurance.....	12,100
State trunkline.....	29,100
State waterways.....	9,100
Stormwater permit fees.....	100

Tobacco settlement trust funds.....	18,900
Trunkline bond and interest redemption.....	400
Underground storage tank fees.....	1,100
Utility consumer representation.....	600
Vietnam veterans memorial.....	300
WIC food program formula rebate.....	300
Worker's compensation administration revolving fund.....	1,200
TOTAL.....	\$ <u>413,300</u>

Sec. 916. (1) There is appropriated an amount sufficient to recognize and pay refundable income tax credits as provided by the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

(2) The appropriations under subsection (1) shall be funded by restricting income tax revenue in an amount sufficient to record these expenditures.

Sec. 917. A plaintiff shall pay to the state treasurer:

(a) A fee of \$6.00 at the time a writ of garnishment of periodic payments is served upon the state treasurer, as provided in section 4012 of the revised judicature act of 1961, 1961 PA 236, MCL 600.4012.

(b) A fee of \$6.00 at the time any other writ of garnishment is served upon the state treasurer, except that the fee shall be reduced to \$5.00 for each writ of garnishment for individual income tax refunds or credits filed by magnetic media.

Sec. 918. The department of treasury shall establish a separate account for the funds related to the Michigan higher education facilities authority. The department of treasury may expend revenue received under the higher education facilities authority act, 1969 PA 295, MCL 390.921 to 390.934, for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund. The department of treasury shall maintain accounting records in sufficient detail to enable the educational institution clients to be reimbursed periodically for fees that are determined by the department to be surplus to needs.

Sec. 919. (1) The department of treasury may contract with private firms to appraise and, if necessary, appeal the assessments of senior citizen cooperative housing units. Payment for this service shall be from savings resulting from the appraisal or appeal process.

(2) Of the funds appropriated in part 1 to the department of treasury for the senior citizens' cooperative housing tax exemption program, a portion is to be utilized for a program audit of the program. The department of treasury shall forward copies of the audit to the senate and house of representatives standing committees on appropriations subcommittees on general government. The department of treasury may utilize up to 1% of the funds for program administration and auditing.

Sec. 920. The state treasurer is authorized to make loans to local units of government from the state's common cash fund to implement local government infrastructure and private facility projects that will ultimately use long-term debt to finance the costs. These loans may be made at any time, but must be repaid, in full, not later than 12 months after the date of the loan. In addition to the full repayment of the loan principal, the borrowing unit shall pay interest at the average rate earned on common cash investments during the period of the loan. The total of all outstanding loans shall not exceed \$50,000,000.00 in the aggregate and no single loan shall exceed \$7,500,000.00.

Sec. 921. The department of treasury may provide a \$200.00 annual prize from the Ehlers internship award account in the gifts, bequests, and deposit fund to the runner-up of the Rosenthal prize for interns. The Ehlers internship award account is interest bearing.

Sec. 922. Pursuant to section 61 of the Michigan campaign finance act, 1976 PA 388, MCL 169.261, there is appropriated from the general fund to the state campaign fund an amount equal to the amounts designated for tax year 2001. Except as otherwise provided in this section, the amount appropriated shall not revert to the general fund and shall remain in the state campaign fund. Any amounts remaining in the state campaign fund in excess of \$10,000,000.00 on December 31, 2002 shall revert to the general fund.

Sec. 923. (1) The department of treasury is authorized to develop a technology investment plan in order to maintain and upgrade current tax management technology applications.

(2) From the funds appropriated in part 1 to the technology investment plan, the department of treasury may contract with private companies and agencies to develop and implement an integrated tax administration system as part of the technology investment plan.

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

(a) The purpose of the project(s) for which the funds are carried forward is for investing in tax management technology applications.

(b) The project(s) will be accomplished by contract.

(c) The total estimated cost of the project(s) is \$73.0 million.

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

Sec. 924. Revenue collected by the Michigan gaming control board regarding the wagering tax imposed on adjusted gross receipts received by the licensee from gaming authorized under the Michigan gaming control and revenue act, the Initiated Law of 1996, MCL 432.201 to 432.226, at the rate of 8.15% is appropriated and shall be deposited in the state school aid fund to provide additional funds for K-12 classroom education.

Sec. 925. From the revenue collected by the Michigan gaming control board regarding the total annual assessment of each casino licensee, \$2,000,000.00 is appropriated and shall be deposited in the compulsive gaming prevention fund as described in section 12a(5) of 1997 PA 69.

Sec. 926. In addition to the funds appropriated in part 1, funds distributed by the Michigan gaming control board to the department of treasury for oversight of casino gaming are appropriated upon receipt. These funds may be used to pay for costs incurred for casino gaming oversight activities.

Sec. 927. From part 1 of this act, an amount equal to the appropriations from the older Michigianians pharmaceutical assistance fund for the department of treasury is appropriated from use tax revenue to the older Michigianians pharmaceutical assistance fund.

Sec. 928. (1) From the funds appropriated in part 1 for the Michigan merit award board/MEAP administration, the department shall provide tests to nonpublic schools and home-schooled students upon request. The department shall notify nonpublic schools that they are eligible to receive the tests without cost to them.

(2) The department shall release test results at the same time to all private schools and public school districts taking the tests.

Sec. 929. The department of treasury may make available to interested entities otherwise unavailable customized unclaimed property listings of nonconfidential information in its possession. The charge for this information is as follows: 1 to 100,000 records at 2.5 cents per record and 100,001 or more records at .5 cents per record. The revenue received from this service shall be deposited to the appropriate revenue account or fund. The department shall submit an annual report on or before June 1, 2002 to the state budget director and the senate and house of representatives standing committees on appropriations that states the amount of revenue received from the sale of information.

Sec. 930. (1) Funds appropriated in part 1 for local government programs may be used to provide assistance to a local revenue sharing board created under an agreement authorized by the Indian gaming regulatory act, Public Law 100-497, 102 Stat. 2467. An agreement that establishes a local revenue sharing board is validated, ratified, and confirmed and the provisions of that agreement are binding and effective, in accordance with their terms.

(2) A local revenue sharing board described in subsection (1) shall comply with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275, and the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(3) A county treasurer is authorized to receive and administer funds received for and on behalf of a local revenue sharing board. Funds appropriated in part 1 for local government programs may be used to audit local revenue sharing board funds held by a county treasurer. This section does not limit the ability of local units of government to enter into agreements with federally recognized Indian tribes to provide financial assistance to local units of government or to jointly provide public services.

(4) The director of the department of state police and the executive director of the Michigan gaming control board are authorized to assist the local revenue sharing boards in determining allocations to be made to local public safety organizations.

(5) The department of treasury shall submit a report by September 30, 2002 to the senate and house of representatives standing committees on appropriations on the receipts and distribution of revenues by local revenue sharing boards.

Sec. 931. The funds appropriated from the Michigan merit award trust fund in part 1 consist of a portion of the tobacco settlement revenue received by the state as provided under the Michigan merit award scholarship act, 1999 PA 94, MCL 390.1451 to 390.1459.

Sec. 932. (1) There is appropriated for write-offs and advances an amount equal to total write-offs and advances for departmental programs, but not to exceed current year authorizations that would otherwise lapse to the general fund.

(2) The department of treasury shall submit a report for the fiscal year ending September 30, 2002 to the state budget director and the senate and house fiscal agencies not later than November 30, 2002 stating the amounts appropriated for write-offs and advances under subsection (1).

#### **GRANTS**

Sec. 950. Payments from the appropriation in part 1 to the department of treasury for grants to counties in lieu of taxes for lands transferred to the federal government include a payment for Sleeping Bear Dunes national lakeshore under 1974 PA 359, MCL 3.901 to 3.909.

Sec. 951. All of the revenue collected under section 12(3)(a) of the tobacco products tax act, 1993 PA 327, MCL 205.432, is appropriated to the health and safety fund of this state for distribution as set forth in the health and safety fund act, 1987 PA 264, MCL 141.471 to 141.479.

Sec. 952. Revenue collected in accordance with article IX, section 10 of the Michigan constitution of 1963 in excess of the amount appropriated in part 1 for constitutional revenue sharing is appropriated for distribution to townships,

cities, and villages on a population basis as specified by law. The appropriation in part 1 for statutory state general revenue sharing grants to townships, cities, and villages shall be reduced by an amount equal to any additional constitutional revenue sharing appropriations authorized in this section.

Sec. 953. (1) The \$2,000,000.00 appropriated in part 1 is from the Michigan merit award trust fund to fund an incentive program for the Michigan education savings program created under the Michigan education savings program act, 2000 PA 161, MCL 390.1471 to 390.1486.

(2) The funds appropriated for the Michigan education savings program shall be utilized to provide a state match to dollars invested on behalf of each child named as a designated beneficiary in the Michigan education savings program who is 6 years old or less, who is a Michigan resident, and whose family's income is \$80,000.00 or less.

(3) During fiscal year 2002, the state shall provide \$1.00 of matching funds for each \$3.00 of individual contributions to the educational savings accounts. The maximum state match for each designated beneficiary shall be \$200.00.

(4) The state match shall be available only in the first year the child is enrolled in the Michigan education savings program.

Sec. 954. County treasurers shall comply with section 151 of the state school aid act of 1979, 1979 PA 94, MCL 388.1751, to receive funds under part 1 for the statutory state general revenue sharing grant payments in excess of the constitutional state general revenue sharing grant payments. The payment of funds under part 1 for the statutory state general revenue sharing grant payments in excess of the constitutional state general revenue sharing grant payments shall not be withheld if a local unit of government or the department of treasury fails to provide a county treasurer with information necessary to comply with section 151 of the state school aid act of 1979, 1979 PA 94, MCL 388.1751.

#### **LOTTERY**

Sec. 970. In addition to the funds appropriated in part 1 to the bureau of state lottery, there is appropriated from lottery revenues the amount necessary for, and directly related to, implementing and operating lottery games. Appropriations under this section shall only be expended for contractually mandated payments for vendor commissions, contractually mandated payments for instant tickets intended for resale, the contractual costs of providing and maintaining the on-line system communications network, and incentive and bonus payments to lottery retailers.

Sec. 971. The funds appropriated in part 1 to the bureau of state lottery shall not be used for any promotional efforts directed towards individuals who are less than 18 years of age.

Sec. 972. The funds appropriated in part 1 to the bureau of state lottery shall not be used to conduct a lottery drawing held on Sunday.

Sec. 973. The funds appropriated in part 1 to the bureau of state lottery shall not be used to directly or indirectly associate professional or amateur sports figures with the lottery or its products.

#### **REVENUE STATEMENT**

Sec. 1101. Pursuant to section 18 of article V of the state constitution of 1963, fund balances and estimates are presented in the following statement:

##### **BUDGET RECOMMENDATIONS BY OPERATING FUNDS**

(Amounts in millions)

Fiscal Year 2001-2002

	Fund #	Beginning Unreserved Fund Balance	Estimated Revenue	Ending Balance
<b>OPERATING FUNDS</b>				
General	0110	0.0	21,847.1	0.4
Special Revenue Funds:				
Countercyclical budget and economic stabilization	0111	1,198.7	71.6	1,048.3
Game and fish protection	0112	0.0	55.2	0.0
Michigan employment security act administration	0113	0.0	169.7	0.0
State aeronautics	0114	0.0	116.4	0.0
Michigan veterans' benefit trust	0115	0.0	0.4	0.0
State trunkline	0116	0.0	1,087.5	0.0
Michigan state waterways	0117	17.0	23.7	2.7
Blue Water Bridge	0118	0.0	13.1	0.0
Michigan transportation	0119	0.0	1,987.9	0.0
Comprehensive transportation	0120	27.6	294.2	0.0
School aid	0122	509.3	10,631.7	0.0
Marine safety	0123	3.1	5.4	2.3
Game and fish protection trust	0124	4.3	5.0	1.5
State park improvement	0125	5.3	27.9	2.5
Forest development	0126	4.4	20.5	2.0



Michigan civilian conservation corps endowment	0128	0.7	1.1	0.5
Michigan natural resources trust	0129	0.0	43.2	0.0
Michigan state parks endowment	0130	6.3	16.0	6.4
Safety education and training	0131	3.1	4.4	2.2
Uninsured employers' security	0135	22.9	0.0	0.5
Bottle deposit	0136	0.0	39.4	0.0
School bond loan	0137	80.9	0.0	15.7
State construction code	0138	12.1	10.2	5.0
Children's trust	0139	0.0	1.2	0.0
State casino gaming	0140	(1.9)	26.6	6.4
Homeowner construction lien recovery	0141	3.0	0.5	5.9
Michigan nongame fish and wildlife	0143	0.7	0.8	0.6
Michigan merit award trust	0154	4.8	254.2	95.5
Tobacco settlement trust	0155	91.5	86.9	24.4
Michigan underground storage tank finance assurance	0160	0.0	61.0	0.0
State building authority	0165	0.0	0.5	0.0
<b>TOTALS</b>		<b>\$1,993.8</b>	<b>\$36,903.3</b>	<b>\$1,222.8</b>

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

A bill to make appropriations for the departments of attorney general, civil rights, civil service, management and budget, state, and treasury, the executive office, and the legislative branch for the fiscal year ending September 30, 2002; to provide for the expenditure of these appropriations; to provide for the funding of certain work projects; to provide for the imposition of certain fees; to establish or continue certain funds, programs, and categories; to transfer certain funds; to prescribe certain requirements for bidding on state contracts; to provide for disposition of year-end balances for the fiscal year ending September 30, 2002; to prescribe the powers and duties of certain principal executive departments and state agencies, officials, and employees; and to provide for the disposition of fees and other income received by the various principal executive departments and state agencies.

John J.H. Schwarz  
 Shirley Johnson  
 Joe Young, Jr.  
 Conferees for the Senate

John Pappageorge  
 Cameron Brown  
 Gretchen Whitmer  
 Conferees for the House

Pending the order that, under joint rule 9, the conference report be laid over one day,  
 Senator Emmons moved that the rule be suspended.

The motion prevailed, a majority of the members serving voting therefor.

The question being on the adoption of the conference report,

The first conference report was adopted, a majority of the members serving voting therefor, as follows:

**Roll Call No. 246**

**Yeas—25**

Bennett	Garcia	Johnson	Shugars
Bullard	Gast	McCotter	Sikkema
Byrum	Goschka	McManus	Steil
DeGrow	Gougeon	North	Stille
Dunaskiss	Hammerstrom	Schuette	Van Regenmorter
Emerson	Hoffman	Schwarz	Young
Emmons			

**Nays—10**

Cherry	Hart	Murphy	Scott
DeBeaussaert	Koivisto	Peters	Smith
Dingell	Miller		

**Excused—2**

Leland

Vaughn

**Not Voting—0**

In The Chair: Miller

The question being on concurring in the committee recommendation to give the bill immediate effect, The recommendation was concurred in, 2/3 of the members serving voting therefor.

**Protest**

Senator Smith, under her constitutional right of protest (Art. 4, Sec. 18), protested against the adoption of the first conference report on Senate Bill No. 234.

Senator Smith’s statement is as follows:

You know, I don’t generally vote against a budget bill because it has an appropriation in it that I don’t like. I don’t know if I don’t like that appropriation or not because we really don’t have a definition of what it is. To try to pawn the responsibility off on the minority party in the House really doesn’t make good, logical sense if we are appropriating \$2.5 million to something that can be rolled to the next budget year. In a year when we’re cutting significant dollars to public education for programs for disadvantaged and at-risk children, I think we are doing a disservice to the public if we can’t at least tell them and the legislators on the other side of the aisle what the money is supposed to go for. So, Mr. President, without an answer to that question I voted “no.”

The President pro tempore, Senator Schwarz, resumed the Chair.

Senator Goschka submitted the following:

**FIRST CONFERENCE REPORT**

The Committee of Conference on the matters of difference between the two Houses concerning

**Senate Bill No. 235, entitled**

A bill to make appropriations for the family independence agency and certain state purposes related to public welfare services for the fiscal year ending September 30, 2002; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to provide for reports; to provide for the disposition of fees and other income received by the state agency; and to provide for the powers and duties of certain individuals, local governments, and state departments, agencies, and officers.

Recommends:

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

A bill to make appropriations for the family independence agency and certain state purposes related to public welfare services for the fiscal year ending September 30, 2002; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to provide for reports; to provide for the disposition of fees and other income received by the state agency; and to provide for the powers and duties of certain individuals, local governments, and state departments, agencies, and officers.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

**PART 1**

**LINE-ITEM APPROPRIATIONS**

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the family independence agency for the fiscal year ending September 30, 2002, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**FAMILY INDEPENDENCE AGENCY**

Full-time equated classified positions.....	13,499.6
Unclassified positions .....	6.0
Total full-time equated positions .....	13,505.6

	For Fiscal Year Ending Sept. 30, 2002
GROSS APPROPRIATION .....	\$ 3,636,782,600
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers .....	\$ 965,300
ADJUSTED GROSS APPROPRIATION .....	\$ 3,635,817,300
Federal revenues:	
Total federal revenues .....	2,302,601,750
Special revenue funds:	
Total private revenues .....	9,710,550
Total local revenues .....	90,293,200
Total other state restricted revenues .....	53,233,900
State general fund/general purpose .....	\$ 1,179,977,900
<b>Sec. 102. EXECUTIVE OPERATIONS</b>	
Total full-time equated positions .....	927.3
Full-time equated unclassified positions .....	6.0
Full-time equated classified positions .....	921.3
Other unclassified salaries—6.0 FTE positions .....	\$ 502,100
Salaries and wages—692.3 FTE positions .....	36,343,900
Contractual services, supplies, and materials .....	10,313,300
Demonstration projects—13.0 FTE positions .....	7,427,700
End user support .....	9,036,300
Computer service fees .....	27,154,100
Client services system—25.0 FTE positions .....	23,991,800
Data system enhancement—23.0 FTE positions .....	22,526,400
Child support automation—28.0 FTE positions .....	102,261,100
Child support distribution computer system—8.0 FTE positions .....	17,150,300
Supplemental security income advocates, salaries and wages—16.0 FTE positions .....	1,047,700
Commission on disability concerns—8.0 FTE positions .....	952,100
Commission for the blind—108.0 FTE positions .....	18,037,700
GROSS APPROPRIATION .....	\$ 276,744,500
Appropriated from:	
Interdepartmental grant revenues:	
IDG-ADP user fees .....	150,000
ADJUSTED GROSS APPROPRIATION .....	\$ 276,594,500
Appropriated from:	
Federal revenues:	
Total federal revenues .....	179,681,100
Special revenue funds:	
Total private revenues .....	1,840,000
Total local revenues .....	475,000
Total other state restricted revenue .....	477,300
State general fund/general purpose .....	\$ 94,121,100
<b>Sec. 103. FAMILY INDEPENDENCE SERVICES ADMINISTRATION</b>	
Full-time equated classified positions .....	438.0
Salaries and wages—299.0 FTE positions .....	\$ 14,702,900
Contractual services, supplies, and materials .....	5,776,500
Child support incentive payments .....	32,409,600
Legal support contracts .....	125,896,400
State incentive payments .....	2,510,200
Employment and training support services .....	15,101,700
Project zero—84.0 FTE positions .....	12,087,200
Wage employment verification reporting—2.0 FTE positions .....	2,170,200
Urban and rural empowerment/enterprise zones .....	100
Training and staff development—53.0 FTE positions .....	10,752,200
Community services block grant .....	22,400,000
GROSS APPROPRIATION .....	\$ 243,807,000

For Fiscal Year  
Ending Sept. 30,  
2002

Appropriated from:	
Federal revenues:	
Total federal revenues .....	\$ 222,525,700
Special revenue funds:	
Total local revenues - donated.....	340,000
State general fund/general purpose .....	\$ 20,941,300
<b>Sec. 104. CHILD AND FAMILY SERVICES</b>	
Full-time equated classified positions .....	104.3
Salaries and wages—43.3 FTE positions .....	\$ 2,688,900
Contractual services, supplies, and materials .....	1,683,500
Refugee assistance program—5.0 FTE positions .....	7,400,900
Foster care payments .....	186,217,000
Wayne County foster care payments .....	124,143,100
Adoption subsidies.....	178,371,300
Adoption support services—9.0 FTE positions .....	12,590,600
Youth in transition—10.0 FTE positions .....	13,347,600
Interstate compact.....	300,000
Children’s benefit fund donations .....	21,000
Domestic violence prevention and treatment—6.0 FTE positions .....	13,138,800
Teenage parent counseling—4.0 FTE positions.....	4,424,800
Family preservation and prevention services—20.0 FTE positions .....	79,014,900
Black child and family institute .....	100,000
Rape prevention and services .....	2,600,000
Children’s trust fund administration—7.0 FTE positions .....	469,900
Children’s trust fund grants.....	3,615,000
Attorney general contracts .....	2,458,700
Guardian contract.....	600,000
County shelters .....	300,000
Prosecuting attorney contracts .....	1,061,700
<b>GROSS APPROPRIATION .....</b>	<b>\$ 634,547,700</b>
Appropriated from:	
Federal revenues:	
Total federal revenues .....	364,819,400
Special revenue funds:	
Private - children’s benefit fund donations.....	21,000
Private - collections .....	5,033,900
Local funds - county payback .....	42,919,200
Children’s trust fund .....	2,119,700
State general fund/general purpose .....	\$ 219,634,500
<b>Sec. 105. JUVENILE JUSTICE SERVICES</b>	
Full-time equated classified positions .....	1,234.1
Child care fund .....	\$ 110,900,000
Child care fund administration—7.5 FTE positions .....	884,000
Juvenile justice operations—1,206.6 FTE positions .....	102,746,400
Federally funded activities—12.0 FTE positions.....	1,860,800
W.J. Maxey memorial fund .....	45,000
Juvenile accountability incentive block grant—4.0 FTE positions .....	7,741,600
Juvenile boot camp program .....	1,600,000
Committee on juvenile justice administration—4.0 FTE positions.....	462,100
Committee on juvenile justice grants .....	5,000,000
<b>GROSS APPROPRIATION .....</b>	<b>\$ 231,239,900</b>
Appropriated from:	
Federal revenues:	
Total federal revenues .....	35,372,100
Special revenue funds:	
Total private revenues .....	45,000

	For Fiscal Year Ending Sept. 30, 2002
Local funds - county payback .....	\$ 46,061,500
State general fund/general purpose .....	\$ 149,761,300
<b>Sec. 106. LOCAL OFFICE STAFF AND OPERATIONS</b>	
Full-time equated classified positions.....10,161.9	
Field staff, salaries and wages—10,011.4 FTE positions .....	\$ 414,634,300
Contractual services, supplies, and materials .....	30,267,300
Outstationed eligibility workers—60.0 FTE positions.....	5,333,500
Wayne County gifts and bequests .....	100,000
Volunteer services and reimbursement—90.5 FTE positions.....	7,415,500
GROSS APPROPRIATION .....	\$ 457,750,600
Appropriated from:	
Federal revenues:	
Total federal revenues .....	279,050,100
Special revenue funds:	
Local funds - donated funds.....	193,100
Private funds - hospital contributions.....	2,670,650
Private - Wayne County gifts .....	100,000
State general fund/general purpose .....	\$ 175,736,750
<b>Sec. 107. DISABILITY DETERMINATION SERVICES</b>	
Full-time equated classified positions .....	628.0
Disability determination operations—602.0 FTE positions .....	\$ 68,896,800
Medical consultation program—21.0 FTE positions .....	3,078,200
Retirement disability determination—5.0 FTE positions.....	824,500
GROSS APPROPRIATION .....	\$ 72,799,500
Appropriated from:	
Interdepartmental grant revenues:	
IDG from DMB - office of retirement sytems.....	815,300
ADJUSTED GROSS APPROPRIATION.....	\$ 71,984,200
Appropriated from:	
Federal revenues:	
Total federal revenues .....	69,795,400
State general fund/general purpose .....	\$ 2,188,800
<b>Sec. 108. CENTRAL SUPPORT ACCOUNTS</b>	
Rent .....	\$ 47,158,500
Occupancy charge .....	12,785,100
Travel.....	7,880,500
Equipment.....	3,052,900
Worker's compensation .....	5,247,000
Advisory commissions .....	17,900
Payroll taxes and fringe benefits .....	170,739,300
GROSS APPROPRIATION .....	\$ 246,881,200
Appropriated from:	
Federal revenues:	
Total federal revenues .....	139,515,550
Special revenue funds:	
Local funds - county payback .....	304,400
State general fund/general purpose .....	\$ 107,061,250
<b>Sec. 109. PUBLIC ASSISTANCE</b>	
Full-time equated classified positions .....	12.0
Family independence program .....	\$ 351,900,000
Homestead property tax credit for low-income families.....	27,000,000
Transitional work support .....	15,000,000
State disability assistance payments.....	19,617,600
Food stamp program benefits .....	415,018,300
State supplementation .....	60,933,300
State supplementation administration.....	2,383,300

	For Fiscal Year Ending Sept. 30, 2002
Low-income home energy assistance program—10.0 FTE positions.....	\$ 67,047,300
State emergency relief—2.0 FTE positions .....	41,712,400
Weatherization assistance.....	10,900,000
Day care services.....	461,500,000
<b>GROSS APPROPRIATION .....</b>	<b>\$ 1,473,012,200</b>
Appropriated from:	
Federal revenues:	
Total federal revenues .....	1,011,842,400
Special revenue funds:	
Child support collections .....	43,232,100
Supplemental security income recoveries.....	5,104,800
Public assistance recoupment revenue.....	2,300,000
State general fund/general purpose .....	\$ 410,532,900

**PART 2  
PROVISIONS CONCERNING APPROPRIATIONS**

**GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2001-2002 is \$1,233,211,800.00 and state spending from state resources to be paid to local units of government for fiscal year 2001-2002 is \$173,288,400.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

**FAMILY INDEPENDENCE AGENCY**

**CHILD AND FAMILY SERVICES**

Adoption subsidies.....	\$ 68,256,500
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**JUVENILE JUSTICE SERVICES**

Child care fund.....	100,900,000
County juvenile officers.....	2,973,200

**PUBLIC ASSISTANCE**

State disability program.....	1,158,700
<b>TOTAL.....</b>	<b>\$ 173,288,400</b>

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

Sec. 203. As used in this act:

- (a) "ADP" means automated data processing.
- (b) "Department" means the family independence agency.
- (c) "FTE" means full-time equated.
- (d) "IDG" means interdepartmental grant.
- (e) "Temporary assistance for needy families" (TANF) or "title IV" means title IV of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 601 to 603, 604 to 608, 609 to 619, 620 to 629e, 651 to 655, 656 to 660, 663 to 669b, 670 to 673, 673b, 674 to 679, and 679b.
- (f) "Title IV-A" means part A of title IV of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 601 to 604, 605 to 608, and 609 to 619.
- (g) "Title IV-D" means part D of title IV of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 651 to 655, 656 to 660, and 663 to 669b.
- (h) "Title IV-E" means part E of title IV of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 670 to 673, 673b to 679, and 679b.

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

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

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

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

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

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

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

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

Sec. 208. The department shall continue to pilot the use of the Internet to fulfill the reporting requirements of this act. This may include transmission of reports via electronic mail to the recipients identified for each reporting requirement or it may include placement of reports on the Internet or legislative Intranet site. The senate and house appropriations subcommittees and senate and house fiscal agencies shall be notified in writing of the Internet or Intranet site of any such report. Quarterly, the department shall provide a cumulative listing of the reports submitted during the most recent 3-month period along with the Internet or Intranet site of each report, and a list of those reports expected to be transmitted in the following quarter.

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

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

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

Sec. 212. In addition to funds appropriated in part 1 for all programs and services, there is appropriated for write-offs of accounts receivable, deferrals, and for prior year obligations in excess of applicable prior year appropriations, an amount equal to total write-offs and prior year obligations, but not to exceed amounts available in prior year revenues or current year revenues that are in excess of the authorized amount.

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

Sec. 214. (1) The department shall submit a report to the chairpersons of the senate and house appropriations subcommittees on the family independence agency budget and to the senate and house fiscal agencies on the details of allocations within program budgeting line items and within the salaries and wages line items in the field services appropriation unit. The report shall include a listing, by account, dollar amount, and fund source, of salaries and wages; longevity and insurance; retirement; contractual services, supplies, and materials; equipment; travel; and grants within each program line item appropriated for the fiscal year ending September 30, 2002.

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

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

Sec. 217. The departments and state agencies receiving appropriations under this act shall receive and retain copies of all reports funded from appropriations in part 1. These departments and state agencies shall follow federal and state guidelines for short-term and long-term retention of these reports and records.

Sec. 218. (1) The department shall prepare a semiannual report on the temporary assistance for needy families (TANF) federal block grant. The report shall include projected expenditures for the current fiscal year, an accounting of any previous year funds carried forward, and a summary of all interdepartmental or interagency agreements relating to the use of TANF funds. The report shall be forwarded to the house and senate appropriations subcommittees on the family independence agency budget on or before October 15, 2001 and April 15, 2002.

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

Sec. 219. The department shall include in its quality control reporting the number of veterans receiving food stamps, family independence program assistance, and Medicaid.

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

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

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

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

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

Sec. 222. The department shall provide a report prepared by the department's internal auditor on the activities of the internal auditor for the prior fiscal year. This report shall include a listing of each audit or investigation performed by the internal auditor pursuant to sections 486(4) and 487 of the management and budget act, 1984 PA 431, MCL 18.1486 and 18.1487. The report shall identify the proportion of time spent on each of the statutory responsibilities listed in sections 485(4), 486(4), and 487 of the management and budget act, 1984 PA 431, MCL 18.1485, 18.1486, and 18.1487, and the time spent on all other activities performed in the internal audit function. The report is due biennially on May 1 of the fiscal year and shall be submitted to the governor, auditor general, the senate and house appropriations committees, the senate and house fiscal agencies, and the director.

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

Sec. 224. It is the intent of the legislature that the department develop a system of flexible hours at local department offices in order to maintain some nontraditional business hours.

Sec. 225. It is the intent of the legislature that the department institute a process that ensures the negotiations with providers for contractual purchase of services are completed prior to the beginning of the fiscal year. This process will include development of agency-wide standards of promptness, establishment of time frames within each program area for completion of contract steps, and prompt notification of availability of funds. The department will also ensure that providers receive full reimbursement for allowable expenditures within 30 days of the end of the first quarter of the contract period.

Sec. 226. In order to recognize savings within the budget, both of the following apply:

(a) From the funds appropriated in part 1, no funds shall be expended for leased space at 899 West Baltimore Street, Detroit, Michigan.

(b) From the funds appropriated in part 1 for the family independence program, up to 3% may be used by the department for administrative purposes allowable under TANF guidelines.



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

#### **EXECUTIVE OPERATIONS**

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

(2) The department shall report to the house and senate appropriations subcommittees on the family independence agency, the house and senate fiscal agencies, and the house and senate policy staff by February 15, 2002 on a proposal for the fiscal year ending September 30, 2003 that would limit purchases from the children's clothing allowance to school clothing only.

Sec. 302. The appropriation in part 1 for the Michigan commission for the blind includes funds for case services. These funds may be used for tuition payments for blind clients for the school year beginning September 2001.

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

#### **FAMILY INDEPENDENCE SERVICES ADMINISTRATION**

Sec. 401. (1) From the federal money received for child support incentive payments, up to \$4,365,200.00 shall be retained by the state and expended for legal support contracts, state incentive payments, and salaries and wages for office of child support staff.

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

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

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

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

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

(d) The prosecuting attorney's office for the county cooperates with the implementation of the legal module of the system.

(4) The department shall report on the progress of reaching the child support enforcement system federal certification on a quarterly basis to the senate and house appropriations subcommittees on the family independence agency, the senate and house human services standing committees, the senate and house fiscal agencies, and the senate and house policy staff. The report shall include, but not be limited to, the number of counties that have implemented the system, the further steps needed to be taken for system certification by the state and the counties, and an update on the anticipated penalties the state shall be required to pay as a result of this and any further delay.

(5) In addition to the amount specified in subsection (1), the family independence agency may retain any federal title IV-D incentive payment revenues withheld from counties pursuant to the imposition of financial penalties, and may use the federal revenues retained for any child support program purpose. If action is taken under this section, the department shall include in the report required under subsection (4) the county, the amount of funds withheld, and the manner in which the funds are now being used.

Sec. 403. Not later than September 30 of each year, the department shall submit for public hearing to the chairpersons of the house and senate appropriations subcommittees dealing with appropriations for the family independence agency the proposed use and distribution plan for community services block grant funds appropriated in section 103 for the succeeding fiscal year.

Sec. 404. The department shall develop a plan based on recommendations from the department of civil rights, and Indian organizations such as the Michigan urban Indian consortium as the central representative of all human service-oriented off-reservation Indian organizations and the inter-tribal council of Michigan to assure that the community services block grant funds are equitably distributed. The plan must be developed by October 31, 2001, and the plan shall be delivered to the appropriations subcommittees on the family independence agency in the house and senate.

Sec. 405. The state general fund/general purpose contribution related to the Wayne County third circuit court cooperative reimbursement contract resides in the judiciary budget. There are no general fund/general purpose funds appropriated for this purpose in the family independence agency budget.

Sec. 407. From the funds appropriated in part 1 for family preservation and prevention services, the department shall contract with Created for Caring for \$112,500.00 in TANF funds for TANF allowable services. The department is authorized to make allocations of TANF funds only to the agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements. The use of TANF funds under this section should not be considered an ongoing commitment of funding.

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

Sec. 413. (1) The department shall develop, implement, and provide a training program to each department employee who is required to perform a field investigation or home visit. The training program shall include both of the following:

(a) Mandatory training on defusing threatening behavior.

(b) Mandatory training on how to perform a safe investigation or home visit and recognize a potentially dangerous situation.

(2) If a department employee who is required to perform a field investigation or home visit has documented a risk that leads to a reasonable apprehension regarding the safety of performing a field investigation or home visit, that employee shall complete the field investigation or home visit with another department employee who has been trained as required in subsection (1) or with a law enforcement officer.

Sec. 414. (1) Of the funds appropriated in part 1 for community services block grants, \$3,000,000.00 represents TANF funding earmarked for community action agencies.

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

Sec. 415. (1) From the funds appropriated in part 1 for employment and training support services, the family independence agency shall expend up to \$1,000,000.00 in TANF to fund a fatherhood initiative. The department may choose providers that will work with counties to help eligible fathers under TANF guidelines to acquire skills that will enable them to increase their responsible behavior toward their children and the mothers of their children. An increase of financial support for their children should be a very high priority as well as emotional support. Program topics may include, but are not limited to, parental guidance, infant care, food preparation, effective communication, anger management, children's financial support, respect, drug-free lifestyle, vocational training referrals, and job placement.

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

(3) The department is authorized to make allocations of TANF funds, of not more than \$200,000.00 per county, under this section only to agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements. The use of TANF funds under this section should not be considered an ongoing commitment of funding.

(4) The department shall award grants or contracts to independent contractors utilizing a request for proposal process.

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

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

(3) The department is authorized to make allocations of TANF funds, of not more than \$50,000.00 per county, under this section only to agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements. The use of TANF funds under this section should not be considered an ongoing commitment of funding.

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

(5) The department shall choose providers through the request for proposal process.

Sec. 417. (1) From the funds appropriated in part 1 for employment and training support services, the family independence agency may expend up to \$250,000.00 in TANF to fund innovation grants. The department may choose providers to work with counties, with no county receiving more than \$50,000.00, that will use TANF funds to

encourage innovation within the state for any TANF-eligible reasons. The department will use TANF guidelines for reporting outcomes and defining expectations for success that could be implemented in other communities in the future.

(2) From the funds appropriated in part 1 for employment and training support services, up to \$1,000,000.00 in TANF may be used to support a youth learning innovations training center designed to enhance technical literacy.

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

(4) The department shall award grants or contracts to independent contractors utilizing a request for proposal process.

### **CHILD AND FAMILY SERVICES**

Sec. 501. The following goal is established by state law. During the fiscal year ending September 30, 2002, not more than 3,000 children supervised by the department shall remain in foster care longer than 24 months. The department shall give priority to reducing the number of children under 1 year of age in foster care.

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

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

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

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

Sec. 506. (1) In order to promote continuity of service for children and families, the department shall, to the maximum extent possible, enter into multiyear contracts for child welfare and juvenile justice services.

(2) The bid specifications and contract award determinations for child welfare and juvenile justice services shall include criteria relative to provider experience, placing emphasis on total years of experience in providing child welfare and juvenile justice services, provision of services to persons of similar characteristics as the target clientele, quality of prior child welfare and juvenile justice services, length of service in the targeted geographic area, and the adequacy of the provider's plan for coordinating the provision of services in the targeted geographic area.

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

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

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

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

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

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

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

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

- (a) There is no appropriate placement available in this state.

- (b) The out-of-state facility meets all of the licensing standards of this state for a comparable facility.
- (c) The out-of-state facility meets all of the applicable licensing standards of the state in which it is located.
- (d) The department has done an on-site visit to the out-of-state facility, reviewed the facility records, and reviewed licensing records and reports on the facility and believes that the facility is an appropriate placement for the child.

Sec. 514. The department shall make a comprehensive report concerning children's protective services (CPS) to the legislature, including the senate and house policy offices, by January 1, 2002, that shall include all of the following:

- (a) Statistical information including, at a minimum, all of the following:
  - (i) The total number of reports of abuse or neglect investigated under the child protection law, 1975 PA 238, MCL 722.621 to 722.638, and the number of cases classified under category I or category II and the number of cases classified under category III, category IV, or category V.
  - (ii) Characteristics of perpetrators of abuse or neglect and the child victims, such as age, relationship, socioeconomic status, race, and ethnicity.
  - (iii) The mandatory reporter category in which the individual who made the report fits, or other categorization if the individual is not within a group required to report under the child protection law, 1975 PA 238, MCL 722.621 to 722.638.

(b) New policies related to children's protective services including, but not limited to, major policy changes and court decisions affecting the children's protective services system during the immediately preceding 12-month period.

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

Sec. 516. The department, with the involvement of private nonprofit agencies providing adoption services for special needs children through contracts with the department, shall prepare an annual report on the status of special needs adoptions and submit the report to the house and senate appropriations subcommittees on the family independence agency budget, the house and senate fiscal agencies, and the house and senate policy offices by June 1, 2002. The report shall include, at a minimum, all of the following:

- (a) For each private nonprofit agency contract, and in aggregate, the number and percentage of adoptions in each of the payment categories specified in contracts with the department for calendar year 2001.
- (b) The total number of special needs adoptions completed in the fiscal year ending September 30, 2001.

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

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

- (a) Foster positive parenting skills especially for parents of children under 3 years of age.
  - (b) Improve parent/child interaction.
  - (c) Promote access to needed community services.
  - (d) Increase local capacity to serve families at risk.
  - (e) Improve school readiness.
  - (f) Support healthy family environments that discourage alcohol, tobacco, and other drug use.
- (3) The appropriation provided for in subsection (2) is to fund secondary prevention programs as defined in the children's trust fund's pre-application materials for fiscal year 2001-2002 direct services grants.
- (4) Projects funded through the appropriation provided for in subsection (2) shall meet all of the following criteria:
- (a) Be awarded through a joint request for proposal process established by the department in conjunction with the children's trust fund and the state human services directors.
  - (b) Be secondary prevention initiatives. Funds are not intended to be expended in cases in which neglect or abuse has been substantiated.
  - (c) Demonstrate that the planned services are part of a community's integrated comprehensive family support strategy endorsed by the local multipurpose collaborative body.
  - (d) Provide a 25% local match of which not more than 10% is in-kind goods or services unless the maximum percentage is waived by the state human services directors.

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

Sec. 518. (1) It is the intent of the legislature that the funds appropriated in part 1 for family preservation and prevention services in the 2001-2002 fiscal year reflect strong families/safe children allocations to local multipurpose collaborative bodies that are no less than the allocations in effect on April 1, 1997.

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

(3) No later than March 1, 2002, each local multipurpose collaborative body shall submit a report to the department that includes the number of people receiving strong families/safe children services, the local goals for this program, and a measure of the effectiveness in meeting these goals.

Sec. 519. From the funds appropriated in part 1 for foster care payments, Wayne County foster care payments, and adoption subsidies, the department shall increase the rate of payments for foster parents and parents receiving adoption subsidies by 1% effective October 1, 2002.

Sec. 520. It is the intent of the legislature that the funds appropriated in part 1 for kinship care in the fiscal year ending September 30, 2002 reflect the legislature's commitment to reduce the benefit discrepancy between kinship care and a similar family size within the family independence agency program (FIP). The legislature recognizes the commitment of relatives to provide family continuity, nurturance, and care for this special population of children who can no longer remain in their parents' care due to abuse, neglect, or other social problems.

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

Sec. 524. The department shall submit to the senate and house appropriations subcommittees on the family independence agency, the senate and house standing committees having jurisdiction over human services matters, the senate and house fiscal agencies, and the senate and house policy offices a quarterly report, beginning April 2, 2001, detailing the status of the prevention services program.

Sec. 529. The department shall analyze actual staff turnover rates for public child welfare workers within a sample of 10 counties as compared to findings on staff retention rate surveys at the national level.

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

#### **PUBLIC ASSISTANCE**

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

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

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

Sec. 602. The department, together with other agencies, may establish special projects to provide special needs shelter payment levels for the family independence program that will support the development of transitional shelter facilities for homeless families. These facilities are to provide supportive services to families and to support the development of permanent low-income housing.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 609. The state supplementation level under the supplemental security income program for the personal care/adult foster care and home for the aged categories shall not be reduced during the fiscal year beginning October 1, 2001 and ending September 30, 2002.

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

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

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

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

Sec. 613. From the funds appropriated in part 1 for state emergency relief, the maximum allowable charge limit for indigent burials shall be \$1,160.00.

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

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

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

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

(2) Any unencumbered balances of the weatherization program shall not lapse and may be carried forward to fiscal year 2003.

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

Sec. 618. (1) Except as otherwise provided in subsection (2), the department shall provide not less than 10 days' notice before reducing, terminating, or suspending assistance provided under the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b.

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

- (a) The only eligible recipient has died.
- (b) A recipient member of a program group or family independence assistance group has died.
- (c) A recipient child is removed from his or her family home by court action.
- (d) A recipient requests in writing that his or her assistance be reduced, terminated, or suspended.
- (e) A recipient has intentionally violated 1 or more of the requirements of the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b.
- (f) A recipient has been approved to receive assistance in another state.
- (g) A change in either state or federal law that requires automatic grant adjustments for classes of recipients.

(3) If a recipient appeals the department's determination to reduce, terminate, or suspend his or her assistance within 10 days from the mailing of the notice of negative action, the department shall not reduce, terminate, or suspend that assistance until there is a final determination of that appeal upholding the department's determination to reduce, terminate, or suspend that assistance.

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

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

Sec. 620. (1) The department shall ensure that all family independence agency clients are informed in writing of additional programs for which they may potentially be eligible. Notification of programs should at a minimum include information on transitional Medicaid, LIF Medicaid, Healthy Kids, and MICHild, transitional child day care services, extended payment plans with positive billing utility companies as negotiated under section 603(3) of this act including emergency assistance with utility arrearages, tax credits available to low-income households, opportunities for skills development, training and education, summer employment opportunities that are available to family youth through the department of transportation, training programs administered by the department of career development, individual development account opportunities, and instructions on the application process for each program benefit.

(2) At the client's discretion, the department shall grant an exit interview to discuss issues pertaining to self-sufficiency including all of the information outlined in subsection (1). Clients shall be notified of their right to an exit interview.

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

Sec. 624. The department shall maintain a plan to provide for the implementation of individual development accounts pursuant to section 57k of the social welfare act, 1939 PA 280, MCL 400.57k, by individuals who apply for or receive public assistance from the department.

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

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

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

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

Sec. 626. (1) From the funds appropriated in section 109 for day care services, the department shall expend funds for day care provider training programs administered under contract. Training shall be made available to all day care providers including those who work out of centers, group homes, family homes, and the homes of relatives, and in-home aides.

(2) From the funds appropriated in subsection (1), a contractor or multiple contractors shall administer a training pilot project targeting in-home aides and persons providing child care to relatives. Providers who verify that they have received day care payments for at least 3 months from the department and who successfully complete at least 15 hours of approved child care training shall be eligible to receive a 1-time lump sum payment of up to \$150.00 for training received after October 1, 2000. The total paid in lump sum payments and training costs shall not exceed \$300,000.00. Approved training may include programs operated by the Michigan community coordinated child care association, the Michigan association for the education of young children, community colleges, universities, or university extension programs.

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

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

Sec. 628. (1) From the funds appropriated in part 1, up to \$100,000.00 may be used to support the continuation of the "ready to succeed dialogue with Michigan" to continue the exploration and development of a system of early childhood education, care, and support in this state that meets the needs of every child. This appropriation shall be used to leverage other private and public funding to bring together leaders from state and local governments, corporate and small business, the faith community, law enforcement, educators, parents, experts in early childhood development, current providers, and others to continue the development of a voluntary system of universal access to early childhood education, care, and support that respects the diversity of Michigan families.

(2) The "ready to succeed dialogue with Michigan" shall provide a report to the legislature on its activities and recommendations not later than September 30, 2002. The report shall address at least the following items:

(a) Helping parents obtain safe, high-quality early childhood education and care.

(b) Improving the quality of care in Michigan and the qualifications of providers.

(c) Educating parents and community about the importance of quality education and care in the first years of a child's life.

(d) Improving the environment in Michigan for young children including access to quality care for all young children, especially those with special needs and those whose parents work nontraditional hours.

(e) Efforts to organize local community leadership to address the needs of families with young children and coordinate local services to better achieve this goal.

(3) Organizational leadership for planning and conducting the ready to succeed dialogue with Michigan shall be provided by the ready to succeed coordinating committee. Committee membership includes representatives from C.S. Mott, Frey foundation, McGregor fund, the Skillman foundation, W.K. Kellogg foundation, family independence agency, department of education, union organization, ECEC organizations, 6 legislators from the legislative children's caucus, and leaders from priority action teams. The coordinating committee shall name a fiduciary agent and may authorize the expenditure of funds and hiring people to accomplish its work. The committee shall provide the department with a full accounting of its revenues and expenditures for the period covered by this appropriation.

Sec. 629. (1) From the funds appropriated in part 1, up to \$100,000.00 in TANF funds shall be utilized by the department to contract with multicultural organizations to initiate a careertracked approach to employment of individuals receiving TANF funds. The career training program will include the following criteria:



(a) Eligible participants shall include family independence program recipients and work first clients who are referred by the department to the program.

(b) Training shall be directed to achieving or gaining skills that will lead to full-time employment of the participants.

(c) Eligible participants, as referenced in subdivision (a), who commence employment, will be allowed to complete the training and receive additional support needed to facilitate participation so long as all program participation requirements are met.

(2) It is the intent of this section that program participants satisfy the state work requirements and the program satisfies TANF reporting requirements.

Sec. 630. (1) The department and the department of career development shall continue to collaborate on refining and making available to work first participants clear joint guidelines on the eligibility of participants for postemployment training support and on how training/education hours can be applied toward federal work participation requirements. These guidelines shall balance the ability of participants to obtain training and subsequent long-term, high-wage employment with the need to connect participants with the workplace. Any and all training/education, with the exception of high school completion, and GED preparation, must be occupationally relevant and in demand in the labor market as determined by the workforce development board. Participants must make satisfactory progress while in training/education. The department shall submit a progress report on these continuing efforts to the house and senate appropriations subcommittees with jurisdiction over the department and over the department of career development and to the house and senate fiscal agencies by October 1, 2001.

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

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

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

(5) The department and the department of career development shall develop a procedure to ensure that the guidelines established under this section are effectively communicated to all possible participants of the postemployment training and education program, including the provision of outreach activities in community colleges.

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

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

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

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

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

Sec. 634. (1) From the funds appropriated in part 1 for the family independence program, the family independence agency shall expend up to \$250,000.00 to develop and fund a parenting skills and career development pilot program that meets all of the following criteria:

(a) Identification of single parents eligible for cash assistance having children up to 3 years old.

(b) Referral of persons identified under subdivision (a) to a local collaborative program responsible for the development and supervision of a comprehensive parenting skills and career development plan for each referred client.

(c) Each referred client shall participate in 20 hours a week of parenting skills training that is a formal professional program with either a trainer or facilitator and career development activities as detailed in his or her comprehensive plan and monitored by the local collaborative program.

(d) Participation in the above activities for the hours specified would satisfy cash assistance work requirements.

(e) The program must not place the state of Michigan in violation of work requirements as defined in the personal responsibility and work opportunity reconciliation act of 1996, Public Law 104-193, 110 Stat. 2105.

(2) The local collaborative program shall provide the department with a report not later than September 30, 2002 that includes all of the following:

(a) The number of participants served.

(b) The family size of participants served.

(c) Participants' rate of compliance with their comprehensive plans.

(d) The number of participants attending postsecondary education or vocational training programs.

(e) Parenting skills training outcomes.

(f) The number of participants working at the time the report is completed.

(g) The average cost per participant of the program.

(h) Any other information that the department considers relevant.

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

Sec. 636. The department shall submit a report to the house and senate appropriations committees and the house and senate standing committees having jurisdiction over human services matters by March 1, 2002 on the subject of late payments to child day care providers for the year of 2001. The report shall include the number of payments 30 to 45 days late, the number of payments over 45 days late, and the reasons for any late payments made to providers.

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

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

Sec. 643. It is the intent of the legislature that an additional \$250,000.00 in TANF funds shall be used to expand emergency shelter bed capacity. As a condition of receipt of federal TANF funds, homeless shelters shall collaborate with the family independence agency to obtain necessary TANF eligibility information on families as soon as possible after admitting a family to the homeless shelter. From the funds appropriated in part 1 for homeless shelters within state emergency relief, the department is authorized to make allocations of TANF funds only to the agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements. Homeless shelters that do not report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements will not receive reimbursements which exceed the per diem amount they received in fiscal year 2000. The use of TANF funds under this section should not be considered an ongoing commitment of funding.

Sec. 644. Effective October 1, 2001, from the funds in part 1 for public assistance, the department shall increase the lifetime limit for non-energy-related home repairs to \$1,750.00.

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

Sec. 646. From the funds appropriated in part 1, the department shall not expend more than \$27,000,000.00 of federal TANF funding for payment of homestead property tax credits for low-income families.

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

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

Sec. 654. From the funds appropriated in section 104, the family independence agency shall expend up to \$100,000.00 for developing and distributing pamphlets and other forms of public service information regarding procedures for individuals who surrender their newborns to an emergency service provider.

Sec. 657. (1) The department shall continue to offer quality before- or after-school programs that provide youth with a safe, engaging environment to motivate and inspire learning outside the traditional classroom setting. Before-school

programs are limited to elementary school-aged children. Effective before- or after-school programs combine academic, enrichment, and recreation activities to guide learning and inspire children and youth in various activities. The before- or after-school programs can meet the needs of the communities served by the programs.

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

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

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

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

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

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

(7) By August 30, 2002, the department before- or after-school pilot program expenditures shall be audited and the department shall work in collaboration with independent contractors to provide a report on the before- or after-school pilot program to the senate and house standing committees dealing with human services, the senate and house appropriations subcommittees for the family independence agency budget, the senate and house fiscal agencies, and the senate and house policy offices. The report shall include the number of participants and the average cost per participant, as well as changes noted in program participants in any of the following categories:

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

Sec. 659. For the purpose of the family independence program eligibility, a recipient with a child under 6 years of age must meet work first participation requirements unless child care is not available and that fact is verified by the family independence program caseworker.

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

Sec. 661. From the funds appropriated in part 1 for transitional work support, the department shall expend up to \$15,000,000.00 in general fund/general purpose funds to develop and fund a transitional work support program. The department shall provide the house and senate appropriations subcommittees on the family independence agency, the house and senate fiscal agencies, the house and senate policy offices, and the state budget director with a report that includes all of the following:

- (a) The number of participants served.

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

Sec. 662. The department shall report to the senate and house appropriations subcommittees on the family independence agency, the senate and house standing committees having jurisdiction over human services matters, and the senate and house fiscal agencies on any current or new programs and policies and all initiatives aimed at removing the barriers to achieving self-sufficiency.

Sec. 664. It is the intent of the legislature that the department maximize their best efforts with the department of consumer and industry services to obtain any available federal funding for the purpose of transferring necessary funds to the department of consumer and industry services for up to 20 FTE positions for day care inspections.

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

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

### **JUVENILE JUSTICE SERVICES**

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

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

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

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

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

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

- (a) Population reintegration goals for juvenile justice wards including, but not limited to, the categorization of positive outcomes and recidivism by age and incarceration type.
- (b) Facility media policy to ensure reinforcement and consistency with treatment plans and desired ward outcomes.
- (c) Staff and resident safety.
- (d) Outcome based service and treatment program plan for wards who are sex offenders or substance abusers.
- (e) Facility procedure following traumatic campus occurrences such as, but not limited to, violent and sexual assaults.
- (f) Progress of facility construction including, but not limited to:
  - (i) Scope and cost of the construction contract.
  - (ii) Construction schedule.
  - (iii) Radio and security system warranties.
- (g) Quality control process for resident service and release plans.

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

- (a) Dysfunctional family practices, such as substance abuse and domestic violence.
- (b) Sexual harassment and gender bias.
- (c) Cultural and ethnic sensitivity.

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

Sec. 707. In order to be reimbursed for child care fund expenditures, counties are required to submit department developed reports to enable the department to document potential federally claimable expenditures. This requirement

is in accordance with the reporting requirements specified in section 117a(7) of the social welfare act, 1939 PA 280, MCL 400.117a.

Sec. 708. It is the intent of the legislature that the department work with the department of education and any other agency necessary to explore a procedure to secure funding through the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, to educate pupils assigned by a court or the family independence agency to reside in a state-operated juvenile detention or treatment facility.

Sec. 709. As a condition of receiving funds appropriated in part 1 for the child care fund, by February 15, 2002 counties shall have an approved service spending plan for the fiscal year ending September 30, 2002. Counties must submit the service spending plan to the department by December 15, 2001 for approval.

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

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

**DISABILITY DETERMINATION SERVICES**

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

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

A bill to make appropriations for the family independence agency and certain state purposes related to public welfare services for the fiscal year ending September 30, 2002; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to provide for reports; to provide for the disposition of fees and other income received by the state agency; and to provide for the powers and duties of certain individuals, local governments, and state departments, agencies, and officers.

Mike Goschka  
Raymond M. Murphy  
Conferees for the Senate

Mark Jansen  
Laura M. Toy  
Conferees for the House

Pending the order that, under joint rule 9, the conference report be laid over one day,

Senator Emmons moved that the rule be suspended.

The motion prevailed, a majority of the members serving voting therefor.

The question being on the adoption of the conference report,

The first conference report was adopted, a majority of the members serving voting therefor, as follows:

**Roll Call No. 247**

**Yeas—24**

Bennett	Emmons	Hoffman	Shugars
Bullard	Garcia	Johnson	Sikkema
Byrum	Gast	McCotter	Steil
DeGrow	Goschka	McManus	Stille
Dunaskiss	Gougeon	Schuette	Van Regenmorter
Emerson	Hammerstrom	Schwarz	Young

**Nays—11**

Cherry	Hart	Murphy	Scott
DeBeaussaert	Koivisto	North	Smith
Dingell	Miller	Peters	

**Excused—2**

Leland	Vaughn
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**Not Voting—0**

In The Chair: Schwarz

The question being on concurring in the committee recommendation to give the bill immediate effect, The recommendation was concurred in, 2/3 of the members serving voting therefor.

**Protests**

Senators Miller and Hart, under their constitutional right of protest (Art. 4, Sec. 18), protested against the adoption of the first conference report on Senate Bill No. 235.

Senator Miller moved that the statement he made during the discussion of the conference report be printed as his reasons for voting “no.”

The motion prevailed.

Senator Miller’s statement is as follows:

I want to stand up here and inform some of my colleagues about this particular budget and things that disturb me.

Really, Mr. President, I don’t think it’s a question here of any member of this body or our immediate family worrying about funeral burial expenses. But you know, Mr. President, we do have a number of people in this state who unfortunately are classified as indigent. What that means is they do not have sufficient funds to pay for an adequate burial. It really disturbed me when I saw that what we want to do here is cut back on burial expenses for people in this state who have a tough time going through life as it is every day. And yet, when they die and leave this great planet, they have no dollars to pay for their funeral expenses, and their families don’t have any dollars. I know that argument is said that, well, we’re cutting from \$1,400 to \$1,100. Mr. President, you can’t bury a prized pet for \$1,100 in many cases, let alone a human being.

I think it’s disgusting and just so damaging when we have to cut back on funeral expenses. I know they’re not a great number, and you don’t hear them here lobbying outside to find more dollars because most people, even though they don’t have the money, they have pride and dignity. They’re not going to come here and tell you that a family member is indigent and doesn’t have money. But I think that the people in this state, whether it be 7,000 or 8,000 a year, I think we owe them a little more respect. The money that we spend—the billions in this budget—and you have to cut back \$300 on a person’s funeral expense? I think it’s disgusting, and I think it’s shameful.

I’m going to vote against this budget because, like I said, I think that we can at least reach out to people who we might not know who deserve better in life and at least that’s what you’re going to tell them in life: “Well, you weren’t much in life, and you’re worth even less now.” I think this government and this state owe those people a decent funeral and not just cremate them and do away with them because they can’t afford it. I’m not going to be part of it. I don’t think this body should be part of it, and that’s why I’m voting against this budget.

Senator Hart’s statement is as follows:

I have watched the last several years this body—you who are about prioritizing what is important. I thank the good Senator from Warren, Senator Miller, who made it quite clear: you prioritize what is important. On one hand, we turned around and give \$55 million to a free enterprise like the Detroit Tiger Stadium. We turned around last week and most of us voted for that appropriation, that grant for that country club out there, the Chaldean Country Club. Yes, I voted for it too. But now we’re talking about something near and dear that’s not anywhere near as costly, yet all of you voted for it. Most of you voted for it, and you all voted for the appropriation for Tiger Stadium.

You prioritize what’s important to you, and that’s exactly what you’re doing. You’re disregarding somebody who will stand up here and defend themselves and ask for \$300 more. You take it away. It’s a wonder it isn’t down to \$500, let alone \$1,300 or \$1,400.

**Third Reading of Bills**

Senator Emmons moved that the following bills be placed at the head of the Third Reading of Bills calendar:

**Senate Bill No. 489**

**Senate Bill No. 468**

**Senate Bill No. 3**

The motion prevailed.

The following bill was read a third time:

**Senate Bill No. 489, entitled**

A bill to amend 1939 PA 21, entitled “Regulatory loan act of 1963,” by amending the title and sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 12a, 12c, 12d, 13, 13a, 14, 14a, 15, 17, 18, and 21 (MCL 493.1, 493.2, 493.3, 493.4, 493.5, 493.6, 493.7, 493.8, 493.9, 493.10, 493.11, 493.12, 493.12a, 493.12c, 493.12d, 493.13, 493.13a, 493.14, 493.14a, 493.15, 493.17, 493.18, and 493.21), the title and section 17 as amended by 1980 PA 392, sections 1, 10, 13, and 13a as amended by 1996 PA 184, sections 2, 7, 8, 12c, and 21 as amended by 1992 PA 71, sections 4, 11, 12, 12a, and 14 as amended by 1991 PA 14, and section 18 as amended by 1995 PA 165, and by adding section 15a; and to repeal acts and parts of acts.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 248**

**Yeas—35**

Bennett	Emmons	Koivisto	Scott
Bullard	Garcia	McCotter	Shugars
Byrum	Gast	McManus	Sikkema
Cherry	Goschka	Miller	Smith
DeBeaussaert	Gougeon	Murphy	Steil
DeGrow	Hammerstrom	North	Stille
Dingell	Hart	Peters	Van Regenmorter
Dunaskiss	Hoffman	Schuette	Young
Emerson	Johnson	Schwarz	

**Nays—0**

**Excused—2**

Leland	Vaughn
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**Not Voting—0**

In The Chair: Schwarz

The Senate agreed to the title of the bill.

The following bill was read a third time:

**Senate Bill No. 468, entitled**

A bill to authorize the department of natural resources to convey certain state owned property in Genesee county; to prescribe conditions for the conveyance; and to provide for disposition of the revenue from the conveyance.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 249**

**Yeas—35**

Bennett	Emmons	Koivisto	Scott
Bullard	Garcia	McCotter	Shugars
Byrum	Gast	McManus	Sikkema

Cherry  
DeBeaussiaert  
DeGrow  
Dingell  
Dunaskiss  
Emerson

Goschka  
Gougeon  
Hammerstrom  
Hart  
Hoffman  
Johnson

Miller  
Murphy  
North  
Peters  
Schuette  
Schwarz

Smith  
Steil  
Stille  
Van Regenmorter  
Young

**Nays—0**

**Excused—2**

Leland

Vaughn

**Not Voting—0**

In The Chair: Schwarz

The Senate agreed to the title of the bill.

The following bill was read a third time:

**Senate Bill No. 3, entitled**

A bill to amend 1947 PA 179, entitled “An act to provide for the incorporation of certain municipal authorities for the collection or disposal, or both, of garbage or rubbish, or both, and for the operation of a dog pound; and to prescribe the powers, rights and duties thereof,” (MCL 123.301 to 123.310) by adding section 11.

The question being on the passage of the bill,

Senator Peters offered the following amendments:

1. Amend page 1, line 1, after “SEC. 11.” by striking out “(1)”.
2. Amend page 1, line 2, after “SECTION,” by striking out “A QUALIFIED” and inserting “AN”.
3. Amend page 1, line 6, by striking out the balance of the bill.

The amendments were not adopted, a majority of the members serving not voting therefor.

Senator Peters offered the following amendments:

1. Amend page 1, line 2, after “SECTION,” by striking out “A QUALIFIED” and inserting “AN”.
2. Amend page 1, line 6, after “AFTER” by striking out “A QUALIFIED” and inserting “AN”.
3. Amend page 2, line 8, after “FROM” by striking out “A QUALIFIED” and inserting “AN”.
4. Amend page 2, line 20, after the second “THE” by striking out “QUALIFIED”.
5. Amend page 3, line 4, after the first “THE” by striking out “QUALIFIED”.
6. Amend page 3, line 7, after “(6)” by striking out “A QUALIFIED” and inserting “AN”.
7. Amend page 3, line 19, after the first “THE” by striking out “QUALIFIED”.
8. Amend page 4, line 2, after “THE” by striking out “QUALIFIED”.
9. Amend page 4, line 4, after “THE” by striking out “QUALIFIED”.
10. Amend page 4, line 17, after “SECTION,” by striking out “A QUALIFIED” and inserting “AN”.
11. Amend page 4, line 18, after “THE” by striking out “QUALIFIED”.
12. Amend page 5, line 15, after “FROM” by striking out “A QUALIFIED” and inserting “AN”.
13. Amend page 5, line 17, after “OF” by striking out “A QUALIFIED” and inserting “AN”.
14. Amend page 5, line 19, after “INCORPORATED” by striking out “A QUALIFIED” and inserting “AN”.
15. Amend page 5, line 20, after “OF” by striking out “A QUALIFIED” and inserting “AN”.
16. Amend page 6, line 11, by striking out all of subdivision (J) and relettering the remaining subdivision.

The amendments were not adopted, a majority of the members serving not voting therefor.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:



**Roll Call No. 250****Yeas—23**

Bennett	Gast	McCotter	Sikkema
Bullard	Goschka	McManus	Steil
DeGrow	Gougeon	North	Stille
Dunaskiss	Hammerstrom	Schuette	Van Regenmorter
Emmons	Hoffman	Schwarz	Young
Garcia	Johnson	Shugars	

**Nays—12**

Byrum	Dingell	Koivisto	Peters
Cherry	Emerson	Miller	Scott
DeBeaussaert	Hart	Murphy	Smith

**Excused—2**

Leland	Vaughn
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**Not Voting—0**

In The Chair: Schwarz

The Senate agreed to the title of the bill.

**Protest**

Senator Peters, under his constitutional right of protest (Art. 4, Sec. 18), protested against the passage of Senate Bill No. 3 and moved that he be permitted to submit, in writing, his reasons for voting “no” for inclusion in a subsequent Journal.

The motion prevailed.

Senator Emmons moved that the rules be suspended and that the following bill, now on the order of Third Reading of Bills, be placed on its immediate passage:

**House Bill No. 4576**

The motion prevailed, a majority of the members serving voting therefor.

By unanimous consent the Senate proceeded to consideration of the following bill:

**House Bill No. 4576, entitled**

A bill to name a certain portion of highway I-69 the “Pearl Harbor Memorial Highway”; and to prescribe certain duties of the state transportation department.

The above bill was read a third time.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 251****Yeas—35**

Bennett	Emmons	Koivisto	Scott
Bullard	Garcia	McCotter	Shugars
Byrum	Gast	McManus	Sikkema

Cherry  
DeBeaussaert  
DeGrow  
Dingell  
Dunaskiss  
Emerson

Goschka  
Gougeon  
Hammerstrom  
Hart  
Hoffman  
Johnson

Miller  
Murphy  
North  
Peters  
Schuette  
Schwarz

Smith  
Steil  
Stille  
Van Regenmorter  
Young

**Nays—0**

**Excused—2**

Leland

Vaughn

**Not Voting—0**

In The Chair: Schwarz

Senator Emmons moved that the bill be given immediate effect.  
The motion prevailed, 2/3 of the members serving voting therefor.  
The Senate agreed to the title of the bill.

By unanimous consent the Senate returned to the order of  
**Conference Reports**

Senator Hoffman submitted the following:

**FIRST CONFERENCE REPORT**

The Committee of Conference on the matters of difference between the two Houses concerning  
**Senate Bill No. 239, entitled**

A bill to make appropriations for the state transportation department and certain transportation purposes for the fiscal year ending September 30, 2002; to provide for the imposition of fees; to provide for reports; to create certain funds and programs; to prescribe requirements for certain railroad and bus facilities; to prescribe certain powers and duties of certain state departments and officials and local units of government; and to provide for the expenditure of the appropriations.

Recommends:

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

A bill to make appropriations for the state transportation department and certain transportation purposes for the fiscal year ending September 30, 2002; to provide for the imposition of fees; to provide for reports; to create certain funds and programs; to prescribe requirements for certain railroad and bus facilities; to prescribe certain powers and duties of certain state departments and officials and local units of government; and to provide for the expenditure of the appropriations.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**  
**PART 1**

**LINE-ITEM APPROPRIATIONS**

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the state transportation department and certain state purposes designated in this act for the fiscal year ending September 30, 2002, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**DEPARTMENT OF TRANSPORTATION**

**APPROPRIATION SUMMARY:**

Full-time equated unclassified positions .....	6.0	
Full-time equated classified positions .....	3,177.3	
<b>GROSS APPROPRIATION .....</b>		<b>\$ 3,120,643,400</b>

	For Fiscal Year Ending Sept. 30, 2002
Interdepartmental grant revenues:	
IDT, intradepartmental charges .....	\$ 11,459,500
Total interdepartmental grants and intradepartmental transfers .....	11,459,500
ADJUSTED GROSS APPROPRIATION .....	\$ 3,109,183,900
Federal revenues:	
DOT, federal transit act.....	52,400,000
DOT-FHWA, highway research, planning, and construction.....	928,583,900
DOT-FRA, local rail service assistance .....	500,000
DOT-FRA, rail passenger/HSGT .....	3,000,000
Total federal revenues .....	984,483,900
Special revenue funds:	
Local funds .....	5,800,000
Total local revenues .....	5,800,000
Total private revenues .....	0
Michigan transportation fund .....	1,048,686,500
Blue Water Bridge fund .....	17,579,700
Economic development fund .....	57,315,000
State trunkline fund .....	742,155,500
State aeronautics fund .....	8,346,500
Comprehensive transportation fund .....	238,816,800
Intercity bus equipment fund .....	1,000,000
Rail preservation fund .....	2,000,000
Total other state restricted revenues .....	2,115,900,000
State general fund/general purpose .....	\$ 3,000,000
<b>Sec. 102. DEBT SERVICE</b>	
State trunkline.....	\$ 80,901,700
Trunkline bonds, series 1989A-EDF (\$100,000,000) .....	13,607,100
Critical bridge.....	3,000,000
Blue Water Bridge.....	2,309,400
Comprehensive transportation .....	21,798,600
GROSS APPROPRIATION .....	\$ 121,616,800
Appropriated from:	
Federal revenues:	
DOT-FHWA, highway research, planning, and construction.....	10,000,000
Special revenue funds:	
Blue Water Bridge fund .....	2,309,400
Comprehensive transportation fund.....	21,798,600
Economic development fund .....	13,607,100
Michigan transportation fund .....	3,000,000
State trunkline fund .....	70,901,700
State general fund/general purpose .....	\$ 0
<b>Sec. 103. INTERDEPARTMENT AND STATUTORY CONTRACTS</b>	
Michigan transportation fund (MTF)	
MTF grant to department of environmental quality.....	\$ 885,300
MTF grant to department of state .....	55,814,100
MTF grant to legislative auditor general .....	108,900
State trunkline fund (STF)	
STF grant to department of attorney general.....	2,524,300
STF grant to department of civil service.....	1,430,000
STF grant to department of management and budget .....	1,057,000
STF grant to department of state police .....	8,210,700
STF grant to department of treasury .....	29,100
STF grant to legislative auditor general .....	314,200
State aeronautics fund (SAF)	
SAF grant to department of attorney general .....	123,600
SAF grant to department of civil service .....	75,000

	For Fiscal Year Ending Sept. 30, 2002
SAF grant to department of environmental quality .....	\$ 40,000
SAF grant to department of management and budget.....	30,500
SAF grant to department of treasury .....	64,100
SAF grant to legislative auditor general.....	31,100
Comprehensive transportation fund (CTF)	
CTF grant to department of attorney general .....	129,400
CTF grant to department of civil service .....	115,000
CTF grant to department of management and budget.....	57,000
CTF grant to department of treasury .....	5,300
CTF grant to legislative auditor general.....	47,600
GROSS APPROPRIATION .....	\$ 71,092,200
Appropriated from:	
Special revenue funds:	
Comprehensive transportation fund.....	354,300
Michigan transportation fund .....	56,808,300
State aeronautics fund.....	364,300
State trunkline fund .....	13,565,300
State general fund/general purpose .....	\$ 0
<b>Sec. 104. EXECUTIVE DIRECTION</b>	
Full-time equated unclassified positions .....	6.0
Full-time equated classified positions .....	33.3
Unclassified salaries .....	\$ 521,800
State transportation commission (per diem payments) .....	10,000
Commission audit—33.3 FTE positions .....	2,935,600
GROSS APPROPRIATION .....	\$ 3,467,400
Appropriated from:	
Special revenue funds:	
State trunkline fund .....	3,467,400
State general fund/general purpose .....	\$ 0
<b>Sec. 105. ADMINISTRATIVE SERVICES</b>	
Full-time equated classified positions .....	144.7
Administration and data center—108.7 FTE positions .....	\$ 27,652,200
Property management.....	6,406,500
Human resources—31.0 FTE positions .....	2,451,400
Economic development administration—5.0 FTE positions .....	500,700
Worker's compensation .....	2,712,000
GROSS APPROPRIATION .....	\$ 39,722,800
Appropriated from:	
Special revenue funds:	
Economic development fund.....	537,800
State aeronautics fund.....	687,100
Comprehensive transportation fund.....	1,182,700
Michigan transportation fund .....	70,800
State trunkline fund .....	37,244,400
State general fund/general purpose .....	\$ 0
<b>Sec. 106. BUREAU OF FINANCE AND ADMINISTRATION</b>	
Full-time equated classified positions .....	254.5
Administration—254.5 FTE positions .....	\$ 20,774,000
GROSS APPROPRIATION .....	\$ 20,774,000
Appropriated from:	
Special revenue funds:	
Michigan transportation fund.....	1,115,300
State trunkline fund .....	19,658,700
State general fund/general purpose .....	\$ 0
<b>Sec. 107. BUREAU OF TRANSPORTATION PLANNING</b>	
Full-time equated classified positions .....	188.1
Administration—188.1 FTE positions .....	\$ 28,796,000

	For Fiscal Year Ending Sept. 30, 2002
Grants to regional planning councils.....	\$ 488,800
<b>GROSS APPROPRIATION</b> .....	<b>\$ 29,284,800</b>
Appropriated from:	
Federal revenues:	
DOT-FHWA, highway research, planning, and construction.....	16,800,000
Special revenue funds:	
State aeronautics fund.....	321,900
Comprehensive transportation fund.....	2,024,900
Michigan transportation fund.....	5,840,700
State trunkline fund .....	4,297,300
State general fund/general purpose .....	\$ 0
<b>Sec. 108. BUREAU OF HIGHWAYS</b>	
Full-time equated classified positions .....	1,654.2
Engineering operations—824.1 FTE positions .....	\$ 34,346,200
Maintenance operations—77.0 FTE positions .....	6,946,600
Program services—753.1 FTE positions .....	37,761,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 79,053,800</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDT, intradepartmental charges .....	207,500
Federal revenues:	
DOT-FHWA, highway research, planning, and construction.....	5,000,000
Special revenue funds:	
Michigan transportation fund.....	4,089,500
State trunkline fund .....	69,756,800
State general fund/general purpose .....	\$ 0
<b>Sec. 109. HIGHWAY MAINTENANCE</b>	
Full-time equated classified positions .....	704.0
State trunkline operations—704.0 FTE positions .....	\$ 107,434,200
Contract operations .....	129,720,700
<b>GROSS APPROPRIATION</b> .....	<b>\$ 237,154,900</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDT, intradepartmental charges .....	11,252,000
Special revenue funds:	
State trunkline fund .....	225,902,900
State general fund/general purpose .....	\$ 0
<b>Sec. 110. ROAD AND BRIDGE PROGRAMS</b>	
State trunkline federal aid and road and bridge construction .....	\$ 965,283,200
Local federal aid and road and bridge construction.....	213,111,700
University road improvement program.....	1,000,000
Grants to local programs.....	33,000,000
Rail grade crossing .....	3,000,000
Critical bridge program.....	32,750,000
County road commissions .....	600,269,700
Cities and villages.....	334,677,300
<b>GROSS APPROPRIATION</b> .....	<b>\$ 2,183,091,900</b>
Appropriated from:	
Federal revenues:	
DOT-FHWA, highway research, planning, and construction.....	896,783,900
Special revenue funds:	
Local funds .....	5,000,000
Blue Water Bridge fund .....	5,000,000
Michigan transportation fund.....	975,947,000
State trunkline fund .....	297,361,000
State general fund/general purpose .....	\$ 3,000,000

For Fiscal Year  
Ending Sept. 30,  
2002

<b>Sec. 111. BLUE WATER BRIDGE</b>	
Full-time equated classified positions .....	34.0
Blue Water Bridge fund operations—34.0 FTE positions .....	\$ 10,270,300
GROSS APPROPRIATION .....	\$ 10,270,300
Appropriated from:	
Special revenue funds:	
Blue Water Bridge fund .....	10,270,300
State general fund/general purpose .....	\$ 0
<b>Sec. 112. TRANSPORTATION ECONOMIC DEVELOPMENT FUND</b>	
Forest roads .....	\$ 5,040,000
Rural county urban system.....	2,500,000
Target industries/economic redevelopment.....	16,065,100
Urban county congestion .....	9,782,500
Rural county primary .....	9,782,500
GROSS APPROPRIATION .....	\$ 43,170,100
Appropriated from:	
Special revenue funds:	
Economic development fund .....	43,170,100
State general fund/general purpose .....	\$ 0
<b>Sec. 113. BUREAU OF AERONAUTICS</b>	
Full-time equated classified positions .....	58.0
Administration—58.0 FTE positions .....	\$ 5,973,200
Air service program .....	1,000,000
GROSS APPROPRIATION .....	\$ 6,973,200
Appropriated from:	
Special revenue funds:	
State aeronautics fund.....	6,973,200
State general fund/general purpose .....	\$ 0
<b>Sec. 114. BUREAU OF URBAN AND PUBLIC TRANSPORTATION</b>	
Full-time equated classified positions .....	106.5
Administration—106.5 FTE positions .....	\$ 8,878,500
GROSS APPROPRIATION .....	\$ 8,878,500
Appropriated from:	
Special revenue funds:	
Comprehensive transportation fund.....	7,063,600
Michigan transportation fund .....	1,814,900
State general fund/general purpose .....	\$ 0
<b>Sec. 115. BUS TRANSIT DIVISION: STATUTORY OPERATING</b>	
Local bus operating.....	\$ 158,500,000
Nonurban operating/capital .....	8,900,000
GROSS APPROPRIATION .....	\$ 167,400,000
Appropriated from:	
Federal revenues:	
DOT, federal transit act.....	8,700,000
Special revenue funds:	
Local funds .....	200,000
Comprehensive transportation fund.....	158,500,000
State general fund/general purpose .....	\$ 0
<b>Sec. 116. INTERCITY PASSENGER AND FREIGHT</b>	
Freight property management .....	\$ 1,893,300
Detroit/Wayne County port authority .....	500,000
Intercity bus equipment.....	3,000,000
Rail passenger service.....	10,000,000
Freight preservation and development.....	6,736,500
Rail infrastructure loan program .....	800,000
Intercity bus service development .....	2,750,000

	For Fiscal Year Ending Sept. 30, 2002
Marine passenger services.....	\$ 800,000
Terminal development.....	1,628,300
<b>GROSS APPROPRIATION .....</b>	<b>\$ 28,108,100</b>
Appropriated from:	
Federal revenues:	
DOT, federal transit act.....	1,400,000
DOT-FRA, local rail service assistance.....	500,000
DOT-FRA, rail passenger/HSGT.....	3,000,000
Special revenue funds:	
Local funds.....	50,000
Rail preservation fund.....	2,000,000
Intercity bus equipment fund.....	1,000,000
Comprehensive transportation fund.....	20,158,100
State general fund/general purpose.....	\$ 0
<b>Sec. 117. PUBLIC TRANSPORTATION DEVELOPMENT</b>	
Specialized services.....	\$ 3,939,500
Municipal credit program.....	2,000,000
Bus capital.....	56,074,400
Ride sharing.....	330,700
Van pooling.....	195,000
Bus property management.....	100,000
Service development and new technology.....	1,675,000
Planning grants.....	120,000
Audit settlements.....	150,000
Region service coordination.....	1,000,000
Work first initiative.....	5,000,000
<b>GROSS APPROPRIATION .....</b>	<b>\$ 70,584,600</b>
Appropriated from:	
Federal revenues:	
DOT, federal transit act.....	42,300,000
Special revenue funds:	
Local funds.....	550,000
Comprehensive transportation fund.....	27,734,600
State general fund/general purpose.....	\$ 0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2001-2002 is \$2,118,900,000.00 and state spending from state resources to be paid to local units of government for fiscal year 2001-2002 is \$1,185,055,400.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF TRANSPORTATION

Local grant program.....	\$ 33,000,000
Economic development fund.....	27,105,000
Grants to cities and villages.....	334,677,300
Grants to county road commissions.....	600,269,700
Critical bridge program.....	8,750,000
Grants to regional planning councils.....	488,800
Local bus operating.....	158,500,000
Bus capital.....	14,574,400
Marine passenger service.....	800,000
Detroit/Wayne County port authority.....	500,000
Local ride sharing operating grants.....	330,700
Planning grants.....	120,000
Municipal credit program.....	2,000,000
Specialized services.....	3,939,500
Total payments to local units of government.....	<b>\$ 1,185,055,400</b>

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

Sec. 203. As used in this act:

- (a) "CTF" means comprehensive transportation fund.
- (b) "Department" means the department of transportation.
- (c) "DOT" means the United States department of transportation.
- (d) "DOT-FHWA" means DOT, federal highway administration.
- (e) "DOT-FRA" means DOT, federal railroad administration.
- (f) "DOT-FRA, rail passenger/HSGT" means DOT, federal railroad administration, high-speed ground transportation.
- (g) "EDF" means economic development fund.
- (h) "FTE" means full-time equated.
- (i) "IDT" means intradepartmental transfer.
- (j) "MTF" means Michigan transportation fund.
- (k) "RIF" means recreation improvement fund.
- (l) "SAF" means state aeronautics fund.
- (m) "STF" means state trunkline fund.

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

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

(2) The state budget director shall grant exceptions to this hiring freeze when the state budget director believes that the hiring freeze will result in rendering a state department or agency unable to deliver basic services, causes loss of revenue to the state, would 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 by the thirtieth of each month to the chairpersons of the senate and house of representatives standing committees on appropriations the number of exceptions to the hiring freeze approved during the previous month and the reasons to justify the exception.

Sec. 206. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$100,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$40,000,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

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

Sec. 207. At least 90 days before beginning any effort to privatize, the department shall submit a complete project plan to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies. The plan shall include the criteria under which the privatization initiative will be evaluated. The evaluation shall be completed and submitted to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies within 30 months. As used in this section, "privatize" or "privatization" means the transfer of state highway maintenance functions or activities currently performed by department forces, or by boards of county road commissioners, county boards of commissioners, or local units of government under contract with the department, to private contractors.

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

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



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

Sec. 211. The departments and state agencies receiving appropriations under this act shall receive and retain copies of all reports funded from appropriations in part 1. These departments and state agencies shall follow federal and state guidelines for short-term and long-term retention of these reports and records.

#### **DEPARTMENTAL SECTIONS**

Sec. 301. (1) The department may establish a fee schedule and collect fees sufficient to cover the costs to issue the permits that the department is authorized by law to issue upon request, and for which fees are not otherwise stipulated by law.

(2) A bridge authority shall hold 3 public hearings on a change in any toll charged by the authority at least 30 days before the toll change will become effective. Two of the hearings shall be held within 5 miles of the bridge over which the bridge authority has jurisdiction. One hearing shall be held in Lansing.

Sec. 302. The department shall prepare an official transportation map that shall be distributed without charge. Each legislator shall receive a quantity of maps as determined by the legislative council. However, each senator shall receive 3 times the number of maps of each representative.

Sec. 303. On request, the department shall provide to a legislator, in writing, a report on the amount of money to be received by each city and village and the county road commission of each county, that is included in whole or in part within the legislator's legislative district.

Sec. 304. If, as a requirement of bidding on a highway project, the department requires a contractor to submit financial or proprietary documentation as to how the bid was calculated, that bid documentation shall be kept confidential and shall not be disclosed other than to a department representative without the contractor's written consent. The department may disclose the bid documentation if necessary to address or defend a claim by a contractor.

Sec. 305. The department may permit space on public passenger transportation properties to be occupied by public or private tenants on a competitive market rate basis. The department may require that revenue from the tenants be placed in an account to be used to pay the costs to maintain and improve the property.

Sec. 306. From the funds appropriated in part 1, the auditor general shall conduct an audit of charges to transportation funds by state departments. The auditor general shall prepare a detailed report, with recommendations and conclusions, including a list of services charged to transportation funds, the appropriateness of those charges, and the cost allocation methodologies used in determining the level of funding, and provide the report, upon request, to any member of the senate and house of representatives and to the senate and house fiscal agencies by March 1, 2002.

Sec. 307. Before February 1 of each year, the department will provide to the legislature, the state budget office, and the house and senate fiscal agencies its rolling 5-year plan listing by county or by county road commission all highway construction projects for the fiscal year and all expected projects for the ensuing fiscal years.

Sec. 308. The department and local road agencies that receive appropriations under this act shall pursue compliance with contract specifications for construction and maintenance of state highways and local roads and streets. Work shall not be accepted and paid for until it complies with contract requirements. Contractors with unsatisfactory performance ratings shall be restricted from future bidding through the prequalification process established by the department or a local road agency. The department, county road commissions, and cities and villages shall report to the house of representatives and senate appropriations subcommittees on transportation on their respective activities under this section.

Sec. 309. The department shall continue its efforts to reduce administrative costs and provide the maximum funding possible for construction projects.

Sec. 310. The department shall provide in a timely manner copies of the agenda and approved minutes of monthly transportation commission meetings to the members of the house and senate appropriations subcommittees on transportation, the house and senate fiscal agencies, and the state budget director.

Sec. 311. The department shall not use funds appropriated under part 1 on behalf of a local governmental unit to pay the amount required for that local governmental unit to participate in the federal advance construct program.

Sec. 312. At the close of the fiscal year ending September 30, 2002, any unencumbered and unexpended balance in the state trunkline fund shall remain in the state trunkline fund and shall carry forward and be appropriated for federal aid road and bridge programs for projects contained in the annual state transportation program.

Sec. 313. (1) From funds appropriated in part 1, the department may increase a state infrastructure bank program and grant or loan funds in accordance with regulations of the state infrastructure bank program of the United States department of transportation. The state infrastructure bank is to be administered by the department for the purpose of providing a revolving, self-sustaining resource for financing transportation infrastructure projects.

(2) In addition to funds provided in subsection (1), money received by the state as federal grants, repayment of state infrastructure bank loans, or other reimbursement or revenue received by the state as a result of projects funded by the program and interest earned on that money shall be deposited in the revolving state infrastructure bank fund and shall

be available for transportation infrastructure projects. At the close of the fiscal year, any funds remaining in the state infrastructure bank fund shall remain in the fund and be carried forward into the succeeding fiscal year.

Sec. 314. The department shall provide a report prepared by the department's internal auditor on the activities of the internal auditor for the prior fiscal year. This report shall include a listing of each audit or investigation performed by the internal auditor pursuant to sections 486(4) and 487 of the management and budget act, 1984 PA 431, MCL 18.1486 and 18.1487. The report shall identify the proportion of time spent on each of the statutory responsibilities listed in sections 485(4), 486(4), and 487 of the management and budget act, 1984 PA 431, MCL 18.1485, 18.1486, and 18.1487, and the time spent on all other activities performed in the internal audit function. The report shall be due biennially beginning on May 1, 2001 and shall be submitted to the governor, auditor general, the senate and house of representatives appropriations committees, the senate and house fiscal agencies, and the director.

Sec. 315. The department shall expeditiously pursue the adoption of standard English units of weight and measure on all road and bridge construction, maintenance, and improvement projects.

Sec. 317. Funds appropriated in section 104 for state transportation commission per diem payments shall provide daily per diem payments of \$100.00 to each of the 6 appointed members of the state transportation commission for all scheduled state transportation commission meetings.

Sec. 318. The department shall continue its program to increase the use of women and minority owned businesses in state and local road construction projects. This program shall comprise, at a minimum, outreach and education efforts to inform women and minority owned firms of department competitive bidding processes and requirements, and an assessment of the availability of surety for women and minority owned businesses. The department shall report by March 31, 2002 to the house of representatives and senate appropriations subcommittees on transportation and the house and senate fiscal agencies of its progress in complying with this section.

Sec. 319. The department shall post signs at each rest area to identify the agency or contractor responsible for maintenance of the rest area. The signs shall include a department telephone number and shall indicate that unsafe or unclean conditions at the rest area may be reported to that telephone number.

Sec. 320. With regard to interdepartmental contracts between the department and the attorney general, the department shall determine how much time the attorney general spends on services financed with transportation funds. The determination shall include a breakdown of the following:

(a) The time spent by the attorney general on activities which are general in nature and which are of benefit to all transportation programs or which cannot be readily identified with specific transportation programs.

(b) The time spent by the attorney general on activities which are of specific benefit to state trunkline programs, local road agency programs, public transportation programs, and aeronautics programs, respectively.

Sec. 321. The department, in collaboration with the Detroit department of transportation, the suburban mobility authority for regional transportation, and intercity bus carriers, shall facilitate the planning of a multimodal transportation center for southeast Michigan.

Sec. 322. Not later than January 1, 2002, the department shall fill all vacant bridge inspector positions. Not later than February 15, 2002, the department shall report to the senate and house of representatives appropriations subcommittees on transportation the number of full-time and part-time positions assigned to bridge inspection activities, the number of vacancies, and any plans to fill the vacancies.

Sec. 324. From the funds appropriated in part 1, up to \$700,000.00 from the state trunkline fund shall be used for enhanced construction zone traffic law enforcement. The funding shall be used to reimburse law enforcement agencies for overtime costs associated with construction zone traffic enforcement. The funding shall be provided based on approved memoranda of understanding between the department and participating law enforcement agencies.

Sec. 325. (1) The appropriation in part 1 for state trunkline debt service includes \$35,000,000.00 appropriated and transferred to the state trunkline fund from the countercyclical budget and economic stabilization fund under section 358(3) of the management and budget act, 1984 PA 431, MCL 18.1358.

(2) Funds from the countercyclical budget and economic stabilization fund and from streamlining diesel fuel tax collection deposited in the state trunkline fund and intended for the build Michigan III program at the close of the fiscal year shall remain in the state trunkline fund and shall carry forward and are appropriated for debt service payments associated with the build Michigan III program.

Sec. 326. It is the intent of the legislature to review, prior to bonding, all previously unidentified build Michigan III funding allocations identified by the department to be supported by bond proceeds. Not later than October 31, 2001, the department shall report to the senate and house of representatives appropriations subcommittees on transportation and the senate and house fiscal agencies the following information regarding those previously unidentified build Michigan III funding allocations identified by the department:

(a) Project description.

(b) Estimated total project costs.

(c) The amount of total estimated project costs funded from build Michigan III bond proceeds.

(d) The amount of local match, if any.

(e) The life-cycle cost analysis required under section 1h of 1951 PA 51, MCL 247.651h.

Sec. 328. The department shall issue a preliminary list of those bridges that are scheduled to receive federal bridge funds under the critical bridge program and shall notify those local communities and road agencies by December 31, 2001. The department shall issue a final list of those bridges that are scheduled to receive federal bridge funds under the critical bridge program and shall notify those local communities and road agencies scheduled to receive federal bridge funding under the critical bridge program no later than February 3, 2002.

Sec. 329. It is the intent of the legislature that the debt service costs on transportation economic development fund bonds issued after January 1, 2001 shall be paid entirely from the funds designated for targeted industries projects, as described in section 11(3)(a) of 1987 PA 231, MCL 247.911.

Sec. 331. From the funds appropriated in part 1, the department shall conduct a study of rail grade separation needs in the state. The study shall include input from private railroad carriers, local units of government, and local road agencies. From the study findings, the department shall develop a priority list of grade separation projects in the state. At a minimum, the project list shall consider safety enhancements, local participation, and the cost of each project on the list. The department shall report on the study findings and the priority list of grade separation projects to the senate and house appropriations subcommittees on transportation and the senate and house fiscal agencies by April 1, 2002.

Sec. 332. In order to facilitate truck transport, the department shall work to improve the highway connectivity between Marquette, Michigan, Menominee, Michigan, and Green Bay, Wisconsin.

Sec. 334. The department shall pursue grants from federal or other sources to study the use of power sources other than gasoline or diesel fuel for the propulsion of motor vehicles.

Sec. 335. The department shall work in collaboration with the family independence agency regarding the summer youth programs. The programs shall seek to employ inner city and youth in street and highway beautification projects.

Sec. 340. From the funds appropriated in section 110 for critical bridge programs, \$3,000,000.00 in general fund dollars is to be distributed to any county that has identified at least 60 bridge structures that are closed or have weight restrictions limiting or prohibiting emergency vehicles from crossing and that has committed at least \$29,000,000.00 of local funds for the repair or replacement of at least 3/4 of the structures. These funds are not available for expenditure unless there is a fiscal year 2001 year-end balance in the general fund.

Sec. 346. Upon agreement by a county and local governing unit to equally share costs, cities and villages may use local road maintenance funds to provide a match for federal funds for rail grade separation projects.

Sec. 349. The department shall develop a plan to implement the policy of the state transportation commission on noise abatement. The department shall report on its efforts to implement the commission's policy to the house of representatives and senate appropriations subcommittees on transportation and to the house and senate fiscal agencies by April 15, 2002.

Sec. 350. (1) The established overall disadvantaged business enterprise goal shall identify the relative availability of disadvantaged business enterprises based on evidence of ready, willing, and able disadvantaged business enterprises relative to all firms within the department's marketplace. The overall annual goal shall reflect the department's determination of the level of disadvantaged business enterprise participation which could be expected absent the effects of discrimination. The department's methodology to develop the overall disadvantaged business enterprise goal will be announced in electronic and print media to ensure broad public participation in the goal setting process in accordance with 49 C.F.R. part 26.45.

(2) The department shall work to coordinate a meeting prior to the annual construction season between the road construction industry and the Michigan minority business development council.

#### **FEDERAL**

Sec. 401. When the department receives authorization from the federal government to commit transportation funds pursuant to federal appropriations, it shall present to the senate and house of representatives appropriations transportation subcommittees and the senate and house fiscal agencies, the federal amounts and categories authorized and the department's recommendation for distribution of these funds. If a recommendation or recommendations are not disapproved within 30 business days by either the senate or house of representatives appropriations transportation subcommittees, then the recommendation or recommendations shall be considered as approved. If either the senate or house of representatives appropriations transportation subcommittee disapproves the proposed distribution, then the senate and house of representatives appropriations transportation subcommittees and the department shall hold a joint meeting on the issue to arrive at a final distribution. If no agreement is reached between the parties, the department's distribution shall stand.

Sec. 402. (1) Twenty-three to twenty-seven percent of the DOT-FHWA highway research, planning, and construction federal funds appropriated in section 110 shall be allocated to programs administered by local jurisdictions after deduction of the following:

(a) Funds that are specifically allocated at the federal level to the state or local jurisdictions.

(b) Funds allocated by the department to the state and to local jurisdictions through a competitive process.

(2) Federal aid excluded from the calculation of funding allocated to programs administered by local jurisdictions in subsection (1) includes, but is not limited to, congestion mitigation and air quality funds, federal bridge funds, transportation enhancement funds, funds distributed at the discretion of the United States secretary of transportation, and congressionally designated funds.

(3) The funds shall be distributed to eligible local agencies for transportation purposes in a manner consistent with state and federal law.

(4) Federal aid to highways allocated to local jurisdictions in subsection (1) shall be distributed in a manner that produces a 25% average allocation of applicable funds to programs for local jurisdictions in each fiscal year through the fiscal year ending September 30, 2005. The average allocation of applicable federal aid to highway funds to programs for local jurisdictions shall be the average of the amount distributed to local jurisdictions under subsection (1) and similarly calculated distributions in each succeeding fiscal year.

(5) The allocation percentage described in subsection (1) shall be adjusted to reflect any voluntary agreements made by the department with local jurisdictions regarding the transfer of federal aid eligible roadways or the state buyout of local federal aid.

(6) The department shall not borrow against the critical bridge fund for the first 9 months of the fiscal year.

(7) The federal funds appropriated in section 110 for local federal aid and road and bridge construction, to eligible local road agencies, may be transferred through a voluntary buyout agreement made between eligible local road agencies.

Sec. 404. It is the intent of the legislature that \$3,750,000.00 in federal high priority project funds designated in the transportation equity act for the twenty-first century, Public Law 105-178, 112 Stat. 107, to improve I-94 in Kalamazoo County be expended by the department for preliminary engineering and design work related to rehabilitation and capacity improvements to I-94 between US-131 and Sprinkle Road in Kalamazoo County.

Sec. 405. Of the funds appropriated in section 110 for the critical bridge program, \$24,000,000.00 in federal highway bridge replacement and rehabilitation program funds are allocated to the critical bridge fund for the purpose of repairing or replacing bridges in the local off-system categories and local on-system categories. These funds shall be excluded from calculation of funding allocated to programs administered by local jurisdictions required in section 402.

#### **MICHIGAN TRANSPORTATION FUND**

Sec. 501. The money received under the motor carrier act, 1933 PA 254, MCL 475.1 to 479.43, and not appropriated to the department of consumer and industry services or the department of state police is deposited in the Michigan transportation fund.

Sec. 502. The department of treasury shall perform audits and make investigations of the disposition of all state funds received by county road commissions or county boards of commissioners, as applicable, and cities and villages for transportation purposes to determine compliance with the terms and conditions of 1951 PA 51, MCL 247.651 to 247.675. County road commissions or county boards of commissioners, as applicable, and cities and villages shall make available to the department of treasury the pertinent records for the audit.

Sec. 503. (1) The funds appropriated in part 1 for the economic development and critical bridge programs shall not lapse at the end of the fiscal year but shall carry forward each fiscal year for the purposes for which appropriated in accordance with 1987 PA 231, MCL 247.901 to 247.913, and section 11b of 1951 PA 51, MCL 247.661b.

(2) Interest earned in the department of transportation economic development fund and critical bridge fund shall remain in the respective funds and shall be allocated to the respective programs based on actual interest earned at the end of each fiscal year.

(3) The department of transportation economic development fund and critical bridge fund may receive and expend federal, local, or private funds or restricted source funds such as interest earnings for projects that are consistent with the programmatic mission of the respective funds in addition to funds appropriated in part 1.

(4) None of the funds statutorily dedicated to the transportation economic development fund and critical bridge fund shall be diverted to other projects without the notification and approval of the house of representatives and senate appropriations subcommittees on transportation.

Sec. 504. (1) Funds from the Michigan transportation fund (MTF) shall be distributed to the comprehensive transportation fund (CTF), the economic development fund (EDF), the recreational improvement fund (RIF), and the state trunkline fund (STF), in accordance with this act and part 711 (recreation improvement fund) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.71101 to 324.71108, and may only be used as specified in this act, 1951 PA 51, MCL 247.651 to 247.675, and part 711 (recreation improvement fund) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.71101 to 324.71108.

(2) The amounts appropriated and transferred to various state agencies from part 1 shall be expended from the transportation funds pursuant to annual contracts between the department and state agencies providing tax and fee collection and other services applicable to transportation funds. The contracts shall be executed prior to the transfer of these funds. The contracts shall provide, but are not limited to, the following data applicable to each state agency:

- (a) Estimated costs to be recovered from transportation funds.
- (b) Description of services financed with transportation funds.

(3) If the spending authorization accounts also are to be used for financing other than transportation fund services, the contracts shall include detailed cost allocation methods that are appropriate to the type of services being provided and the activities financed and supporting rationale for the portion of costs allocated to transportation funds.

(4) At the close of each fiscal year and before April 1, each state agency shall submit a written report to the state budget director stating by spending authorization account the amount of estimated funds contracted with the department, the amount of funds expended, and the amount of funds returned to the transportation funds. A copy of the report shall be submitted to the auditor general and the report shall be subject to audit by the auditor general.

(5) The department and the state agencies with which the department contracts in the manner provided in subsection (2) shall work together to explore methods of minimizing lapses or shortfalls in grants from transportation funds.

Sec. 505. (1) Of the amount appropriated in part 1 from the Michigan transportation fund to the department of state, \$186,600.00 represents the additional cost of issuing specialized license plates for veterans and national guard members, as included in 1989 PAs 16, 17, 18, and 19, MCL 257.803i, 257.803j, 257.803k, and 257.803l, and \$187,600.00 represents the additional cost of issuing generic license plates for nonprofit fraternal or public service organizations, as included in section 803m of the Michigan vehicle code, 1949 PA 300, MCL 257.803m.

(2) In addition, commemorative and specialty license plate fee revenue collected by the department of state and deposited into the Michigan transportation fund is authorized for expenditure by the department of state up to the amount of revenue collected, but not to exceed \$2,153,300.00 for commemorative plates and \$3,915,000.00 for specialty plates. These amounts are appropriated to the department of state in part 1 to administer the commemorative and specialty license plate programs pursuant to section 225 of the Michigan vehicle code, 1949 PA 300, MCL 257.225.

(3) The department of state shall prepare an annual report on the number of, and the additional costs associated with, these license plate programs to the department, the state budget director, the house and senate fiscal agencies, and the chairpersons of the house of representatives and senate appropriations subcommittees on transportation.

(4) Any unspent funds based on these annual reports shall lapse to the Michigan transportation fund and be distributed in accordance with 1951 PA 51, MCL 247.651 to 247.675.

#### **STATE TRUNKLINE FUND**

Sec. 601. The department shall work with the road construction industry to develop performance and road construction warranties for construction contracts. The development of warranties shall include warranties on materials, workmanship, performance criteria, and design/build projects. The department will report by September 30, 2002, to the house of representatives and senate appropriations subcommittees on transportation, the state budget office, and the house and senate fiscal agencies on the status of efforts to develop performance and road construction warranties.

Sec. 602. If the department uses manufactured pipe for road construction drainage, the department shall require that pipe used under certain load bearing conditions beneath the roadway meet the standards established by the American society for testing and materials (ASTM) or American association of state highway and transportation officials (AASHTO). The department may also use the mandrel test for manufactured pipe 60 days after installation and provide a summary of the results of these inspections to the house of representatives and senate appropriations subcommittees on transportation and house and senate fiscal agencies.

Sec. 603. It is the intent of the legislature that the department shall use traffic congestion as 1 of the criteria in determining the priorities for designating which roads shall be remediated in its 5-year road plan, which must be submitted on or before February 1, 2002. Criteria for evaluating traffic congestion shall include, but not be limited to, coordination with local, county, and regional planning, improvement in traffic operations, improvement in physical roadway conditions, accident reduction, and coordination with area public transportation planning.

Sec. 605. The university road improvement program appropriation in section 110 shall be used to create a new state matching grant program for 4-year public universities administered by the department. A public university shall provide a dollar-for-dollar match for projects approved by the transportation commission. Funds allocated under this section shall be considered in addition to funds allocated to public universities under the institutional road program.

Sec. 606. From the funds appropriated in section 110 for road and bridge programs, the department shall begin the construction process, which may include traffic studies, preliminary engineering, right-of-way acquisition, and construction, of a northbound ramp at I-675 and Washington avenue in the city of Saginaw.

Sec. 607. From the funds appropriated in part 1, \$2,000,000.00 is appropriated for the remediation of unsafe pedestrian crossings on state highways. Funds from this appropriation may be expended only as matching funds for up to 50% of project cost with additional project funding to be provided by local units of government or through private contributions. Selected projects shall require the approval of the transportation commission. Maintenance of pedestrian overpasses constructed from funds made available through this appropriation shall be the responsibility of a local unit of government or public or private institutions of higher education.

Sec. 608. From the amounts appropriated in part 1 for forest roads from the transportation economic development fund in the fiscal year ending September 30, 2002, \$40,000.00 shall be used for the purpose of establishing 2 additional truck inspection stations. The department shall work directly with representatives of the timber industry to educate truck drivers on the use of the stations. The department shall report on the status of this program.

Sec. 609. From the funds appropriated in section 110 for road and bridge programs, funds shall be allocated for planning and evaluation for an interchange on I-96 at Sternberg Road in Fruitport Township.

Sec. 610. It is the intent of the legislature that the department have as a priority the removal of dead deer and other large animal remains from the traveled portion and shoulder of state highways. The department, and counties that perform state highway maintenance under contract, shall remove animal remains, wherever practicable, away from the traveled portion and shoulder of state highways.

Sec. 613. From the funds appropriated in part 1, a grant of \$150,000.00 shall be made to Michigan Technological University to complete a study of the distribution and nature of log truck accidents and the characteristics of log trucks and log loads. The findings of this study shall be forwarded to the house and senate appropriations committees, the house and senate fiscal agencies, and the state budget director.

Sec. 614. The department shall coordinate with the department of state police to facilitate the use of mobile scales on rural highways as jointly agreed to by both departments.

#### **COMPREHENSIVE TRANSPORTATION FUND**

Sec. 701. Money that is returned to the state as repayment for a loan for intercity bus equipment is not money to be deposited in the comprehensive transportation fund under section 10b of 1951 PA 51, MCL 247.660b, but is money that is deposited in an intercity bus equipment fund for appropriation for the purchase and repair of intercity bus equipment. Proceeds received by the state from the sale of intercity bus equipment are deposited in an intercity bus equipment fund for appropriation for the purchase and repair of intercity bus equipment. Security deposits from the lease of state-owned intercity bus equipment not returned to the lessee of the equipment under terms of the lease agreement are deposited in an intercity bus equipment fund for appropriation for the repair of intercity bus equipment.

Sec. 702. Money that is received by the state as repayment for loans made for rail or water freight capital projects, and as a result of the sale of property or equipment used or projected to be used for rail or water freight projects shall be deposited in the fund created by section 17 of the state transportation preservation act of 1976, 1976 PA 295, MCL 474.67.

Sec. 703. After receiving notification from a railroad company pursuant to section 8 of the state transportation preservation act of 1976, 1976 PA 295, MCL 474.58, the department shall immediately notify the house of representatives and senate appropriations subcommittees on transportation and the state budget office that the railroad company has filed with the appropriate governmental agencies for abandonment of a line.

Sec. 704. The department shall submit a report to both the house and senate appropriations subcommittees on transportation and the house and senate fiscal agencies by March 1 of each year outlining its efforts to develop a high-speed rail program as well as efforts to obtain funding for this purpose. The report shall include recommendations on self-sustaining revenue sources to increase awareness and include efforts to increase ridership.

Sec. 705. From the funds appropriated in part 1, \$800,000.00 is allocated for a rail infrastructure loan program. The program shall provide noninterest bearing loans for rail infrastructure improvements. The department shall evaluate loan applications according to the relative merit of the project in conjunction with program goals. The transportation commission shall approve the loans. The loans shall fund not less than 90% of the rail portion of project costs, and the loan repayment period shall not exceed 10 years. Local governments, railroads, and current or potential users of freight railroad services are eligible applicants. At the end of the fiscal year, unexpended funds shall remain in the rail infrastructure loan program and shall be available to be allocated for the purposes of the program in the succeeding fiscal year. Money that is received by this state as repayment for rail infrastructure loans made pursuant to this program shall remain within the rail infrastructure loan program and shall be allocated for the purposes of the program. The state's total contribution to the rail infrastructure loan program shall not exceed \$15,000,000.00.

Sec. 706. The Detroit/Wayne County port authority shall issue a complete operations assessment and a financial disclosure statement. The operations assessment shall include operational goals for the next 5 years and recommendations to improve land acquisition and development efficiency. The report shall be completed and submitted to the house of representatives and senate appropriations subcommittees on transportation, the state budget office, and the house and senate fiscal agencies by February 15, 2002.

Sec. 707. For the fiscal year ending September 30, 2002, each eligible authority and each eligible governmental agency which provides public transportation services in urbanized areas with a Michigan population of less than or equal to 100,000 and nonurbanized areas under section 5311 of title 49 of the United States Code, 49 U.S.C. 5311, shall receive a grant of up to 60% of its eligible operating expenses. Each eligible authority and each eligible government agency which provides public transportation services in urbanized areas with a Michigan population of greater than 100,000 under section 5311 of title 49 of the United States Code, 49 U.S.C. 5311, shall receive a grant of up to 50% of its eligible operating expenses.

Sec. 708. If funds appropriated in section 116 are used to provide state-owned or state-leased buses to private intercity bus carriers, the department shall charge not less than \$1,000.00 per bus per year for their use.

Sec. 709. (1) The following bus routes are designated as an essential corridor in Michigan:

Between St. Ignace and Escanaba	US-2
Between Escanaba and Duluth	US-2 through Ironwood to the state line
Between Calumet and Escanaba	US-41
Between Escanaba and Milwaukee	US-41 through Menominee to the state line
Between St. Ignace and Sault Ste. Marie	I-75
Between Detroit and Chicago	I-94 from Detroit to the state line
Between Detroit and Muskegon	I-96
Between Grand Rapids, Holland, and Benton Harbor	I-196 to I-94

Between Muskegon and Grand Rapids	US-31, I-96
Between Detroit and Bay City	I-75
Between Bay City and Mount Pleasant	US-10, M-20
Between Jackson and Traverse City	US-127, US-27, I-75, Grayling, Gaylord, M-72 to Traverse City
Between Jackson and Indianapolis	I-69, I-94 to the state line through Albion, Marshall, and Coldwater
Between Houghton Lake and Cadillac	M-55 and M-66
Between Detroit and Toledo	I-75 to the state line
Between the Indiana state line and Traverse City	US-31 and I-196
Between Detroit and Port Huron	I-375 and I-94
Between Toledo and Bay City	US-23, I-75, and I-675, I-75
Between Bay City and Chicago	I-75, Flint, I-69, I-94, Battle Creek, I-94 to the state line
Between Flint and Lansing	I-69, M-21, Owosso, M-52, I-69
Between Bay City and St. Ignace	I-75, US-23
Between Grand Rapids and St. Ignace	US-131, Cadillac, M-115, Mesick, M-37 to Traverse City, US-31, Acme, M-72, Kalkaska, US-131, Boyne Falls, M-75, Walloon Lake, US-131, Petoskey, US-31, I-75, St. Ignace
Between Kalamazoo and Grand Rapids	US-131

(2) Any changes to the essential corridor list in subsection (1) shall be approved by the house and senate appropriations subcommittees on transportation.

(3) No entity shall receive operating assistance for a scheduled regular route service which is competing with another private or public carrier over the same route.

Sec. 710. Whenever possible, the department shall work with the local transit agencies to avoid establishing new routes that duplicate existing routes served by intercity carriers when providing services under regional transportation service programs. It is preferable that private intercity carriers be provided an opportunity to bid by local public transit agencies on services funded through the regional transportation service program.

Sec. 711. (1) From the funds appropriated in part 1 from the comprehensive transportation fund for rail passenger service, the department shall negotiate with a rail carrier to provide rail service between Grand Rapids and Chicago and between Port Huron and Chicago on a 7-day basis, consistent with the other provisions of this section.

(2) The department shall work with the rail carrier, local communities, and the federal government to increase marketing efforts to promote awareness of rail passenger service, to increase ridership, to reduce operating subsidies in conjunction with the federal phaseout of operating subsidies, to maximize the revenue of the rail passenger lines in Michigan, and to improve on-time performance. The department shall submit a report to both the house and senate appropriations committees and the house and senate fiscal agencies by January 1, 2002, that provides a 5-year history on services, ridership, and subsidies.

(3) Future state support for the service between Grand Rapids and Chicago and Port Huron and Chicago is dependent on the department's ability to provide a plan and a contract for services that increase ridership and revenue, reduce operating costs, and improve on-time performance. The department shall include a section in the report required in subsection (2) detailing efforts to reduce the dependence on state operating subsidies and projected operating expenses for the next 2 years, and recommending service alternatives, for the Grand Rapids to Chicago service and the Port Huron to Chicago service.

(4) Any state subsidy shall only provide for the direct operating costs in Michigan and shall not exceed \$5,700,000.00 for the service between Port Huron and Chicago and Grand Rapids and Chicago.

Sec. 712. From the comprehensive transportation fund appropriation in section 116 for freight preservation and development, \$2,000,000.00 is appropriated to rehabilitate the lake state railroad bridge over the Thunder Bay River in Alpena.

Sec. 713. It is the intent of the legislature that the state of Michigan will be ready to fund its portion of the locks project at Sault Ste. Marie as soon as the federal government authorizes the commencement of the project.

Sec. 714. The department, in cooperation with local transit agencies, shall ensure that demand-response services are provided throughout Michigan.

Sec. 715. (1) On or before January 28, 2002, the department, together with the house and senate fiscal agencies and the department of management and budget, shall estimate the unreserved and unencumbered closing balance of the comprehensive transportation fund (CTF) for the fiscal year ending September 30, 2001. The estimate shall consider lapsed appropriations from the CTF and revised estimates of state restricted transportation revenue.

(2) On or before February 4, 2002, 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 CTF fund balance in excess of \$1,000,000.00. The appropriations included in the transfer request shall be in accordance with the statutory requirements of 1951 PA 51, MCL 247.651 to 247.675, with priority given to local bus operating grants. At the same time the department makes its transfer request, the department shall submit copies of the transfer request to the house of representatives and senate appropriations subcommittees on transportation and the house and senate fiscal agencies.

Sec. 717. The department shall explore the potential uses of TANF funds, which may be made available to the comprehensive transportation fund from the family independence agency for employment transportation services, and shall develop a grant program for the use of the funds by local transit agencies which provide transportation for welfare-to-work participants. The department shall coordinate this program with the family independence agency and the Michigan department of career development.

Sec. 718. The department shall evaluate intermodal transportation opportunities in the eastern Upper Peninsula and report its findings to the chairpersons of the house and senate appropriations subcommittees on transportation and the house and senate fiscal agencies.

#### **AERONAUTICS FUND**

Sec. 801. At the close of the fiscal year ending September 30, 2002, any unobligated and unexpended balance in the state aeronautics fund created in the aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.1 to 259.208, shall lapse to the state aeronautics fund and be appropriated by the legislature in the immediately succeeding fiscal year.

Sec. 802. The department and the departments of state police and natural resources shall continue to develop plans for the maintenance, scheduling, and use of all state-owned, noncombat aircraft. It is the intent of the legislature that these plans maximize the cost-efficient use of the state transportation air fleet. The departments shall prepare a joint report, coordinated by the department, on the development and implementation of these plans.

Sec. 803. (1) From the funds appropriated in section 113, the department shall establish an aeronautics safety officer position to coordinate safety functions between the department, the department of natural resources, and the department of state police. It is the intent of the legislature that the safety officer position is jointly funded by the 3 departments in equal shares.

(2) In addition to the funds appropriated in section 113, the department is authorized to expend funds received from the department of natural resources and the department of state police that are intended to support the aeronautics safety officer position established in subsection (1).

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

A bill to make appropriations for the state transportation department and certain transportation purposes for the fiscal year ending September 30, 2002; to provide for the imposition of fees; to provide for reports; to create certain funds and programs; to prescribe requirements for certain railroad and bus facilities; to prescribe certain powers and duties of certain state departments and officials and local units of government; and to provide for the expenditure of the appropriations.

Philip E. Hoffman  
Mike Goschka  
Joe Young, Jr.  
Conferees for the Senate

Scott Shackleton  
Jerry Kooiman  
Keith Stallworth  
Conferees for the House

Pending the order that, under joint rule 9, the conference report be laid over one day,  
Senator Emmons moved that the rule be suspended.

The motion prevailed, a majority of the members serving voting therefor.

The question being on the adoption of the conference report,

The first conference report was adopted, a majority of the members serving voting therefor, as follows:

#### **Roll Call No. 252**

**Yeas—35**

Bennett  
Bullard  
Byrum

Emmons  
Garcia  
Gast

Koivisto  
McCotter  
McManus

Scott  
Shugars  
Sikkema



Cherry  
DeBeaussaert  
DeGrow  
Dingell  
Dunaskiss  
Emerson

Goschka  
Gougeon  
Hammerstrom  
Hart  
Hoffman  
Johnson

Miller  
Murphy  
North  
Peters  
Schuette  
Schwarz

Smith  
Steil  
Stille  
Van Regenmorter  
Young

**Nays—0**

**Excused—2**

Leland

Vaughn

**Not Voting—0**

In The Chair: Schwarz

The question being on concurring in the committee recommendation to give the bill immediate effect, The recommendation was concurred in, 2/3 of the members serving voting therefor.

By unanimous consent the Senate returned to the order of

**General Orders**

Senator Emmons moved that the Senate resolve itself into the Committee of the Whole for consideration of the General Orders calendar.

The motion prevailed, and the President pro tempore, Senator Schwarz, designated Senator Young as Chairperson.

After some time spent therein, the Committee arose; and, the President pro tempore, Senator Schwarz, having resumed the Chair, the Committee reported back to the Senate, favorably and with amendments, the following bill:

**Senate Bill No. 551, entitled**

A bill to amend 1855 PA 105, entitled “An act to regulate the disposition of the surplus funds in the state treasury; to provide for the deposit of surplus funds in certain financial institutions; to lend surplus funds pursuant to loan agreements secured by certain commercial, agricultural, or industrial real and personal property; to authorize the loan of surplus funds to certain municipalities; to authorize the participation in certain loan programs; to authorize an appropriation; and to prescribe the duties of certain state agencies,” (MCL 21.141 to 21.147) by adding section 2e.

The following are the amendments recommended by the Committee of the Whole:

1. Amend page 2, line 3, after “PROCEEDINGS” by inserting “OR WAS IN BANKRUPTCY PROCEEDINGS AT ANY TIME DURING THE 1-YEAR PERIOD PRECEDING THE DATE OF THE LOAN”.

2. Amend page 2, following line 9, by inserting:

“(3) A SUGAR BEET GROWERS’ COOPERATIVE THAT WISHES TO APPLY FOR A LOAN UNDER THIS SECTION SHALL SUBMIT A LOAN APPLICATION TO THE STATE TREASURER BEFORE JANUARY 1, 2002.” and renumbering the remaining subsection.

The Senate agreed to the amendments recommended by the Committee of the Whole, and the bill as amended was placed on the order of Third Reading of Bills.

By unanimous consent the Senate proceeded to the order of

**Resolutions**

The question was placed on the adoption of the following resolution consent calendar:

**Senate Resolution No. 86**

**Senate Resolution No. 87**

**Senate Resolution No. 88**

**Senate Resolution No. 89**

The resolution consent calendar was adopted.

Senators Peters, Scott, Byrum, Koivisto, Hart, Emerson, Smith, DeBeaussaert and Miller offered the following resolution:

**Senate Resolution No. 86.**

A resolution to recognize the tremendous efforts of Lieutenant Colonel Donald S. Lopez, USAF (Ret.), which were critical for the current construction of the Steven F. Udvar-Hazy Center, the new companion facility of the Smithsonian Institution's National Air and Space Museum.

Whereas, The Steven F. Udvar-Hazy Center is located at the Washington Dulles International Airport and is named for the project's major donor. The current National Air and Space Museum is located on the mall in Washington, D.C. It first opened its doors to the public in 1976 and has since become the most popular museum in the world, attracting over nine million visitors each year. This museum is the home of many of the great aircrafts and aviation relics that have played major roles in our country's aerospace history and heritage. A few examples of these include the Wright brothers' *Spirit of St. Lois* plane and the Apollo 11 *Columbia* command module. However, this facility can only house a small portion of the national collection; and

Whereas, 177 acres in northern Virginia have been dedicated for the site of the new Steven F. Udvar-Hazy Center. The center will span approximately 760,000 square feet, giving it the ability to exhibit the 80 percent of the national collection that has rarely been accessible for viewing by the general public; and

Whereas, The development of this fine new institution would not have been possible without the valiant efforts of Lieutenant Colonel Donald S. Lopez, USAF (Ret.), deputy director of the National Air and Space Museum. Lieutenant Colonel Lopez has been with the National Air and Space Museum since 1972, when he served as assistant director of the Aeronautics Department. He was a member of the team responsible for planning and opening the museum, and his many years of dedication have helped to make the National Air and Space Museum what it is today; and

Whereas, Lieutenant Colonel Lopez's flight experiences have been of service to our country in World War II when he served in China and in the Korean War. He also attended Air Force Test Pilot School and taught at the Air Force Academy where he was an associate professor of aeronautics and the chief of academic counseling. Lieutenant Colonel Lopez holds a bachelor's degree in aeronautical engineering from the Air Force Institute of Technology and a master's degree from the California Institute of Technology; now, therefore, be it

Resolved by the Senate, That we hereby acknowledge the planning and construction of the Steven F. Udvar-Hazy Center and the efforts of Lieutenant Colonel Donald S. Lopez, USAF (Ret.), which have been instrumental for this wonderful gift to the American public; and be it further

Resolved, That a copy of this resolution be transmitted to Lieutenant Colonel Lopez as a sign of our appreciation and gratitude for his efforts and the high esteem in which he is held by the Michigan Senate.

Senators Peters, Scott, Byrum, Koivisto, Hart, Emerson, Smith, DeBeaussaert and Miller offered the following resolution:

**Senate Resolution No. 87.**

A resolution to recognize the tremendous efforts of General John R. Dailey, USMC (Ret.), which were significant for the current construction of the Steven F. Udvar-Hazy Center, the new companion facility of the Smithsonian Institution's National Air and Space Museum.

Whereas, The Steven F. Udvar-Hazy Center is located at the Washington Dulles International Airport and is named for the project's major donor. The current National Air and Space Museum is located on the mall in Washington, D.C. It first opened its doors to the public in 1976 and has since become the most popular museum in the world, attracting over nine million visitors each year. This museum is the home of many of the great aircrafts and aviation relics that have played major roles in our country's aerospace history and heritage. A few examples of these include the Wright brothers' *Spirit of St. Lois* plane and the Apollo 11 *Columbia* command module. However, this facility can only house a small portion of the national collection; and

Whereas, 177 acres in northern Virginia have been dedicated for the site of the new Steven F. Udvar-Hazy Center. The center will span approximately 760,000 square feet, giving it the ability to exhibit the 80 percent of the national collection that has rarely been accessible for viewing by the general public; and

Whereas, The development of this fine new institution would not have been possible without the valiant efforts of General John R. Dailey, USMC (Ret.), director of the National Air and Space Museum. General Dailey formerly worked for the National Aeronautics and Space Administration (NASA), where he was the associate deputy administrator. While with NASA, General Dailey was a member of the President's Management Council, co-chair of the Aeronautics and Astronautics Coordinating Board, and a national delegate to the research and technology organization supporting NATO. He also led NASA's reinvention activities; and

Whereas, General Dailey is a distinguished and decorated pilot and four-star general in the United States Marine Corps. His aviating experiences from the 36 years that he has devoted to the Marines include 450 combat missions in the Vietnam War and over 6,000 flight hours in both fixed-wing aircrafts and helicopters. A few of his most accredited honors include the Distinguished Flying Cross, Bronze Star Medal, Meritorious Service Medal, and Combat Action Ribbon; now, therefore, be it

Resolved by the Senate, That we hereby acknowledge the planning and construction of the Steven F. Udvar-Hazy Center and the efforts of General John R. Dailey, USMC (Ret.), which have been instrumental for this wonderful gift to the American public; and be it further

Resolved, That a copy of this resolution be transmitted to General Dailey as a symbol of our appreciation and gratitude for his endeavors and the high esteem in which he is held by the Michigan Senate.

Senator Young offered the following resolution:

**Senate Resolution No. 88.**

A resolution to congratulate and honor the Harper Woods High School Boys Varsity Baseball Team as the 2001 Division IV State Champions.

Whereas, It is with great appreciation for the enthusiasm, teamwork, and hard work that the outstanding season of the Harper Woods High School Boys Varsity Baseball Team has signified that we congratulate the members and coaches. With their remarkable success throughout the 2001 campaign, these talented athletes have earned the admiration of their families and all who follow varsity baseball in this state; and

Whereas, Fans of the Harper Woods Pioneers have had every reason to shout themselves hoarse as their team rounded out the year with a 26-2 overall record. In a close win over Beal City in the semi-finals, the Pioneers were able to claim the state title with a victory over Decatur in the championship game in Battle Creek by a score of 4 to 2; and

Whereas, Under the direction of Coach Mike Rowinski and Assistant Coach DeAndre Cooper, the Pioneers team blended well as a unit. In addition, the team displayed great poise in setting lofty goals for themselves at the beginning of the season and going out and making those dreams a reality through hard work and commitment. Many of the talents and characteristics they exhibited in reaching this goal will help them in all aspects of their lives. We are proud to commend the dedication of these true student-athletes and their coaches and support staff:

Ryan Deramo	Anthony DeSantis
J.R. King	Gary Lilly
Andrew Manor	Stuart Manor
Ryan Nannini	Tim Patterson
Frank Pietrangelo	Jason Rhoades
Steve Rhodes	Vinnie Scalabrino
Mike Whately	Ryan Wise

Coach Mike Rowinski  
Assistant Coach DeAndre Cooper

; now, therefore, be it

Resolved by the Senate, That we hereby congratulate and honor the Harper Woods High School Boys Varsity Baseball Team as the 2001 Division IV State Champions; and be it further

Resolved, That a copy of this resolution be transmitted to the team members and coaching staff in tribute to a remarkable season.

Senator Young offered the following resolution:

**Senate Resolution No. 89.**

A resolution to congratulate and honor the Grosse Pointe South High School Boys Varsity Baseball Team as the 2001 Division I State Champions.

Whereas, In a dominating display of skill, teamwork, and determination, the Grosse Pointe South High School Boys Varsity Baseball Team has laid claim to the designation as state champions in Division I varsity baseball—the first state baseball championship in the school’s history. In fact, this spectacular feat is the first state championship for Grosse Pointe South in any boys sporting event, since Grosse Pointe High School divided into North and South in 1968. On behalf of everyone who supported this spirited group of student-athletes, it is most appropriate to extend to them the highest praise and sincerest congratulations on their amazing season; and

Whereas, With an overall record of 27-12, the Grosse Pointe South players found themselves coming from behind in all but one of their play-off games—proof of the determination and confidence of this energetic Blue Devils team. With a close victory over West Bloomfield in the semi-finals, the Blue Devils were able to claim the state title with a victory over Grand Ledge in the championship game in Battle Creek by a score of 2 to 1 on Saturday, June 16, 2001; and

Whereas, Under the direction of Coach Dan Griesbaum and Assistant Coaches John Hackett, Bill Mogk, and Mark Orr, the Blue Devils team blended well as a unit. In addition, the team displayed great poise in setting lofty goals for

themselves at the beginning of the season and going out and making those dreams a reality through hard work and commitment. Many of the talents and characteristics they exhibited in reaching this goal will help them in all aspects of their lives. We are proud to commend the dedication of these true student-athletes and their coaches and support staff:

Ian Milhouse	Chris Getz
Geordie Mackenzie	Pat Michels
Heath Schollenberger	John Halpin
Andrew Vlasak	Andrew Scavone
Bob Danforth	Chad Gohlke
Tom Jahnke	Paul Stevens
Todd Lorenger	Mark Boynton
Mark Pepler	Taylor Morawski
Mike Hackett	Chris Derosier
Pete Kostiuk	Sean Mcleod
Dan Keogh	Matt Middleton

Coach Dan Griesbaum  
Assistant Coach John Hackett  
Assistant Coach Bill Mogk  
Assistant Coach Mark Orr

; now, therefore, be it

Resolved by the Senate, That we hereby congratulate and honor the Grosse Pointe South High School Boys Varsity Baseball Team as the 2001 Division I State Champions; and be it further

Resolved, That a copy of this resolution be transmitted to the team members and coaching staff in tribute to a remarkable season.

### Recess

Senator Emmons moved that the Senate recess subject to the call of the President.  
The motion prevailed, the time being 1:32 p.m.

7:02 p.m.

The Senate was called to order by the President pro tempore, Senator Schwarz.

By unanimous consent the Senate returned to the order of

### Messages from the House

Senator Emerson moved that Senators Byrum and Peters be temporarily excused from the balance of today's session.  
The motion prevailed.

Senator Emerson moved that Senators Murphy and Scott be excused from the balance of today's session.  
The motion prevailed.

Senator Peters entered the Senate Chamber.

### Senate Bill No. 373, entitled

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending sections 303, 319, 320a, 601b, 625, 625m, 732, and 904d (MCL 257.303, 257.319, 257.320a, 257.601b, 257.625, 257.625m, 257.732, and 257.904d), sections 303, 319, 320a, 625, 625m, 732, and 904d as amended by 2000 PA 460 and section 601b as added by 1996 PA 320.

Substitute (H-1).

The question being on concurring in the substitute made to the bill by the House,  
The substitute was concurred in, a majority of the members serving voting therefor, as follows:

**Roll Call No. 253****Yeas—29**

Bennett	Emmons	Hoffman	Schuette
Bullard	Garcia	Johnson	Schwarz
Cherry	Gast	McCotter	Shugars
DeBeaussaert	Goschka	McManus	Sikkema
DeGrowth	Gougeon	Miller	Smith
Dingell	Hammerstrom	North	Van Regenmorter
Dunaskiss	Hart	Peters	Young
Emerson			

**Nays—2**

Koivisto	Stille
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**Excused—5**

Byrum	Murphy	Scott	Vaughn
Leland			

**Not Voting—1**

Steil

In The Chair: Schwarz

The question being on concurring in the committee recommendation to give the bill immediate effect,  
 The recommendation was concurred in, 2/3 of the members serving voting therefor.  
 The Senate agreed to the title as amended.  
 The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

Senator Emmons moved that Senator Steil be excused from the balance of today's session.  
 The motion prevailed.

Senator Byrum entered the Senate Chamber.

By unanimous consent the Senate returned to consideration of the following bill:

**Senate Bill No. 374, entitled**

A bill to amend 1927 PA 175, entitled "The code of criminal procedure," by amending section 12 of chapter XVII (MCL 777.12), as amended by 2000 PA 459.

(For text of amendment, see Senate Journal No. 56, p. 903.)

The question being on concurring in the amendment made to the bill by the House,  
 The amendment was concurred in, a majority of the members serving voting therefor, as follows:

**Roll Call No. 254****Yeas—31**

Bennett	Emerson	Hoffman	Schuette
Bullard	Emmons	Johnson	Schwarz
Byrum	Garcia	Koivisto	Shugars
Cherry	Gast	McCotter	Sikkema
DeBeaussaert	Goschka	McManus	Smith

DeGrow  
Dingell  
Dunaskiss

Gougeon  
Hammerstrom  
Hart

Miller  
North  
Peters

Van Regenmorter  
Young

**Nays—1**

Stille

**Excused—5**

Leland  
Murphy

Scott

Steil

Vaughn

**Not Voting—0**

In The Chair: Schwarz

The question being on concurring in the committee recommendation to give the bill immediate effect,  
The recommendation was concurred in, 2/3 of the members serving voting therefor.

The Senate agreed to the full title.

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

By unanimous consent the Senate returned to the order of

**General Orders**

Senator Emmons moved that the Senate resolve itself into the Committee of the Whole for consideration of the General Orders calendar.

The motion prevailed, and the President pro tempore, Senator Schwarz, designated Senator Young as Chairperson.

After some time spent therein, the Committee arose; and, the President pro tempore, Senator Schwarz, having resumed the Chair, the Committee reported back to the Senate, favorably and with a substitute therefor, the following bill:

**House Bill No. 4371, entitled**

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending sections 6, 11, 11f, 11g, 20, 20j, 22a, 22b, 24, 26a, 31a, 31d, 32a, 32b, 32c, 32d, 32e, 32f, 32g, 32h, 33, 41, 51a, 51c, 53a, 54, 56, 57, 61a, 62, 63, 67, 68, 74, 81, 94, 94a, 96, 97, 98, 99, 107, 108, and 147 (MCL 388.1606, 388.1611, 388.1611f, 388.1611g, 388.1620, 388.1620j, 388.1622a, 388.1622b, 388.1624, 388.1626a, 388.1631a, 388.1631d, 388.1632a, 388.1632b, 388.1632c, 388.1632d, 388.1632e, 388.1632f, 388.1632g, 388.1632h, 388.1633, 388.1641, 388.1651a, 388.1651c, 388.1653a, 388.1654, 388.1656, 388.1657, 388.1661a, 388.1662, 388.1663, 388.1667, 388.1668, 388.1674, 388.1681, 388.1694, 388.1694a, 388.1696, 388.1697, 388.1698, 388.1699, 388.1707, 388.1708, and 388.1747), sections 6, 11, 11f, 11g, 20, 20j, 24, 26a, 31a, 31d, 33, 41, 51a, 53a, 54, 56, 57, 61a, 62, 63, 67, 68, 74, 81, 94, 99, 107, and 147 as amended and sections 22a, 22b, 32a, 32b, 32c, 32d, 32e, 32g, 32h, 51c, 94a, 96, 97, 98, and 108 as added by 2000 PA 297 and section 32f as amended by 2000 PA 388; and to repeal acts and parts of acts.

Substitute (S-1).

The following are the amendments to the substitute recommended by the Committee of the Whole:

1. Amend page 2, following "THE PEOPLE OF THE STATE OF MICHIGAN ENACT:" by inserting:

"Sec. 6. (1) "Center program" means a program operated by a district or intermediate district for special education pupils from several districts in programs for the autistically impaired, trainable mentally impaired, severely mentally impaired, severely multiply impaired, hearing impaired, physically and otherwise health impaired, and visually impaired. Programs for emotionally impaired pupils housed in buildings that do not serve regular education pupils also qualify. Unless otherwise approved by the department, a center program either shall serve all constituent districts within an intermediate district or shall serve several districts with less than 50% of the pupils residing in the operating district. In addition, special education center program pupils placed part-time in noncenter programs to

comply with the least restrictive environment provisions of section 612 of part B of the individuals with disabilities education act, title VI of Public Law 91-230, 20 U.S.C. 1412, may be considered center program pupils for pupil accounting purposes for the time scheduled in either a center program or a noncenter program.

(2) "District pupil retention rate" means the proportion of pupils who have not dropped out of school in the immediately preceding school year and is equal to 1 minus the quotient of the number of pupils unaccounted for in the immediately preceding school year, as determined pursuant to subsection (3), divided by the pupils of the immediately preceding school year.

(3) "District pupil retention report" means a report of the number of pupils, excluding migrant and adult, in the district for the immediately preceding school year, adjusted for those pupils who have transferred into the district, transferred out of the district, transferred to alternative programs, and have graduated, to determine the number of pupils who are unaccounted for. The number of pupils unaccounted for shall be calculated as determined by the department.

(4) "Membership", except as otherwise provided in this act, means for ~~1999-2000 for a district, public school academy, university school, or intermediate district~~ the sum of the product of .75 times the number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance on the pupil membership count day for the current school year, plus the product of .25 times the final audited count from the supplemental count day for the immediately preceding school year. ~~Beginning in 2000-2001, membership means for a district, public school academy, university school, or intermediate district~~ the sum of the product of .8 times the number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance on the pupil membership count day for the current school year, plus the product of .2 times the final audited count from the supplemental count day for the immediately preceding school year. All pupil counts used in this subsection are as determined by the department and calculated by adding the number of pupils registered for attendance plus pupils received by transfer and minus pupils lost as defined by rules promulgated by the superintendent, and as corrected by a subsequent department audit. The amount of the foundation allowance for a pupil in membership is determined under section 20. In making the calculation of membership, all of the following, as applicable, apply to determining the membership of a district, public school academy, university school, or intermediate district:

(a) Except as otherwise provided in this subsection, and pursuant to subsection (6), a pupil shall be counted in membership in the pupil's educating district or districts. An individual pupil shall not be counted for more than a total of 1.0 full-time equated membership.

(b) If a pupil is educated in a district other than the pupil's district of residence, if the pupil is not being educated as part of a cooperative education program, if the pupil's district of residence does not give the educating district its approval to count the pupil in membership in the educating district, and if the pupil is not covered by an exception specified in subsection (6) to the requirement that the educating district must have the approval of the pupil's district of residence to count the pupil in membership, the pupil shall not be counted in membership in any district.

(c) A special education pupil educated by the intermediate district shall be counted in membership in the intermediate district.

(d) A pupil placed by a court or state agency in an on-grounds program of a juvenile detention facility, a child caring institution, or a mental health institution, or a pupil funded under section 53a, shall be counted in membership in the district or intermediate district approved by the department to operate the program.

(e) A pupil enrolled in the Michigan schools for the deaf and blind shall be counted in membership in the pupil's intermediate district of residence.

(f) A pupil enrolled in a vocational education program supported by a millage levied over an area larger than a single district or in an area vocational-technical education program established pursuant to section 690 of the revised school code, MCL 380.690, shall be counted only in the pupil's district of residence.

(g) A pupil enrolled in a university school shall be counted in membership in the university school.

(h) A pupil enrolled in a public school academy shall be counted in membership in the public school academy.

(i) For a new district, university school, or public school academy beginning its operation after December 31, 1994, membership for the first 2 full or partial fiscal years of operation shall be determined as follows:

(i) If operations begin before the pupil membership count day for the fiscal year, membership is the average number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance on the pupil membership count day for the current school year and on the supplemental count day for the current school year, as determined by the department and calculated by adding the number of pupils registered for attendance on the pupil membership count day plus pupils received by transfer and minus pupils lost as defined by rules promulgated by the superintendent, and as corrected by a subsequent department audit, plus the final audited count from the supplemental count day for the current school year, and dividing that sum by 2.

(ii) If operations begin after the pupil membership count day for the fiscal year and not later than the supplemental count day for the fiscal year, membership is the final audited count of the number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance on the supplemental count day for the current school year.

(j) If a district is the authorizing body for a public school academy, then, in the first school year in which pupils are

counted in membership on the pupil membership count day in the public school academy, the determination of the district's membership shall exclude from the district's pupil count for the immediately preceding supplemental count day any pupils who are counted in the public school academy on that first pupil membership count day who were also counted in the district on the immediately preceding supplemental count day.

(k) In a district, public school academy, university school, or intermediate district operating an extended school year program approved by the superintendent, a pupil enrolled, but not scheduled to be in regular daily attendance on a pupil membership count day, shall be counted.

(l) Pupils to be counted in membership shall be not less than 5 years of age on December 1 and less than 20 years of age on September 1 of the school year except a special education pupil who is enrolled and receiving instruction in a special education program approved by the department and not having a high school diploma who is less than 26 years of age as of September 1 of the current school year shall be counted in membership.

(m) An individual who has obtained a high school diploma shall not be counted in membership. An individual who has obtained a general education development (G.E.D.) certificate shall not be counted in membership. An individual participating in a job training program funded under former section 107a or a jobs program funded under former section 107b, administered by the Michigan strategic fund or the department of career development, or participating in any successor of either of those 2 programs, shall not be counted in membership.

(n) If a pupil counted in membership in a public school academy is also educated by a district or intermediate district as part of a cooperative education program, the pupil shall be counted in membership only in the public school academy, and the instructional time scheduled for the pupil in the district or intermediate district shall be included in the full-time equated membership determination under subdivision (q). However, for pupils receiving instruction in both a public school academy and in a district or intermediate district but not as a part of a cooperative education program, the following apply:

(i) If the public school academy provides instruction for at least 1/2 of the class hours specified in subdivision (q), the public school academy shall receive as its prorated share of the full-time equated membership for each of those pupils an amount equal to 1 times the product of the hours of instruction the public school academy provides divided by the number of hours specified in subdivision (q) for full-time equivalency, and the remainder of the full-time membership for each of those pupils shall be allocated to the district or intermediate district providing the remainder of the hours of instruction.

(ii) If the public school academy provides instruction for less than 1/2 of the class hours specified in subdivision (q), the district or intermediate district providing the remainder of the hours of instruction shall receive as its prorated share of the full-time equated membership for each of those pupils an amount equal to 1 times the product of the hours of instruction the district or intermediate district provides divided by the number of hours specified in subdivision (q) for full-time equivalency, and the remainder of the full-time membership for each of those pupils shall be allocated to the public school academy.

(o) An individual less than 16 years of age as of September 1 of the current school year who is being educated in an alternative education program shall not be counted in membership if there are also adult education participants being educated in the same program or classroom.

(p) The department shall give a uniform interpretation of full-time and part-time memberships.

(q) The number of class hours used to calculate full-time equated memberships shall be consistent with section 101(3). In determining full-time equated memberships for pupils who are enrolled in a postsecondary institution, a pupil shall not be considered to be less than a full-time equated pupil solely because of the effect of his or her postsecondary enrollment, including necessary travel time, on the number of class hours provided by the district to the pupil.

(r) Full-time equated memberships for pupils in kindergarten shall be determined by dividing the number of class hours scheduled and provided per year per kindergarten pupil by a number equal to 1/2 the number used for determining full-time equated memberships for pupils in grades 1 to 12.

(s) For a district, university school, or public school academy that has pupils enrolled in a grade level that was not offered by the district, university school, or public school academy in the immediately preceding school year, the number of pupils enrolled in that grade level to be counted in membership is the average of the number of those pupils enrolled and in regular daily attendance on the pupil membership count day and the supplemental count day of the current school year, as determined by the department. Membership shall be calculated by adding the number of pupils registered for attendance in that grade level on the pupil membership count day plus pupils received by transfer and minus pupils lost as defined by rules promulgated by the superintendent, and as corrected by subsequent department audit, plus the final audited count from the supplemental count day for the current school year, and dividing that sum by 2.

(t) A pupil enrolled in a cooperative education program may be counted in membership in the pupil's district of residence with the written approval of all parties to the cooperative agreement.

(u) If, as a result of a disciplinary action, a district determines through the district's alternative or disciplinary education program that the best instructional placement for a pupil is in the pupil's home, if that placement is



authorized in writing by the district superintendent and district alternative or disciplinary education supervisor, and if the district provides appropriate instruction as described in this subdivision to the pupil at the pupil's home, the district may count the pupil in membership on a pro rata basis, with the proration based on the number of hours of instruction the district actually provides to the pupil divided by the number of hours specified in subdivision (q) for full-time equivalency. For the purposes of this subdivision, a district shall be considered to be providing appropriate instruction if all of the following are met:

(i) The district provides at least 2 nonconsecutive hours of instruction per week to the pupil at the pupil's home under the supervision of a certificated teacher.

(ii) The district provides instructional materials, resources, and supplies, except computers, that are comparable to those otherwise provided in the district's alternative education program.

(iii) Course content is comparable to that in the district's alternative education program.

(iv) Credit earned is awarded to the pupil and placed on the pupil's transcript.

(v) A pupil enrolled in an alternative or disciplinary education program described in section 25 shall be counted in membership in the district or public school academy that expelled the pupil.

(w) If a pupil was enrolled in a public school academy on the pupil membership count day, if the public school academy's contract with its authorizing body is revoked, and if the pupil enrolls in a district within 45 days after the pupil membership count day, the department shall adjust the district's pupil count for the pupil membership count day to include the pupil in the count.

~~(x) For 1999-2000, for a public school academy that has been in operation for at least 2 years and that suspended operations for at least 1 semester and is resuming operations, membership is the sum of the product of .75 times the number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance on the first pupil membership count day or supplemental count day, whichever is first, occurring after operations resume, plus the product of .25 times the final audited count from the most recent pupil membership count day or supplemental count day that occurred before suspending operations, as determined by the superintendent. Beginning in 2000-2001, for~~ FOR a public school academy that has been in operation for at least 2 years and that suspended operations for at least 1 semester and is resuming operations, membership is the sum of the product of .8 times the number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance on the first pupil membership count day or supplemental count day, whichever is first, occurring after operations resume, plus the product of .2 times the final audited count from the most recent pupil membership count day or supplemental count day that occurred before suspending operations, as determined by the superintendent.

(y) For 2000-2001 only, if a district's membership for ~~a particular~~ THAT fiscal year, as otherwise calculated under this subsection, would be less than 1,550 pupils, the district's membership for that fiscal year shall be considered to be THE MEMBERSHIP FIGURE CALCULATED UNDER THIS SUBDIVISION. FOR 2001-2002 ONLY, IF A DISTRICT'S MEMBERSHIP FOR THAT FISCAL YEAR, AS OTHERWISE CALCULATED UNDER THIS SUBSECTION, WOULD BE LESS THAN 1,550 PUPILS AND THE DISTRICT HAS 4.5 OR FEWER PUPILS PER SQUARE MILE, AS DETERMINED BY THE DEPARTMENT, THE DISTRICT'S MEMBERSHIP SHALL BE CONSIDERED TO BE THE MEMBERSHIP FIGURE CALCULATED UNDER THIS SUBSECTION. THE MEMBERSHIP FIGURE CALCULATED UNDER THIS SUBSECTION IS the greater of the following:

(i) The average of the district's membership for the 3-fiscal-year period ending with that fiscal year, calculated by adding the district's actual membership for that fiscal year, as otherwise calculated under this subsection, plus the district's membership AS CALCULATED UNDER THIS SUBDIVISION for each of the 2 immediately preceding fiscal years, and dividing the sum of those 3 membership figures by 3.

(ii) The district's actual membership as otherwise calculated under this subsection.

(5) "Public school academy" means a public school academy or strict discipline academy operating under the revised school code.

(6) "Pupil" means a person in membership in a public school. A district must have the approval of the pupil's district of residence to count the pupil in membership, except approval by the pupil's district of residence shall not be required for any of the following:

(a) A nonpublic part-time pupil enrolled in grades 1 to 12 in accordance with section 166b.

(b) A pupil receiving 1/2 or less of his or her instruction in a district other than the pupil's district of residence.

(c) A pupil enrolled in a public school academy or university school.

(d) A pupil enrolled in a district other than the pupil's district of residence under an intermediate district schools of choice pilot program as described in section 91a or former section 91 if the intermediate district and its constituent districts have been exempted from section 105.

(e) A pupil enrolled in a district other than the pupil's district of residence but within the same intermediate district if the educating district enrolls nonresident pupils in accordance with section 105.

(f) A pupil enrolled in a district other than the pupil's district of residence if the pupil has been continuously enrolled in the educating district since a school year in which the pupil enrolled in the educating district under section 105 or 105c and in which the educating district enrolled nonresident pupils in accordance with section 105 or 105c.

(g) A ~~nonresident~~ pupil who has made an official written complaint or whose parent or legal guardian has made an official written complaint to law enforcement officials and to school officials of the pupil's district of residence that the pupil has been the victim of a criminal sexual assault or other serious assault, if the official complaint either indicates that the assault occurred at school or that the assault was committed by 1 or more other pupils enrolled in the school the ~~nonresident~~ pupil would otherwise attend in the district of residence or by an employee of the district of residence. A person who intentionally makes a false report of a crime to law enforcement officials for the purposes of this subdivision is subject to section 411a of the Michigan penal code, 1931 PA 328, MCL 750.411a, which provides criminal penalties for that conduct. As used in this subdivision:

(i) "At school" means in a classroom, elsewhere on school premises, on a school bus or other school-related vehicle, or at a school-sponsored activity or event whether or not it is held on school premises.

(ii) "Serious assault" means an act that constitutes a felony violation of chapter XI of the Michigan penal code, 1931 PA 328, MCL 750.81 to 750.90g, or that constitutes an assault and infliction of serious or aggravated injury under section 81a of the Michigan penal code, 1931 PA 328, MCL 750.81a.

(h) A pupil enrolled in a district located in a contiguous intermediate district, as described in section 105c, if the educating district enrolls those nonresident pupils in accordance with section 105c.

(i) A pupil whose district of residence changed after the pupil membership count day and before the supplemental count day and who continues to be enrolled on the supplemental count day as a nonresident in the district in which he or she was enrolled as a resident on the pupil membership count day of the same school year.

(j) A pupil enrolled in an alternative education program operated by a district other than his or her district of residence who meets 1 or more of the following:

(i) The pupil has been suspended or expelled from his or her district of residence for any reason, including, but not limited to, a suspension or expulsion under section 1310, 1311, or 1311a of the revised school code, MCL 380.1310, 380.1311, and 380.1311a.

(ii) The pupil had previously dropped out of school.

(iii) The pupil is pregnant or is a parent.

(iv) The pupil has been referred to the program by a court.

(k) A pupil enrolled in the Michigan virtual high school, for the pupil's enrollment in the Michigan virtual high school.

However, if a district that is not a first class district educates pupils who reside in a first class district and if the primary instructional site for those pupils is located within the boundaries of the first class district, the educating district must have the approval of the first class district to count those pupils in membership. As used in this subsection, "first class district" means a district organized as a school district of the first class under the revised school code.

(7) "Pupil membership count day" of a district or intermediate district means:

(a) Except as provided in subdivision (b), the fourth Wednesday in September each school year.

(b) For a district or intermediate district maintaining school during the entire school year, the following days:

(i) Fourth Wednesday in July.

(ii) Fourth Wednesday in September.

(iii) Second Wednesday in February.

(iv) Fourth Wednesday in April.

(8) "Pupils in grades K to 12 actually enrolled and in regular daily attendance" means pupils in grades K to 12 in attendance and receiving instruction in all classes for which they are enrolled on the pupil membership count day or the supplemental count day, as applicable. A pupil who is absent from any of the classes in which the pupil is enrolled on the pupil membership count day or supplemental count day and who does not attend each of those classes during the 10 consecutive school days immediately following the pupil membership count day or supplemental count day, except for a pupil who has been excused by the district, shall not be counted as 1.0 full-time equated membership. In addition, a pupil who is excused from attendance on the pupil membership count day or supplemental count day and who fails to attend each of the classes in which the pupil is enrolled within 30 calendar days after the pupil membership count day or supplemental count day shall not be counted as 1.0 full-time equated membership. Pupils not counted as 1.0 full-time equated membership due to an absence from a class shall be counted as a prorated membership for the classes the pupil attended. For purposes of this subsection, "class" means a period of time in 1 day when pupils and a certificated teacher or legally qualified substitute teacher are together and instruction is taking place.

(9) "Rule" means a rule promulgated pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

(10) "The revised school code" means 1976 PA 451, MCL 380.1 to 380.1852.

(11) "School fiscal year" means a fiscal year that commences July 1 and continues through June 30.

(12) "State board" means the state board of education.

(13) "Superintendent", unless the context clearly refers to a district or intermediate district superintendent, means the superintendent of public instruction described in section 3 of article VIII of the state constitution of 1963.

(14) "Supplemental count day" means the day on which the supplemental pupil count is conducted under section 6a.

(15) "Tuition pupil" means a pupil of school age attending school in a district other than the pupil's district of residence for whom tuition may be charged. Tuition pupil does not include a pupil who is a special education pupil or a pupil described in subsection (6)(d) to (k). A pupil's district of residence shall not require a high school tuition pupil, as provided under section 111, to attend another school district after the pupil has been assigned to a school district.

(16) "State school aid fund" means the state school aid fund established in section 11 of article IX of the state constitution of 1963.

(17) "Taxable value" means the taxable value of property as determined under section 27a of the general property tax act, 1893 PA 206, MCL 211.27a.

(18) "Total state aid" or "total state school aid" means the total combined amount of all funds due to a district, intermediate district, or other entity under all of the provisions of this act.

(19) "University school" means an instructional program operated by a public university under section 23 that meets the requirements of section 23."

2. Amend page 3, line 11, after "fund." by inserting "IN ORDER TO ENSURE THAT FEDERAL FUNDS ARE EXPENDED IN A COLLABORATIVE MANNER THAT MAXIMIZES THE USE OF STATE MONIES FOR THE PURPOSES SPECIFIED IN THIS ACT, THE STATE BUDGET DIRECTOR SHALL REVIEW AND APPROVE ALL FEDERAL GRANT AND AWARDS APPLICATIONS PRIOR TO THEIR SUBMISSION BY THE DEPARTMENT TO THE FEDERAL GOVERNMENT."

3. Amend page 13, following line 12, by inserting:

"SEC. 18D. ANY CLAIM OF A DEBT OR FINANCIAL OBLIGATION OWED TO THE STATE AND MADE AGAINST A DISTRICT ARISING OUT OF A MEMBERSHIP COUNT DISPUTE OCCURRING ON OR BEFORE MARCH 1, 1997 SHALL BE CONSIDERED SATISFIED AND DISCHARGED IF NOT ASSERTED IN WRITING AGAINST THE DISTRICT BY AN EXECUTIVE AGENCY OR DEPARTMENT OF THE STATE ON OR BEFORE JULY 1, 2001."

4. Amend page 28, following line 16, by inserting:

"(18) FOR 2001-2002, THE FOUNDATION ALLOWANCE OF A DISTRICT THAT IS A SCHOOL DISTRICT OF THE FIRST CLASS UNDER THE REVISED SCHOOL CODE SHALL BE AN AMOUNT EQUAL TO THE SUM OF THE DISTRICT'S FOUNDATION ALLOWANCE AS OTHERWISE CALCULATED UNDER THIS SECTION AND THE QUOTIENT OF \$15,000,000.00 DIVIDED BY THE DISTRICT'S MEMBERSHIP FOR 2001-2002, EXCLUDING SPECIAL EDUCATION PUPILS.

(19) FOR A DISTRICT IN WHICH AN INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE THAT ABATED TAXES ON PROPERTY WITH A STATE EQUALIZED VALUATION GREATER THAN THE TOTAL STATE EQUALIZED VALUATION OF THE DISTRICT AT THE TIME THE CERTIFICATE WAS ISSUED OR \$700,000,000.00, WHICHEVER IS GREATER, WAS ISSUED UNDER 1974 PA 198, MCL 207.551 TO 207.572, BEFORE THE CALCULATION OF THE DISTRICT'S 1994-1995 FOUNDATION ALLOWANCE, THE DISTRICT'S FOUNDATION ALLOWANCE FOR 2001-2002 IS AN AMOUNT EQUAL TO THE SUM OF THE DISTRICT'S FOUNDATION ALLOWANCE FOR 2001-2002, AS OTHERWISE CALCULATED UNDER THIS SECTION, PLUS \$200.00." and renumbering the remaining subsections.

5. Amend page 37, line 11, by striking out "\$2,376,000,000.00" and inserting "\$2,376,600,000.00".

6. Amend page 37, line 12, after "exceed" by striking out "\$2,845,000,000.00" and inserting "\$2,845,600,000.00" and adjusting the totals in section 11 and enacting section 1 accordingly.

7. Amend page 39, following line 26, by inserting:

"Sec. 25b. (1) This section applies to a AN EDUCATING district's enrollment of a pupil IF THE EDUCATING DISTRICT IS NOT A SCHOOL DISTRICT OF THE FIRST CLASS UNDER THE REVISED SCHOOL CODE AND if all of the following apply:

(a) The pupil transfers from 1 of 3 other districts specified by the educating district and enrolls in the EDUCATING district after the pupil membership count day.

(b) Due to the pupil's enrollment status as of the pupil membership count day, the pupil was counted in membership in the district from which he or she transfers.

(c) The total number of pupils enrolled in the district who are described in subdivisions (a) and (b) and who transfer from 1 of the 3 other districts specified by the educating district is at least equal to the greater of 25 or 1% of the educating district's membership.

(2) If the conditions specified in subsection (1) are met, and a pupil transfers from 1 of the 3 other specified districts described in subsection (1)(c) and enrolls during a school year in the educating district, the educating district shall report the enrollment information to the department and to the district in which the pupil is counted in membership, and the district in which the pupil is counted in membership shall pay to the educating district an amount equal to the amount of the foundation allowance or per pupil payment as calculated under section 20 for the district in which the pupil is counted in membership, prorated according to the number of days of the school year ending in the fiscal year

the pupil is educated in the educating district compared to the number of days of the school year ending in the fiscal year the pupil was actually enrolled in the district in which the pupil is counted in membership. The foundation allowance or per pupil payment shall be adjusted by the pupil's full-time equated status as affected by the membership definition under section 6(4). If a district does not make the payment required under this section within 30 days after receipt of the report, the department shall calculate the amount owed, shall deduct that amount from the remaining state school aid payments to the district for that fiscal year under this act, and shall pay that amount to the educating district. The district in which the pupil is counted in membership and the educating district shall provide to the department all information the department requires to enforce this section.

(3) As used in this section, "educating district" means the district in which a pupil enrolls after the pupil membership count day as described in subsection (1).

SEC. 25C. (1) THIS SECTION APPLIES TO AN EDUCATING DISTRICT'S ENROLLMENT OF A PUPIL IF THE EDUCATING DISTRICT IS A SCHOOL DISTRICT OF THE FIRST CLASS UNDER THE REVISED SCHOOL CODE AND IF ALL OF THE FOLLOWING APPLY:

(A) THE PUPIL TRANSFERS FROM ANOTHER DISTRICT AND ENROLLS IN THE EDUCATING DISTRICT AFTER THE PUPIL MEMBERSHIP COUNT DAY.

(B) DUE TO THE PUPIL'S ENROLLMENT STATUS AS OF THE PUPIL MEMBERSHIP COUNT DAY, THE PUPIL WAS COUNTED IN MEMBERSHIP IN THE DISTRICT FROM WHICH HE OR SHE TRANSFERS.

(C) THE TOTAL NUMBER OF PUPILS ENROLLED IN THE DISTRICT WHO ARE DESCRIBED IN SUBDIVISIONS (A) AND (B) IS AT LEAST EQUAL TO 25.

(2) IF THE CONDITIONS SPECIFIED IN SUBSECTION (1) ARE MET, AND A PUPIL TRANSFERS FROM ANOTHER DISTRICT AND ENROLLS DURING A SCHOOL YEAR IN THE EDUCATING DISTRICT, THE EDUCATING DISTRICT SHALL REPORT THE ENROLLMENT INFORMATION TO THE DEPARTMENT AND TO THE DISTRICT IN WHICH THE PUPIL IS COUNTED IN MEMBERSHIP, AND THE DISTRICT IN WHICH THE PUPIL IS COUNTED IN MEMBERSHIP SHALL PAY TO THE EDUCATING DISTRICT AN AMOUNT EQUAL TO THE AMOUNT OF THE FOUNDATION ALLOWANCE OR PER PUPIL PAYMENT AS CALCULATED UNDER SECTION 20 FOR THE DISTRICT IN WHICH THE PUPIL IS COUNTED IN MEMBERSHIP, PRORATED ACCORDING TO THE NUMBER OF DAYS OF THE SCHOOL YEAR ENDING IN THE FISCAL YEAR THE PUPIL IS EDUCATED IN THE EDUCATING DISTRICT COMPARED TO THE NUMBER OF DAYS OF THE SCHOOL YEAR ENDING IN THE FISCAL YEAR THE PUPIL WAS ACTUALLY ENROLLED IN THE DISTRICT IN WHICH THE PUPIL IS COUNTED IN MEMBERSHIP. THE FOUNDATION ALLOWANCE OR PER PUPIL PAYMENT SHALL BE ADJUSTED BY THE PUPIL'S FULL-TIME EQUATED STATUS AS AFFECTED BY THE MEMBERSHIP DEFINITION UNDER SECTION 6(4). IF A DISTRICT DOES NOT MAKE THE PAYMENT REQUIRED UNDER THIS SECTION WITHIN 30 DAYS AFTER RECEIPT OF THE REPORT, THE DEPARTMENT SHALL CALCULATE THE AMOUNT OWED, SHALL DEDUCT THAT AMOUNT FROM THE REMAINING STATE SCHOOL AID PAYMENTS TO THE DISTRICT FOR THAT FISCAL YEAR UNDER THIS ACT, AND SHALL PAY THAT AMOUNT TO THE EDUCATING DISTRICT. THE DISTRICT IN WHICH THE PUPIL IS COUNTED IN MEMBERSHIP AND THE EDUCATING DISTRICT SHALL PROVIDE TO THE DEPARTMENT ALL INFORMATION THE DEPARTMENT REQUIRES TO ENFORCE THIS SECTION.

(3) AS USED IN THIS SECTION, "EDUCATING DISTRICT" MEANS THE DISTRICT IN WHICH A PUPIL ENROLLS AFTER THE PUPIL MEMBERSHIP COUNT DAY AS DESCRIBED IN SUBSECTION (1)."

8. Amend page 68, following line 24, by inserting:

"(21) IF FEDERAL FUNDS ARE ALLOCATED TO THIS STATE FOR 2001-2002 OR FOR 2002-2003 FOR READING IMPROVEMENT PROGRAMS, THEN IT IS THE INTENT OF THE LEGISLATURE THAT THESE FUNDS ARE USED TO THE EXTENT POSSIBLE FOR THE PURPOSES OF SUBSECTION (7). IF THE AMOUNT OF FEDERAL FUNDS RECEIVED FOR READING IMPROVEMENT PROGRAMS THAT CAN BE USED FOR SUBSTANTIALLY SIMILAR PURPOSES AS DESCRIBED UNDER THIS SECTION DOES NOT TOTAL AT LEAST \$50,000,000.00 EACH FISCAL YEAR FOR 2001-2002 AND FOR 2002-2003, THEN IT IS THE INTENT OF THE LEGISLATURE TO APPROPRIATE SUFFICIENT FUNDS TO ENSURE THAT AT LEAST \$50,000,000.00 IN COMBINED STATE AND FEDERAL FUNDS ARE ALLOCATED FOR THE PURPOSES OF SUBSECTION (7) EACH FISCAL YEAR FOR 2001-2002 AND FOR 2002-2003. IF ANY CONFLICT EXISTS BETWEEN FEDERAL READING PROGRAM GUIDELINES AND THIS SECTION, FEDERAL LAW WILL CONTROL."

9. Amend page 72, line 23, by striking out "\$10,000,000.00" and inserting "\$15,000,000.00" and adjusting the totals in section 11 and enacting section 1 accordingly.

10. Amend page 111, line 7, after "DATABASE." by inserting "AN INTERMEDIATE DISTRICT MAY ALSO SEEK REIMBURSEMENT FOR NET COSTS INCURRED FROM 1998-1999 THROUGH 2001-2002 DUE TO THE IMPLEMENTATION OF THE SINGLE RECORD STUDENT DATABASE FOR THOSE NET COSTS THAT HAVE NOT ALREADY BEEN REIMBURSED TO CONSTITUENT DISTRICTS."

11. Amend page 111, line 7, after "DISTRICT" by inserting "OR INTERMEDIATE DISTRICT".

12. Amend page 139, following line 25, by inserting:

“Enacting section 3. Section 25b of the state school aid act of 1979, 1979 PA 94, MCL 388.1625b, as amended by this amendatory act, and section 25c of the state school aid act of 1979, 1979 PA 94, as added by this amendatory act, take effect October 1, 2001.”

The Senate agreed to the substitute, as amended, recommended by the Committee of the Whole, and the bill as substituted was placed on the order of Third Reading of Bills.

By unanimous consent the Senate returned to the order of

### **Resolutions**

The question was placed on the adoption of the following resolution consent calendar:

#### **Senate Resolution No. 91**

The resolution consent calendar was adopted.

Senator DeGrow offered the following resolution:

#### **Senate Resolution No. 91.**

A resolution to honor Terry Smith upon his retirement from the Legislative Service Bureau.

Whereas, It is with great respect for his professionalism, talent, and commitment that we commend Terry Smith of the Legislative Service Bureau (LSB). We thank him for all of his sacrifices and hard work on behalf of the Michigan Legislature and the people of this state. His knowledge of bill drafting and the laws of this state have contributed a great deal to the legislative process throughout his career and provided a model for others; and

Whereas, A graduate of Michigan State University, well-known for the Green and White in his veins, Terry Smith earned his juris doctorate from the Detroit College of Law. He also worked with Chrysler Corporation before returning to his hometown of Lansing and joining the Legislative Service Bureau in January 1973; and

Whereas, Since beginning his work with the LSB on the fourth floor of the Capitol Building, Terry Smith, with his integrity, dependability, and knowledge, has helped to define the reputation and standards of this central service agency. In addition to the impact of his deep understanding of the nuances of legal drafting and his ability to grasp difficult issues quickly, he has brought a calm demeanor to the pressure-filled situations inherent in the legislative process; and

Whereas, Over the years, Terry Smith has worked in several issue areas assisting legislators craft the laws that govern our state. Most recently, he handled transportation-related bills, including the complexities of 1951 PA 51, traffic control matters, and codification of Michigan's statutes on railroads; and

Whereas, During an era with many changes in state government and how the Legislature does its work, Terry has provided valued counsel to what amounts to several generations of legislators. Since long before computers and the Internet came to lawmaking, he has been a constant with his dedication and his respect for others. His distinguished career also included seven years as the supervisor of the LSB Legal Division. With the excellent example he has provided throughout his career, Terry Smith has had a positive impact that will long be felt by those who make the laws by which the people of Michigan live and work; now, therefore, be it

Resolved by the Senate, That we honor and thank Terry Smith for his outstanding service as an attorney with the Legislative Service Bureau for over 28 years; and be it further

Resolved, That copies of this resolution be transmitted to Terry and his wife Joan and their sons, Michael and Christopher, as evidence of our gratitude and best wishes.

Senator Emmons moved that rule 3.204 be suspended to name the entire membership of the Senate and the Lieutenant Governor as co-sponsors of the resolution.

The motion prevailed, a majority of the members serving voting therefor.

Senator DeGrow offered the following resolution:

#### **Senate Resolution No. 92.**

A resolution to memorialize the life and memory of Heinz C. Prechter.

Whereas, It is with deep sadness that we offer tribute to Heinz C. Prechter, a man who loved Michigan greatly; and

Whereas, Heinz Prechter was raised in Kleinhobing, Germany, and at the age of 13 left home to apprentice at his uncle's shop making auto coaches. Heinz came to the United States as an exchange student in 1963 and quickly caught hold of the American Dream. Four years later, he began a small business from a two-car garage in Los Angeles with \$764 in tools, a workbench from an old door covered with aluminum, and a sewing machine he reclaimed from a junkyard. This small custom sunroof business was the seed that grew into Prechter Holdings, a company with over 5,300 employees worldwide; and

Whereas, This visionary entrepreneur contributed greatly to his community by actively supporting the historic preservation of Detroit. He believed in strengthening the Downriver community, constantly pushing for economic development and renovation. The results of his hard work in Michigan will be seen for generations to come; and

Whereas, Heinz Prechter embraced his civic and philanthropic duties by tirelessly striving to advocate worthy causes. In fact, he used the same zeal that strengthened his business empire to build a better Michigan. Heinz was instrumental in contributing and raising millions of dollars to benefit education in the state, evidenced by his contributions to the University of Michigan's colleges of medicine and education; and

Whereas, Heinz lived his life by the truism that "Democracy is not a spectator sport." He became an advisor to several Presidents of the United States and was always mindful of the prosperity of the nation, especially Michigan. Indeed, his credentials as a mentor to activists and officials from both political parties are beyond question. This first-generation American personified what is special about this country; now, therefore, be it

Resolved by the Senate, That the Michigan Senate hereby expresses sorrow at the passing of Heinz C. Prechter and its gratitude and sincere thanks for his years of dedication to the great state of Michigan; and be it further

Resolved, That a copy of this resolution be transmitted to Heinz's wife Waltraud and his children, Paul and Stephanie, as evidence of our admiration and esteem.

Pending the order that, under rule 3.204, the resolution be referred to the Committee on Government Operations, Senator Emmons moved that the rule be suspended.

The motion prevailed, a majority of the members serving voting therefor.

The resolution was adopted by a unanimous standing vote of the Senate.

Senator Emmons moved that rule 3.204 be suspended to name the entire membership of the Senate and the Lieutenant Governor as co-sponsors of the resolution.

The motion prevailed, a majority of the members serving voting therefor.

Senators Garcia, Goschka, North, Gougeon, Johnson, Bennett, Hart and Sikkema offered the following resolution:  
**Senate Resolution No. 90.**

A resolution to memorialize the Congress of the United States to correct the Social Security system problem of unequal benefits for "notch babies."

Whereas, Since the Social Security Act was signed into law by President Roosevelt in 1935, there have been many modifications to this federal social safety net for the elderly and the disabled. Indeed, major changes have been made in virtually all aspects of the program. Maintaining the solvency of this system is an ongoing challenge for our nation; and

Whereas, While efforts in the past to ensure the long-term viability of Social Security remain a current issue for Congress and the President, there is another problem that needs to be addressed quickly to ensure fairness. This problem is the inequity in benefits accorded to people born in 1917 and over the following several years. This group of citizens is often referred to as the "notch babies" or "notch victims"; and

Whereas, In the 1970s, efforts to ensure the financial viability of Social Security led to changes in how benefits are calculated. In the move to revamp the way payments are determined, certain groups of people had benefits calculated according to different formulas. The result of these adjustments is that people born between the years 1917 and 1921 generally receive less in benefits than those born before and after this period; and

Whereas, Efforts to correct the inequities facing the so-called "notch babies" have failed. The citizens in this group have a right to expect that this problem will be remedied while there still remains time to bring justice to a situation that has been wrong for far too many years; now, therefore, be it

Resolved by the Senate, That we memorialize the Congress of the United States to correct the Social Security system problem of unequal benefits for "notch babies"; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation.

Pursuant to rule 3.204, the resolution was referred to the Committee on Government Operations.

### Recess

Senator Emmons moved that the Senate recess subject to the call of the President.  
The motion prevailed, the time being 7:48 p.m.

7:56 p.m.

The Senate was called to order by the President pro tempore, Senator Schwarz.

### Protests

Pursuant to rule 3.506, Senators Byrum and Dingell submitted their reasons, in writing, for voting “no” on the passage of Senate Bill No. 546 on June 26.

Senator Byrum’s statement is as follows:

I voted no on final passage of Senate Bill 546 (S-1) because it is the partisan product of a partisan process.

The fundamental purpose of redistricting has been ill served here. Over the course of a decade, it is inevitable that some districts will become overpopulated and others will become underpopulated. Redistricting is simply the means by which we correct those imbalances, so that each citizen’s vote will have the same weight. While satisfying the Constitution’s “one person, one vote” requirement, redistricting also should ensure that *no* group of voters - black or white, urban or rural, Democratic or Republican - is systematically discriminated against.

Unfortunately, that sort of discrimination is precisely what infects the plan we voted on today. Because of the extraordinarily rushed and cloistered process leading to passage of Senate Bill 546, it has been impossible for members of the public or the press to analyze adequately the plan that we have just voted on. But even a preliminary, bare-bones analysis demonstrates that the plan is wildly biased in favor of Republican voters and discriminatory against Democratic voters.

Here are just two examples - although with adequate time for analysis, I suspect many more examples could be found. Last year, Democrat Debbie Stabenow narrowly won the U.S. Senate race against Republican incumbent Spence Abraham, getting about 50.7% of the major-party vote. In keeping with that result, she carried just over half of the current congressional district - 9 out of 16. She carried two of those districts by less than a percentage point. In other words, her narrow victory statewide was reflected in her narrow victory among the 16 districts. By contrast, under the plan passed by the Senate today, she carried only 5 of the 15 districts. Why? Because this plan packs as many Democratic voters as possible into just 5 districts, tilting the other 10 districts toward the Republicans.

These results are not peculiar to the Stabenow-Abraham race. Similar results can be found in the presidential contest. Vice President Al Gore beat then-Governor George W. Bush by about 5 points statewide, yet Governor Bush won 10 of the 15 congressional districts under the Republicans’ new plan. Again, that’s because the maximum number of Democrats were crammed into just 5 districts - each of which Vice President Gore won by a landslide margin of at least 23 points.

In short, under the Republicans’ newly passed plan, Democrats can garner a majority of the votes in Michigan yet carry only one *third* of the seats. That’s extraordinary.

And it also explains why the Republican leadership has been forcing such a secretive and rushed redistricting process. Their plan is shamefully biased, unfair, and discriminatory. Had it been subjected to the light of day, it could never have survived the normal legislative process. So, instead, the Republican leadership kept it under wraps until the last possible moment - and then rammed it through a truncated legislative process before opposition could mount.

Partisan Republican shenanigans make this a sad day for democracy in the state of Michigan.

Senator Dingell’s statement is as follows:

I voted no on final passage of Senate Bill 546, the congressional redistricting bill, for the following reasons:

Our state laws give the Legislature until November 1, 2001, to enact new redistricting plans, and then provide a detailed schedule of up to five months for those plans to be challenged in the Michigan Supreme Court. When the Census Bureau released the Census 2000 data to us in late March, the Republican leadership issued a press release announcing a “framework for redistricting” that included “public hearings across Michigan this summer, with the goal of passing a redistricting plan in the fall,” presumably in late September or October.

What we saw on June 26 was the culmination of an entirely different process. Twenty-six hours before final passage of this congressional redistricting bill, the only bill that had been introduced was a shell bill (introduced on June 12) that repealed an old map, but gave not a hint of what would replace it. The only hints we had came from press reports saying that the Republicans were planning to contort our politically competitive state in order to generate a 9-to-6 or even 10-to-5 advantage for Republicans in the congressional delegation.

On June 25, at a hastily convened hearing of the Reapportionment Committee, the Republican leadership for the first time unveiled its congressional redistricting plan in a 167-page bill, that listed literally thousands of city blocks, individually, identified only by a numeric code given to them by the Census Bureau. Contrary to the normal practice, the map was not distributed electronically, which meant that we could not analyze the demographic composition or electoral history of any of the 15 districts.

The only way we - or members of the press or public - could determine the districts’ composition and history would be to keypunch literally thousands of six-digit census-tract numbers and four-digit census-block numbers, so that a computer could regenerate the map - the very map that was sitting on the Republicans’ hard drive. The Republican leadership could have simply e-mailed the map to our staff, or given us a computer disk, but they apparently preferred to keep the public, and potential opponents of the plan, in the dark.

The Republican leadership's tactics stand in stark contrast to the normal practices in other states. For example, the Texas Legislature places every single congressional, state senate, state house, and state board of education redistricting bill on its Web site ([gis1.tlc.state.tx.us](http://gis1.tlc.state.tx.us)). Anyone with access to the Internet can read each bill's text, can display the map on their screen and zoom in on any portion of it, and can print out tables showing the demographic and political characteristics of each and every proposed district. Other states have similar redistricting Web sites. (See, for example, [www.ncleg.net/Redistricting/Dist\\_Plans/Proposed/proposedplans.html](http://www.ncleg.net/Redistricting/Dist_Plans/Proposed/proposedplans.html).)

It is simply shameful that the Republican leadership here in Michigan is engaged in this kind of hide-the-ball chicanery at the very time when technology finally allows regular citizens to weigh in on the process, and substance, of redistricting. These tactics have succeeded in frustrating effort to analyze and critique the Republicans' map. But one thing is clear: The Republicans' map pairs six incumbents - to the likely detriment of at least three Democratic incumbents, but zero Republicans - even though there was no need to do so. Indeed, the Republicans went out of their way to split the hometowns of two of those Democratic incumbents. That can hardly be accidental.

Having insulated its favored districting plan from public scrutiny, the Republican leadership next set out to insulate itself from judicial review. It did this by threatening - in a letter sent to the Minority Leader late last week - to ask the Supreme Court to disregard all plans not presented during the Legislature's suddenly accelerated redistricting process - ignoring the fact that every voter in the state of Michigan has standing to challenge a redistricting plan, regardless of his or her access to the legislative process. Remember, the right to vote belongs to voters, not to their elected representatives.

The Republicans also embedded in the Senate Bill, in unprecedented fashion, a new "Section 4" - language designed to reinterpret the federal Voting Rights Act and the state's Congressional Redistrict Act, so that they would lead, inexorably, to the conclusion that the Republican map was "the best" map under the "governing" law. My Democratic colleagues and I voted, unsuccessfully, to strip Section 4 from the Bill because it was simply an improper attempt to bully the courts into upholding what now appears to be a blatantly discriminatory map. If Section 4 contains valid interpretations of the relevant laws, why didn't the Republicans include it in the shell bill introduced 12 days ago, so that it could have guided *all* of our efforts? Why did they hide Section 4 until it could be attached to the specific redistricting plan that they favored? Perhaps they drew the plan that accomplished their ultra-partisan aims, and *then* reverse engineered the statutory interpretation that suited their ends? That, of course, is not the rule of law. Rather, it is the abuse of power.

Indeed, abuse of power has been the hallmark of this process ever since it took a decidedly partisan turn in mid-June. I only hope the House of Representatives has the good sense to reject this Bill and force the Legislature to hold the summer-long series of statewide field hearings that were promised months ago. Only open and bipartisan deliberation can fix the miss that the Republican leadership has created with this Bill.

Pursuant to rule 3.506, Senators Byrum and Hart submitted their reasons, in writing, for voting "no" on the passage of House Bill No. 4965 on June 26.

Senator Byrum's statement is as follows:

I voted no on final passage of House Bill 4965 because I believe that the substitute (S-1) to HB 4965, sponsored by Senate Republicans, is the product of political gerrymandering. The goal of the redistricting process is to achieve the best plan possible according to the standards set forth in statute. While very little time was available to analyze the Senate Republican plan, the information provided by them and stated in the bill makes it clear that this is not the best plan. The plan offered by Senators DeBeaussaert, Leland and Smith meets that definition. Their plan has the same number of county breaks, or fewer, depending on how the breaks are counted, then the (S-1) substituted recommended by the Committee and ultimately passed by the Senate. Their plan contains fewer municipal shifts and has a lower percentage of population deviation. And it complies with the Voting Rights Act to the best of their ability given the fact that they were required to assess compliance without public input. Clearly, this was the best plan offered given the criteria, yet it was defeated on nearly a party-line vote.

I also voted no on House Bill 4965 because I am concerned about the pace at which this process has proceeded and the lack of opportunity for public comment. I had hoped that public hearings would have been held across the state, not just in Lansing. If that had occurred, average citizens would have been provided an easy and convenient means by which to comment. Additionally, they would have been provided the opportunity to review all redistricting plans available and assess the impact to them individually. I believe it is important to be as inclusive as possible in all aspects of state government, and particularly when the subject at hand will impact everyone's lives for the next decade.

Senator Hart's statement is as follows:

I voted **NO** on final passage of House Bill 4965 for the following reasons:

First, I believe that the redistricting plan for the state Senate does not take into consideration commonalities of interest. Because of the manner in which many districts were drafted, those voices that would have otherwise been heard have had their voting strength is so diluted they will never be properly represented.



Second, it is my understanding that, in addition to several redistricting plans, public comments were submitted to the Secretary of the Senate and the Clerk of the House. There is no indication that these people have ever been contacted, or that their comments and suggestions have been incorporated into this plan. In fact, the Committee members were not provided ample opportunity to review the comments before they were required to vote on the bill. I believe that if the process had not been so rushed, important information may have been gleaned from these comments.

Third, I voted **NO** on House Bill 4965 because we had only a few hours to digest the Senate redistricting plan proposed by Senate Republicans. This information is not something that can be analyzed in such a short period of time. It is very complex. The majority party has been working on these plans for months. To ask us to vote on them when we have only just seen them is simply unfair. I wanted time to analyze the data for myself and since it was not provided, I had no choice but to vote "no".

Finally, I voted **NO** on House Bill 4965 because I sincerely believe that this bill is an amendment by reference and is therefore unconstitutional. The bill attempts, incorrectly, to amend the standards set forth in Public Act 463 of 1996, as amended, by adding definitions and additional redistricting criteria into this bill. Public Act 463 of 1996 clearly states that "the redistricting plan shall be enacted using **only** the following guidelines..." (emphasis added). Furthermore, the fact that these new criteria were added to the bill at the last minute made it impossible for anyone else to comply.

Senator Emmons moved that the Senate adjourn.  
The motion prevailed, the time being 7:57 p.m.

The President pro tempore, Senator Schwarz, declared the Senate adjourned until Wednesday, July 11, at 10:00 a.m.

CAROL MOREY VIVENTI  
Secretary of the Senate.

