

No. 57
STATE OF MICHIGAN
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House of Representatives
97th Legislature
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House Chamber, Lansing, Wednesday, June 11, 2014.

10:00 a.m.

The House was called to order by the Speaker Pro Tempore.

The roll was called by the Clerk of the House of Representatives, who announced that a quorum was present.

Abed—present	Glaridon—present	LaVoy—present	Roberts—present
Banks—present	Goike—present	Leonard—present	Robinson—present
Barnett—present	Graves—present	Lipton—present	Rogers—present
Bolger—present	Greimel—present	Lori—present	Rutledge—present
Brinks—present	Haines—present	Lund—present	Santana—present
Brown—present	Haugh—present	Lyons—present	Schmidt—present
Brunner—present	Haveman—present	MacGregor—present	Schor—present
Bumstead—present	Heise—present	MacMaster—present	Segal—present
Callton—present	Hobbs—present	McBroom—present	Shirkey—present
Cavanagh—present	Hooker—present	McCann—present	Singh—present
Clemente—present	Hovey-Wright—present	McCready—present	Slavens—present
Cochran—present	Howrylak—present	McMillin—present	Smiley—present
Cotter—present	Irwin—present	Muxlow—present	Somerville—present
Crawford—present	Jacobsen—present	Nathan—present	Stallworth—present
Daley—present	Jenkins—present	Nesbitt—present	Stamas—present
Darany—present	Johnson—present	O'Brien—present	Stanley—present
Denby—present	Kandrevas—present	Oakes—present	Switalski—present
Dianda—present	Kelly—present	Olumba—e/d/s	Talabi—present
Dillon—present	Kesto—present	Outman—present	Tlaib—present
Driskell—present	Kivela—present	Pagel—present	Townsend—present
Durhal—present	Knezek—present	Pettalia—present	VerHeulen—present
Faris—present	Kosowski—present	Phelps—present	Victory—present
Farrington—present	Kowall—present	Poleski—present	Walsh—present
Forlini—present	Kurtz—present	Potvin—present	Yanez—present
Foster—present	LaFontaine—present	Price—present	Yonker—present
Franz—present	Lamonte—present	Pscholka—present	Zemke—present
Geiss—present	Lane—present	Rendon—present	Zorn—present
Genetski—present	Lauwers—present		

e/d/s = entered during session

Rev. John H. Burns II, Pastor of St. Matthew A.M.E. Church in Lansing, offered the following invocation:

“Most Gracious and Merciful God in heaven, Grand Architect of the Universe, God of grace and glory, God of Abraham, Isaac, and Jacob, God of creation and God of our salvation; God of our weary years and God of our silent tears, we laud and magnify Your holy name. We adore You for You are worthy to be praised and thank You for all You have already done. We thank You, that You have heard us and You always hear us as we pray in faith, according to Your will.

As we approach Your throne room, the seat of all power, we come knowing that You are able to do abundantly above all we ask or think, according to the divine power that works in us. Please God, fill this House with Your power. So we come ... as humbly as we know how asking You to forgive us all of our sins and unrighteousness. We thank You for our help in ages past and our hope for years to come. We pray for the historic day of June 19th, a day of celebration for the freedom of a segment of Your people that freedom will live on. Thank You for the moving of Your Spirit that moved on the hearts of President Lincoln and Congress many years ago to set all people free.

We thank You God that we celebrate the 10th anniversary of the historic legislation made by this august body, proclaiming Juneteenth as a state holiday in Michigan, making Michigan the 19th state in our nation to boldly exhibit the embracing of freedom for all Americans and thereby demonstrating the progressive nature of our state.

Now Lord, we pray that You will move by Your Holy Spirit on the hearts of these state legislators in this House to rule and reign, through the passing of fair and righteous legislation, that will benefit all citizens of this state. We are grateful for these men and women who serve with distinction. Father God, we pray that You give them wisdom and humility to deliberate and pass just laws that bless every citizen of this state. Lead and guide them that they be filled with godly and reverent fear, as they make decisions and hold debates. We pray that we become one state, united under You God. We honor humane government that You created to bring about order through ordinances which illustrates Your divine judgment.

Heavenly Father, we thank You that this state legislature still believes in the power of prayer and has decided to make it a House of prayer. We ask Your blessing upon their homes and families and upon the governor and other elected officials throughout our cities and counties. Please be merciful upon the businesses and our economy that we may prosper to Your glory and honor.

Now Lord, let this day be a day like no other day, make a godly impact of epic proportion that will stand for generations yet to come. Guard us, guide us and govern us as never before. We are grateful for this opportunity look to You and call on Your awesome name. Day by day, we pray that You give this body the passion for righteousness and justice. We know that the prayers of the righteous avail much. We bless You and we praise You and we ask all these blessings in the strong name of Jesus. Amen.”

The Speaker Pro Tempore called Associate Speaker Pro Tempore Cotter to the Chair.

Motions and Resolutions

Reps. Walsh, Barnett, Brown, Crawford, Darany, Denby, Faris, Heise, Hooker, Howrylak, Lamonte, LaVoy, Poleski, Singh and Stanley offered the following resolution:

House Resolution No. 386.

A resolution to commemorate the 200th anniversary of the Star Spangled Banner.

Whereas, Major George Armistead, the American commander at Fort McHenry in Baltimore Harbor, in 1813 requested two large 15-star flags for the fort, a large 30' by 42' great garrison flag and smaller 17' by 25' storm flag, to be flown in inclement weather; and

Whereas, Mary Young Pickersgill, a Baltimore seamstress, was commissioned to create both flags at a cost of \$405.90 for the garrison flag and \$168.54 for the storm flag; and

Whereas, The British attack on Fort McHenry on September 13 and 14 of 1814 inspired Francis Scott Key to write the lyric “In Defence of Fort M’Henry” to the tune of “To Anacreon in Heaven”. Key’s lyric was quickly printed and then re-named “The Star-Spangled Banner” and performed publicly in the Baltimore area; and

Whereas, President Herbert Hoover signed the Act of Congress designating “The Star-Spangled Banner” as the National Anthem of the United States of America on March 3, 1931; now, therefore, be it

Resolved by the House of Representatives, That the members of this legislative body commemorate the 200th anniversary of the Star Spangled Banner. We urge local communities, elected officials, civic and religious leaders, educators, local historians, and the general public to organize and hold special events in their communities in mid-September to help commemorate this important chapter in American and Michigan history.

The question being on the adoption of the resolution,

The resolution was adopted.

Reps. Darany, Barnett, Heise, LaVoy, Singh and Stanley offered the following resolution:

House Resolution No. 387.

A resolution to offer best wishes to Muslims in Michigan and worldwide, a joyous and meaningful observance of Ramadan, a month of reflection and prayer.

Whereas, This month is observed in dedication to the Islamic principles and in commemoration of the month in which the holy Quran was revealed to prophet Muhammad; and

Whereas, Muslims in Michigan and around the world will observe Ramadan by fasting, emphasizing self-discipline, worship and reading the holy Quran to improve patience, humility, and spirituality; and

Whereas, Muslims spend this time in reflection and prayer, while strengthening the bonds of family and friendship; and

Whereas, There are over 2.7 million Muslims in the United States and Muslims make up approximately 23.4 percent of the world's population; and

Whereas, One of the largest and most productive populations of Muslims in the United States resides in Southeast Michigan and will observe the holy month of Ramadan; and

Whereas, This month of sacrifice and contemplation begins on or about the evening of Sunday, June 29th, and continues until on or about the evening of Wednesday, July 29th, with Eid al-Fitr, the celebration of Prophet Abraham's sacrifice; now, therefore, be it

Resolved by House of Representatives, That the members of this legislative body extend best wishes to Muslims in Michigan and worldwide, a joyous and meaningful observance of Ramadan, a month of reflection and prayer.

The question being on the adoption of the resolution,

The resolution was adopted.

Reps. Nesbitt, Barnett, Darany, Faris, Lamonte, LaVoy and Stanley offered the following resolution:

House Resolution No. 388.

A resolution to memorialize the United States Congress to take such actions as are necessary to pass the Helping Families in Mental Health Crisis Act of 2013.

Whereas, According to the Centers for Disease Control and Prevention, mental illness is defined as "health conditions that are characterized by alterations in thinking, mood, or behavior (or some combination thereof) associated with distress and/or impaired function." The National Institute of Mental Health states, "While mental disorders are common in the United States, the burden of illness is particularly concentrated among those who experience disability due to serious mental illness (SMI)"; and

Whereas, In a given year, approximately ten million Americans experience serious mental illness, such as schizophrenia, major depression, or bipolar disorder. Furthermore, approximately four million Americans experiencing serious mental illness do not receive treatment in a given year. Laws, regulations, and misinterpretations frequently shut out families attempting to get effective appropriate treatment for their loved ones in a mental health crisis; and

Whereas, There are ten times more individuals with serious mental illness in jails and prisons than in state psychiatric hospitals. Federal laws and billing policies restrict the ability of persons on Medicaid to receive high-quality inpatient and outpatient mental health treatment; and

Whereas, Current spending needs to be more focused on the most effective services and most severe mental illnesses. United States Congressman Tim Murphy of Pennsylvania has introduced the Helping Families in Mental Health Crisis Act of 2013 (H.R. 3717). The act would create a new Assistant Secretary for Mental Health and Substance-Abuse Disorders to coordinate funding between agencies, collect increased data on treatment outcomes, and drive evidence-based care. To address issues regarding the shortage of psychiatric professionals, the Helping Families in Metal Health Crisis Act of 2013 would advance alternatives to inpatient care and prioritize early intervention; now, therefore, be it

Resolved by the House of Representatives, That we memorialize the United States Congress to take such actions as are necessary to pass the Helping Families in Mental Crisis Act of 2013; 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.

The question being on the adoption of the resolution,

The resolution was adopted.

Reps. McCready, Barnett, Brown, Crawford, Darany, Denby, Faris, Heise, Howrylak, Lamonte, LaVoy, Poleski, Singh and Stanley offered the following resolution:

House Resolution No. 389.

A resolution to declare June 7, 2014, as Childhood Cancer Survivors Day in the state of Michigan.

Whereas, Today, over 250,000 Americans are survivors of childhood cancer. Most children survive thanks to advances in early cancer detection, treatment, and research; and

Whereas, Children's Hospital of Michigan, the oldest and largest hospital caring for the children of Michigan, has an active and productive cancer survivor population. This demonstrates that a cancer diagnosis is no longer an automatic death sentence; and

Whereas, In addition to Childhood Cancer Survivors Day, communities all across America will be celebrating life Saturday, June 7, 2014, as part of the world's largest cancer survivor event, the 26th annual National Cancer Survivors Day; now, therefore, be it

Resolved by the House of Representatives, That members of this legislative body declare June 7, 2014, as Childhood Cancer Survivors Day in the state of Michigan. We urge all citizens to join in this joyous celebration of life; and be it further

Resolved, That a copy of this resolution be transmitted to Children's Hospital of Michigan as evidence of our support for their endeavors.

The question being on the adoption of the resolution,

The resolution was adopted.

Reps. Zorn, Rendon, Muxlow, Leonard, Graves, Kowall, Forlini, Jenkins, Denby, Heise, Hooker, Daley, Kelly, Lauwers, Goike, VerHeulen, Franz, Farrington, Roberts, Lipton, Lane, Barnett, Brown, Crawford, Darany, Faris, Lamonte, Singh and Stanley offered the following resolution:

House Resolution No. 390.

A resolution to urge the U.S. Department of Defense to provide toll-free calling to active duty military men and women serving overseas, so that they may call family members in the U.S. without cost.

Whereas, Active duty military men and women and their families face a number of financial and emotional struggles as a result of being internationally deployed. Increased costs realized by these families due to deployment include the cost of staying in touch with family and loved ones in the United States; and

Whereas, Technology has provided a number of choices to connect with family including cell phones, satellite phones, and the internet. However, these options require internet connections not available to all service members or are cost prohibitive. Some cell phone plans cost as much as \$2.50 per minute for each party no matter who initiates the call. A 10-minute call may cost as much as \$50.00; and

Whereas, Connecting with family and friends on a regular basis is good for mental health and morale. However, stressing over financial problems, especially ones created by trying to stay in touch with loved ones, causes difficulty in focusing on the task at hand; and

Whereas, The Department of Defense currently provides phone centers at which soldiers are allowed limited, free 15-minute "morale calls" for those who are located on a base. Low-cost calling cards are also available, although families must ensure the proper card is purchased for the proper phone service. None of the available options is as stress-free and easy for the service member as regular access to toll-free calling; now, therefore, be it

Resolved by the House of Representatives, That we urge the U.S. Department of Defense to provide toll-free calling to active duty military men and women serving overseas, so that they may call family members in the U.S. without cost; and be it further

Resolved, That copies of this resolution be transmitted to the U.S. Secretary of Defense and the members of the Michigan congressional delegation.

The resolution was referred to the Committee on Military and Veterans Affairs.

Rep. Stamas moved that the Committee on Military and Veterans Affairs be discharged from further consideration of **House Resolution No. 371.**

(For first notice see House Journal No. 56, p. 1142.)

The question being on the motion made by Rep. Stamas,

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

The Speaker laid before the House

House Resolution No. 371.

A resolution to urge the U.S. Department of Veterans Affairs to follow Federal Housing Administration guidelines as they apply to site condominiums and view them as single-family homes as long as they meet certain criteria.

(For text of resolution, see House Journal No. 46, p. 843.)

(The resolution was discharged from the Committee on Military and Veterans Affairs on June 11.)

The question being on the adoption of the resolution,

The resolution was adopted.

Messages from the Senate

The Speaker laid before the House

House Bill No. 4895, entitled

A bill to amend 1931 PA 328, entitled “The Michigan penal code,” by amending section 535 (MCL 750.535), as amended by 2006 PA 374.

(The bill was received from the Senate on June 10, with substitute (S-1), full title inserted and immediate effect given by the Senate, consideration of which, under the rules, was postponed until today, see House Journal No. 56, p. 1146.)

The question being on concurring in the substitute (S-1) made to the bill by the Senate,

The substitute (S-1) was concurred in, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 387

Yeas—95

Abed	Franz	Lamonte	Rogers
Banks	Geiss	Lane	Rutledge
Bolger	Genetski	Lauwers	Schmidt
Brinks	Gardon	LaVoy	Schor
Brown	Goike	Leonard	Segal
Brunner	Graves	Lipton	Singh
Bumstead	Greimel	Lori	Slavens
Callton	Haines	Lund	Smiley
Cavanagh	Haugh	Lyons	Somerville
Clemente	Heise	MacGregor	Stallworth
Cochran	Hobbs	McBroom	Stamas
Cotter	Hooker	McCann	Stanley
Crawford	Hovey-Wright	McCready	Switalski
Daley	Jenkins	Muxlow	Talabi
Darany	Johnson	Nesbitt	Tlaib
Denby	Kandrevas	O’Brien	Townsend
Dianda	Kelly	Oakes	VerHeulen
Dillon	Kesto	Outman	Victory
Driskell	Kivela	Phelps	Walsh
Durhal	Knezek	Potvin	Yanez
Faris	Kosowski	Price	Yonker
Farrington	Kowall	Pscholka	Zemke
Forlini	Kurtz	Rendon	Zorn
Foster	LaFontaine	Roberts	

Nays—14

Barnett	Jacobsen	Pagel	Robinson
Haveman	MacMaster	Pettalia	Santana
Howrylak	McMillin	Poleski	Shirkey
Irwin	Nathan		

In The Chair: Cotter

The House agreed to the full title.

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

Rep. Stamas moved that House Committees be given leave to meet during the balance of today’s session.
The motion prevailed.

Rep. Olumba entered the House Chambers.

The Speaker laid before the House

House Bill No. 4896, entitled

A bill to amend 1927 PA 175, entitled “The code of criminal procedure,” by amending section 16z of chapter XVII (MCL 777.16z), as amended by 2007 PA 20.

(The bill was received from the Senate on June 10, with substitute (S-1), full title inserted and immediate effect given by the Senate, consideration of which, under the rules, was postponed until today, see House Journal No. 56, p. 1146.)

The question being on concurring in the substitute (S-1) made to the bill by the Senate,

The substitute (S-1) was concurred in, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 388

Yeas—95

Abed	Franz	Lamonte	Rogers
Banks	Geiss	Lane	Rutledge
Bolger	Genetski	Lauwers	Schmidt
Brinks	Glardon	LaVoy	Schor
Brown	Goike	Leonard	Segal
Brunner	Graves	Lipton	Singh
Bumstead	Greimel	Lori	Slavens
Callton	Haines	Lund	Smiley
Cavanagh	Haugh	Lyons	Somerville
Clemente	Heise	MacGregor	Stallworth
Cochran	Hobbs	McBroom	Stamas
Cotter	Hooker	McCann	Stanley
Crawford	Hovey-Wright	McCready	Switalski
Daley	Jenkins	Muxlow	Talabi
Darany	Johnson	Nesbitt	Tlaib
Denby	Kandrevas	O’Brien	Townsend
Dianda	Kelly	Oakes	VerHeulen
Dillon	Kesto	Outman	Victory
Driskell	Kivela	Phelps	Walsh
Durhal	Knezek	Potvin	Yanez
Faris	Kosowski	Price	Yonker
Farrington	Kowall	Pscholka	Zemke
Forlini	Kurtz	Rendon	Zorn
Foster	LaFontaine	Roberts	

Nays—15

Barnett	Jacobsen	Olumba	Robinson
Haveman	MacMaster	Pagel	Santana
Howrylak	McMillin	Pettalia	Shirkey
Irwin	Nathan	Poleski	

In The Chair: Cotter

The House agreed to the full title.

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

The Speaker laid before the House

House Bill No. 5131, entitled

A bill to amend 1996 PA 381, entitled “Brownfield redevelopment financing act,” by amending section 5 (MCL 125.2655), as amended by 2000 PA 145.

(The bill was received from the Senate on June 10, with substitute (S-2), full title inserted and immediate effect given by the Senate, consideration of which, under the rules, was postponed until today, see House Journal No. 56, p. 1146.)

The question being on concurring in the substitute (S-2) made to the bill by the Senate,

The substitute (S-2) was concurred in, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 389

Yeas—108

Abed	Genetski	Lauwers	Rendon
Banks	Gardon	LaVoy	Roberts
Barnett	Goike	Leonard	Rogers
Bolger	Graves	Lipton	Rutledge
Brinks	Greimel	Lori	Santana
Brown	Haines	Lund	Schmidt
Brunner	Haugh	Lyons	Schor
Bumstead	Haveman	MacGregor	Segal
Callton	Heise	MacMaster	Shirkey
Cavanagh	Hobbs	McBroom	Singh
Clemente	Hooker	McCann	Slavens
Cochran	Hovey-Wright	McCready	Smiley
Cotter	Irwin	McMillin	Somerville
Crawford	Jacobsen	Muxlow	Stallworth
Daley	Jenkins	Nathan	Stamas
Darany	Johnson	Nesbitt	Stanley
Denby	Kandrevas	O’Brien	Switalski
Dianda	Kelly	Oakes	Talabi
Dillon	Kesto	Olumba	Tlaib
Driskell	Kivela	Outman	Townsend
Durhal	Knezek	Pagel	VerHeulen
Faris	Kosowski	Pettalia	Victory
Farrington	Kowall	Phelps	Walsh
Forlini	Kurtz	Poleski	Yanez
Foster	LaFontaine	Potvin	Yonker
Franz	Lamonte	Price	Zemke
Geiss	Lane	Pscholka	Zorn

Nays—2

Howrylak

Robinson

In The Chair: Cotter

The House agreed to the full title.

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

The Speaker laid before the House

House Bill No. 5132, entitled

A bill to amend 1974 PA 338, entitled “Economic development corporations act,” by amending section 4 (MCL 125.1604), as amended by 1987 PA 67.

(The bill was received from the Senate on June 10, with substitute (S-2), full title inserted and immediate effect given by the Senate, consideration of which, under the rules, was postponed until today, see House Journal No. 56, p. 1146.)

The question being on concurring in the substitute (S-2) made to the bill by the Senate,

The substitute (S-2) was concurred in, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 390**Yeas—108**

Abed	Genetski	Lauwers	Rendon
Banks	Gardon	LaVoy	Roberts
Barnett	Goike	Leonard	Rogers
Bolger	Graves	Lipton	Rutledge
Brinks	Greimel	Lori	Santana
Brown	Haines	Lund	Schmidt
Brunner	Haugh	Lyons	Schor
Bumstead	Haveman	MacGregor	Segal
Callton	Heise	MacMaster	Shirkey
Cavanagh	Hobbs	McBroom	Singh
Clemente	Hooker	McCann	Slavens
Cochran	Hovey-Wright	McCready	Smiley
Cotter	Irwin	McMillin	Somerville
Crawford	Jacobsen	Muxlow	Stallworth
Daley	Jenkins	Nathan	Stamas
Darany	Johnson	Nesbitt	Stanley
Denby	Kandrevas	O'Brien	Switalski
Dianda	Kelly	Oakes	Talabi
Dillon	Kesto	Olumba	Tlaib
Driskell	Kivela	Outman	Townsend
Durhal	Knezek	Pagel	VerHeulen
Faris	Kosowski	Pettalia	Victory
Farrington	Kowall	Phelps	Walsh
Forlini	Kurtz	Poleski	Yanez
Foster	LaFontaine	Potvin	Yonker
Franz	Lamonte	Price	Zemke
Geiss	Lane	Pscholka	Zorn

Nays—2

Howrylak Robinson

In The Chair: Cotter

The House agreed to the full title.

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

House Bill No. 5085, entitled

A bill to amend 1927 PA 372, entitled "An act to regulate and license the selling, purchasing, possessing, and carrying of certain firearms, gas ejecting devices, and electro-muscular disruption devices; to prohibit the buying, selling, or carrying of certain firearms, gas ejecting devices, and electro-muscular disruption devices without a license or other authorization; to provide for the forfeiture of firearms and electro-muscular disruption devices under certain circumstances; to provide for penalties and remedies; to provide immunity from civil liability under certain circumstances; to prescribe the powers and duties of certain state and local agencies; to prohibit certain conduct against individuals who apply for or receive a license to carry a concealed pistol; to make appropriations; to prescribe certain conditions for the appropriations; and to repeal all acts and parts of acts inconsistent with this act," by amending section 2 (MCL 28.422), as amended by 2012 PA 377.

The Senate has substituted (S-1) the bill.

The Senate has passed the bill as substituted (S-1) and ordered that it be given immediate effect.

The Speaker announced that pursuant to Rule 42, the bill was laid over one day.

Rep. Stamas moved that Rule 42 be suspended.

The motion prevailed, 3/5 of the members present voting therefor.

The question being on concurring in the (S-1) made to the bill by the Senate,

The substitute (S-1) was concurred in, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 391**Yeas—109**

Abed	Glardon	Lauwers	Rendon
Banks	Goike	LaVoy	Roberts
Barnett	Graves	Leonard	Robinson
Bolger	Greimel	Lipton	Rogers
Brinks	Haines	Lori	Rutledge
Brown	Haugh	Lund	Santana
Brunner	Haveman	Lyons	Schmidt
Bumstead	Heise	MacGregor	Schor
Callton	Hobbs	MacMaster	Segal
Cavanagh	Hooker	McBroom	Shirkey
Clemente	Hovey-Wright	McCann	Singh
Cochran	Howrylak	McCready	Slavens
Cotter	Irwin	McMillin	Smiley
Crawford	Jacobsen	Muxlow	Somerville
Daley	Jenkins	Nathan	Stallworth
Darany	Johnson	Nesbitt	Stamas
Denby	Kandrevas	O'Brien	Stanley
Dianda	Kelly	Oakes	Switalski
Dillon	Kesto	Olumba	Tlaib
Driskell	Kivela	Outman	Townsend
Durhal	Knezek	Pagel	VerHeulen
Faris	Kosowski	Pettalia	Victory
Farrington	Kowall	Phelps	Walsh
Forlini	Kurtz	Poleski	Yanez
Foster	LaFontaine	Potvin	Yonker
Franz	Lamonte	Price	Zemke
Geiss	Lane	Pscholka	Zorn
Genetski			

Nays—1

Talabi

In The Chair: Cotter

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

Third Reading of Bills**House Bill No. 5507, entitled**

A bill to amend 1939 PA 280, entitled "The social welfare act," by amending section 117a (MCL 400.117a), as amended by 2013 PA 138.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 392**Yeas—110**

Abed	Glardon	LaVoy	Roberts
Banks	Goike	Leonard	Robinson
Barnett	Graves	Lipton	Rogers
Bolger	Greimel	Lori	Rutledge
Brinks	Haines	Lund	Santana
Brown	Haugh	Lyons	Schmidt
Brunner	Haveman	MacGregor	Schor
Bumstead	Heise	MacMaster	Segal
Callton	Hobbs	McBroom	Shirkey
Cavanagh	Hooker	McCann	Singh
Clemente	Hovey-Wright	McCready	Slavens
Cochran	Howrylak	McMillin	Smiley
Cotter	Irwin	Muxlow	Somerville
Crawford	Jacobsen	Nathan	Stallworth
Daley	Jenkins	Nesbitt	Stamas
Darany	Johnson	O'Brien	Stanley
Denby	Kandrevas	Oakes	Switalski
Dianda	Kelly	Olumba	Talabi
Dillon	Kesto	Outman	Tlaib
Driskell	Kivela	Pagel	Townsend
Durhal	Knezek	Pettalia	VerHeulen
Faris	Kosowski	Phelps	Victory
Farrington	Kowall	Poleski	Walsh
Forlini	Kurtz	Potvin	Yanez
Foster	LaFontaine	Price	Yonker
Franz	Lamonte	Pscholka	Zemke
Geiss	Lane	Rendon	Zorn
Genetski	Lauwers		

Nays—0

In The Chair: Cotter

The House agreed to the title of the bill.

Rep. Stamas moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

Senate Bill No. 611, entitled

A bill to amend 1980 PA 395, entitled "Community convention or tourism marketing act," by amending section 5 (MCL 141.875), as amended by 1989 PA 245.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 393**Yeas—88**

Abed	Geiss	Lauwers	Rutledge
Banks	Genetski	LaVoy	Santana
Barnett	Glardon	Lipton	Schmidt
Bolger	Greimel	Lori	Schor
Brinks	Haines	Lyons	Segal
Brown	Haugh	MacGregor	Singh
Brunner	Heise	MacMaster	Slavens
Callton	Hobbs	McCann	Smiley

Cavanagh	Hovey-Wright	McCready	Stallworth
Clemente	Jacobsen	Muxlow	Stamas
Cochran	Jenkins	Nesbitt	Stanley
Cotter	Kandreas	O'Brien	Switalski
Crawford	Kelly	Oakes	Talabi
Darany	Kesto	Olumba	Tlaib
Denby	Kivela	Pagel	Townsend
Dillon	Knezek	Phelps	VerHeulen
Driskell	Kosowski	Poleski	Victory
Durhal	Kowall	Potvin	Walsh
Faris	Kurtz	Price	Yanez
Farrington	LaFontaine	Pscholka	Yonker
Forlini	Lamonte	Roberts	Zemke
Foster	Lane	Rogers	Zorn

Nays—22

Bumstead	Haveman	Lund	Pettalia
Daley	Hooker	McBroom	Rendon
Dianda	Howrylak	McMillin	Robinson
Franz	Irwin	Nathan	Shirkey
Goike	Johnson	Outman	Somerville
Graves	Leonard		

In The Chair: Cotter

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

“An act relating to the promotion of convention business or tourism in municipalities in this state; to provide for tourism or convention marketing programs in municipalities through nonprofit convention and tourist bureaus; to provide for the imposition and collection of assessments on the owners of transient facilities to support tourism or convention marketing programs; to provide for the disbursement of the assessments; to establish the functions and duties of the department of commerce; and to prescribe remedies and penalties.”

The House agreed to the full title.

Rep. Stamas moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

The Speaker Pro Tempore resumed the Chair.

Senate Bill No. 873, entitled

A bill to amend 1994 PA 451, entitled “Natural resources and environmental protection act,” by amending sections 72103, 72104, 72112, and 72114 (MCL 324.72103, 324.72104, 324.72112, and 324.72114), sections 72103, 72104, and 72112 as added by 1995 PA 58 and section 72114 as added by 2010 PA 45; and to repeal acts and parts of acts.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 394**Yeas—108**

Abed	Genetski	Lane	Rendon
Banks	Glardon	Lauwers	Roberts

Barnett	Goike	LaVoy	Rogers
Bolger	Graves	Leonard	Rutledge
Brinks	Greimel	Lipton	Santana
Brown	Haines	Lori	Schmidt
Brunner	Haugh	Lund	Schor
Bumstead	Haveman	Lyons	Segal
Callton	Heise	MacGregor	Shirkey
Cavanagh	Hobbs	MacMaster	Singh
Clemente	Hooker	McBroom	Slavens
Cochran	Hovey-Wright	McCann	Smiley
Cotter	Howrylak	McCready	Somerville
Crawford	Irwin	Muxlow	Stallworth
Daley	Jacobsen	Nathan	Stamas
Darany	Jenkins	Nesbitt	Stanley
Denby	Johnson	O'Brien	Switalski
Dianda	Kandrevas	Oakes	Talabi
Dillon	Kelly	Olumba	Tlaib
Driskell	Kesto	Outman	Townsend
Durhal	Kivela	Pagel	VerHeulen
Faris	Knezek	Pettalia	Victory
Farrington	Kosowski	Phelps	Walsh
Forlini	Kowall	Poleski	Yanez
Foster	Kurtz	Potvin	Yonker
Franz	LaFontaine	Price	Zemke
Geiss	Lamonte	Pscholka	Zorn

Nays—2

McMillin

Robinson

In The Chair: Walsh

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

“An act to protect the environment and natural resources of the state; to codify, revise, consolidate, and classify laws relating to the environment and natural resources of the state; to regulate the discharge of certain substances into the environment; to regulate the use of certain lands, waters, and other natural resources of the state; to protect the people’s right to hunt and fish; to prescribe the powers and duties of certain state and local agencies and officials; to provide for certain charges, fees, assessments, and donations; to provide certain appropriations; to prescribe penalties and provide remedies; and to repeal acts and parts of acts,”

The House agreed to the full title.

Rep. Stamas moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

Senate Bill No. 875, entitled

A bill to amend 1994 PA 451, entitled “Natural resources and environmental protection act,” by amending sections 72101 and 72102 (MCL 324.72101 and 324.72102), as amended by 2010 PA 46.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 395**Yeas—108**

Abed	Genetski	Lane	Rendon
Banks	Glardon	Lauwers	Roberts
Barnett	Goike	LaVoy	Rogers

Bolger	Graves	Leonard	Rutledge
Brinks	Greimel	Lipton	Santana
Brown	Haines	Lori	Schmidt
Brunner	Haugh	Lund	Schor
Bumstead	Haveman	Lyons	Segal
Callton	Heise	MacGregor	Shirkey
Cavanagh	Hobbs	MacMaster	Singh
Clemente	Hooker	McBroom	Slavens
Cochran	Hovey-Wright	McCann	Smiley
Cotter	Howrylak	McCready	Somerville
Crawford	Irwin	Muxlow	Stallworth
Daley	Jacobsen	Nathan	Stamas
Darany	Jenkins	Nesbitt	Stanley
Denby	Johnson	O'Brien	Switalski
Dianda	Kandrevas	Oakes	Talabi
Dillon	Kelly	Olumba	Tlaib
Driskell	Kesto	Outman	Townsend
Durhal	Kivela	Pagel	VerHeulen
Faris	Knezek	Pettalia	Victory
Farrington	Kosowski	Phelps	Walsh
Forlini	Kowall	Poleski	Yanez
Foster	Kurtz	Potvin	Yonker
Franz	LaFontaine	Price	Zemke
Geiss	Lamonte	Pscholka	Zorn

Nays—2

McMillin

Robinson

In The Chair: Walsh

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

“An act to protect the environment and natural resources of the state; to codify, revise, consolidate, and classify laws relating to the environment and natural resources of the state; to regulate the discharge of certain substances into the environment; to regulate the use of certain lands, waters, and other natural resources of the state; to protect the people’s right to hunt and fish; to prescribe the powers and duties of certain state and local agencies and officials; to provide for certain charges, fees, assessments, and donations; to provide certain appropriations; to prescribe penalties and provide remedies; and to repeal acts and parts of acts.”

The House agreed to the full title.

Rep. Stamas moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

Senate Bill No. 876, entitled

A bill to amend 1994 PA 451, entitled “Natural resources and environmental protection act,” by amending sections 72105, 72105a, and 72106 (MCL 324.72105, 324.72105a, and 324.72106), sections 72105 and 72106 as added by 1995 PA 58 and section 72105a as amended by 2010 PA 46.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 396**Yeas—108**Abed
BanksGenetski
GlardonLane
LauwersRendon
Roberts

Barnett	Goike	LaVoy	Rogers
Bolger	Graves	Leonard	Rutledge
Brinks	Greimel	Lipton	Santana
Brown	Haines	Lori	Schmidt
Brunner	Haugh	Lund	Schor
Bumstead	Haveman	Lyons	Segal
Callton	Heise	MacGregor	Shirkey
Cavanagh	Hobbs	MacMaster	Singh
Clemente	Hooker	McBroom	Slavens
Cochran	Hovey-Wright	McCann	Smiley
Cotter	Howrylak	McCready	Somerville
Crawford	Irwin	Muxlow	Stallworth
Daley	Jacobsen	Nathan	Stamas
Darany	Jenkins	Nesbitt	Stanley
Denby	Johnson	O'Brien	Switalski
Dianda	Kandrevas	Oakes	Talabi
Dillon	Kelly	Olumba	Tlaib
Driskell	Kesto	Outman	Townsend
Durhal	Kivela	Pagel	VerHeulen
Faris	Knezek	Pettalia	Victory
Farrington	Kosowski	Phelps	Walsh
Forlini	Kowall	Poleski	Yanez
Foster	Kurtz	Potvin	Yonker
Franz	LaFontaine	Price	Zemke
Geiss	Lamonte	Pscholka	Zorn

Nays—2

McMillin

Robinson

In The Chair: Walsh

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

“An act to protect the environment and natural resources of the state; to codify, revise, consolidate, and classify laws relating to the environment and natural resources of the state; to regulate the discharge of certain substances into the environment; to regulate the use of certain lands, waters, and other natural resources of the state; to protect the people’s right to hunt and fish; to prescribe the powers and duties of certain state and local agencies and officials; to provide for certain charges, fees, assessments, and donations; to provide certain appropriations; to prescribe penalties and provide remedies; and to repeal acts and parts of acts,”

The House agreed to the full title.

Rep. Stamas moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

Senate Bill No. 877, entitled

A bill to amend 1994 PA 451, entitled “Natural resources and environmental protection act,” by amending sections 72110, 72110a, and 72115 (MCL 324.72110, 324.72110a, and 324.72115), section 72110 as amended by 2013 PA 248, section 72110a as added by 2010 PA 46, and section 72115 as added by 2010 PA 45.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 397**Yeas—108**Abed
BanksGenetski
GlardonLane
LauwersRendon
Roberts

Barnett	Goike	LaVoy	Rogers
Bolger	Graves	Leonard	Rutledge
Brinks	Greimel	Lipton	Santana
Brown	Haines	Lori	Schmidt
Brunner	Haugh	Lund	Schor
Bumstead	Haveman	Lyons	Segal
Callton	Heise	MacGregor	Shirkey
Cavanagh	Hobbs	MacMaster	Singh
Clemente	Hooker	McBroom	Slavens
Cochran	Hovey-Wright	McCann	Smiley
Cotter	Howrylak	McCready	Somerville
Crawford	Irwin	Muxlow	Stallworth
Daley	Jacobsen	Nathan	Stamas
Darany	Jenkins	Nesbitt	Stanley
Denby	Johnson	O'Brien	Switalski
Dianda	Kandrevas	Oakes	Talabi
Dillon	Kelly	Olumba	Tlaib
Driskell	Kesto	Outman	Townsend
Durhal	Kivela	Pagel	VerHeulen
Faris	Knezek	Pettalia	Victory
Farrington	Kosowski	Phelps	Walsh
Forlini	Kowall	Poleski	Yanez
Foster	Kurtz	Potvin	Yonker
Franz	LaFontaine	Price	Zemke
Geiss	Lamonte	Pscholka	Zorn

Nays—2

McMillin

Robinson

In The Chair: Walsh

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

“An act to protect the environment and natural resources of the state; to codify, revise, consolidate, and classify laws relating to the environment and natural resources of the state; to regulate the discharge of certain substances into the environment; to regulate the use of certain lands, waters, and other natural resources of the state; to protect the people’s right to hunt and fish; to prescribe the powers and duties of certain state and local agencies and officials; to provide for certain charges, fees, assessments, and donations; to provide certain appropriations; to prescribe penalties and provide remedies; and to repeal acts and parts of acts.”

The House agreed to the full title.

Rep. Stamas moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

Senate Bill No. 900, entitled

A bill to amend 1969 PA 317, entitled “Worker’s disability compensation act of 1969,” by amending sections 352 and 391 (MCL 418.352 and 418.391), as amended by 2007 PA 190.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 398

Yeas—110

Abed	Glardon	LaVoy	Roberts
Banks	Goike	Leonard	Robinson

Barnett	Graves	Lipton	Rogers
Bolger	Greimel	Lori	Rutledge
Brinks	Haines	Lund	Santana
Brown	Haugh	Lyons	Schmidt
Brunner	Haveman	MacGregor	Schor
Bumstead	Heise	MacMaster	Segal
Callton	Hobbs	McBroom	Shirkey
Cavanagh	Hooker	McCann	Singh
Clemente	Hovey-Wright	McCreedy	Slavens
Cochran	Howrylak	McMillin	Smiley
Cotter	Irwin	Muxlow	Somerville
Crawford	Jacobsen	Nathan	Stallworth
Daley	Jenkins	Nesbitt	Stamas
Darany	Johnson	O'Brien	Stanley
Denby	Kandrevas	Oakes	Switalski
Dianda	Kelly	Olumba	Talabi
Dillon	Kesto	Outman	Tlaib
Driskell	Kivela	Pagel	Townsend
Durhal	Knezek	Pettalia	VerHeulen
Faris	Kosowski	Phelps	Victory
Farrington	Kowall	Poleski	Walsh
Forlini	Kurtz	Potvin	Yanez
Foster	LaFontaine	Price	Yonker
Franz	Lamonte	Pscholka	Zemke
Geiss	Lane	Rendon	Zorn
Genetski	Lauwers		

Nays—0

In The Chair: Walsh

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

“An act to revise and consolidate the laws relating to worker’s disability compensation; to increase the administrative efficiency of the adjudicative processes of the worker’s compensation system; to improve the qualifications of the persons having adjudicative functions within the worker’s compensation system; to prescribe certain powers and duties; to create the board of worker’s compensation magistrates and the worker’s compensation appellate commission; to create certain other boards; to provide certain procedures for the resolution of claims, including mediation and arbitration; to prescribe certain benefits for persons suffering a personal injury under the act; to prescribe certain limitations on obtaining benefits under the act; to create, and provide for the transfer of, certain funds; to prescribe certain fees; to prescribe certain remedies and penalties; to repeal certain parts of this act on specific dates; and to repeal certain acts and parts of acts,”

The House agreed to the full title.

Rep. Stamas moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

The Speaker Pro Tempore called Associate Speaker Pro Tempore Cotter to the Chair.

Senate Bill No. 690, entitled

A bill to amend 1978 PA 368, entitled “Public health code,” by amending sections 17820 and 17824 (MCL 333.17820 and 333.17824), section 17820 as amended and section 17824 as added by 2009 PA 55.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 399**Yeas—108**

Abed	Gardon	Lauwers	Rendon
Banks	Goike	LaVoy	Roberts
Barnett	Graves	Leonard	Robinson
Bolger	Greimel	Lipton	Rogers
Brinks	Haines	Lori	Rutledge
Brown	Haugh	Lund	Santana
Brunner	Haveman	Lyons	Schmidt
Bumstead	Heise	MacGregor	Schor
Cavanagh	Hobbs	MacMaster	Segal
Clemente	Hooker	McBroom	Shirkey
Cochran	Hovey-Wright	McCann	Singh
Cotter	Howrylak	McCready	Slavens
Crawford	Irwin	McMillin	Smiley
Daley	Jacobsen	Muxlow	Somerville
Darany	Jenkins	Nathan	Stallworth
Denby	Johnson	Nesbitt	Stamas
Dianda	Kandrevas	O'Brien	Stanley
Dillon	Kelly	Oakes	Switalski
Driskell	Kesto	Olumba	Talabi
Durhal	Kivela	Outman	Tlaib
Faris	Knezek	Pagel	Townsend
Farrington	Kosowski	Pettalia	VerHeulen
Forlini	Kowall	Phelps	Victory
Foster	Kurtz	Poleski	Walsh
Franz	LaFontaine	Potvin	Yonker
Geiss	Lamonte	Price	Zemke
Genetski	Lane	Pscholka	Zorn

Nays—2

Callton

Yanez

In The Chair: Cotter

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

“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 provide for the levy of taxes against certain health facilities or agencies; 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 provide for an appropriation and supplements; 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.”

The House agreed to the full title.

Rep. Stamas moved that the bill be given immediate effect.
The motion prevailed, 2/3 of the members serving voting therefor.

The Speaker Pro Tempore resumed the Chair.

Senate Bill No. 691, entitled

A bill to amend 1980 PA 350, entitled “The nonprofit health care corporation reform act,” by amending sections 502 and 502a (MCL 550.1502 and 550.1502a), as amended by 2009 PA 225.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 400

Yeas—106

Abed	Glardon	Lauwers	Rendon
Banks	Goike	LaVoy	Roberts
Barnett	Graves	Leonard	Rogers
Bolger	Greimel	Lipton	Rutledge
Brinks	Haines	Lori	Santana
Brown	Haugh	Lund	Schmidt
Brunner	Haveman	Lyons	Schor
Bumstead	Heise	MacGregor	Segal
Cavanagh	Hobbs	MacMaster	Shirkey
Clemente	Hooker	McBroom	Singh
Cochran	Hovey-Wright	McCann	Slavens
Cotter	Howrylak	McCready	Smiley
Crawford	Irwin	McMillin	Somerville
Daley	Jacobsen	Muxlow	Stallworth
Darany	Jenkins	Nesbitt	Stamas
Denby	Johnson	O’Brien	Stanley
Dianda	Kandrevas	Oakes	Switalski
Dillon	Kelly	Olumba	Talabi
Driskell	Kesto	Outman	Tlaib
Durhal	Kivela	Pagel	Townsend
Faris	Knezek	Pettalia	VerHeulen
Farrington	Kosowski	Phelps	Victory
Forlini	Kowall	Poleski	Walsh
Foster	Kurtz	Potvin	Yonker
Franz	LaFontaine	Price	Zemke
Geiss	Lamonte	Pscholka	Zorn
Genetski	Lane		

Nays—4

Callton	Nathan	Robinson	Yanez
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In The Chair: Walsh

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

“An act to provide for the incorporation of nonprofit health care corporations; to provide their rights, powers, and immunities; to prescribe the powers and duties of certain state officers relative to the exercise of those rights, powers, and

immunities; to prescribe certain conditions for the transaction of business by those corporations in this state; to define the relationship of health care providers to nonprofit health care corporations and to specify their rights, powers, and immunities with respect thereto; to provide for a Michigan caring program; to provide for the regulation and supervision of nonprofit health care corporations by the commissioner of insurance; to prescribe powers and duties of certain other state officers with respect to the regulation and supervision of nonprofit health care corporations; to provide for the imposition of a regulatory fee; to regulate the merger or consolidation of certain corporations; to prescribe an expeditious and effective procedure for the maintenance and conduct of certain administrative appeals relative to provider class plans; to provide for certain administrative hearings relative to rates for health care benefits; to provide for the creation of and the powers and duties of certain nonprofit corporations for the purpose of receiving and administering funds for the public welfare; to provide for certain causes of action; to prescribe penalties and to provide civil fines for violations of this act; and to repeal acts and parts of acts.”

The House agreed to the full title.

Rep. Stamas moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

Senate Bill No. 692, entitled

A bill to amend 1984 PA 233, entitled “Prudent purchaser act,” by amending section 3 (MCL 550.53), as amended by 2009 PA 224.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 401

Yeas—106

Abed	Glardon	Lauwers	Rendon
Banks	Goike	LaVoy	Roberts
Barnett	Graves	Leonard	Rogers
Bolger	Greimel	Lipton	Rutledge
Brinks	Haines	Lori	Santana
Brown	Haugh	Lund	Schmidt
Brunner	Haveman	Lyons	Schor
Bumstead	Heise	MacGregor	Segal
Cavanagh	Hobbs	MacMaster	Shirkey
Clemente	Hooker	McBroom	Singh
Cochran	Hovey-Wright	McCann	Slavens
Cotter	Howrylak	McCready	Smiley
Crawford	Irwin	McMillin	Somerville
Daley	Jacobsen	Muxlow	Stallworth
Darany	Jenkins	Nesbitt	Stamas
Denby	Johnson	O’Brien	Stanley
Dianda	Kandrevas	Oakes	Switalski
Dillon	Kelly	Olumba	Talabi
Driskell	Kesto	Outman	Tlaib
Durhal	Kivela	Pagel	Townsend
Faris	Knezek	Pettalia	VerHeulen
Farrington	Kosowski	Phelps	Victory
Forlini	Kowall	Poleski	Walsh
Foster	Kurtz	Potvin	Yonker
Franz	LaFontaine	Price	Zemke
Geiss	Lamonte	Pscholka	Zorn
Genetski	Lane		

Nays—4

Callton

Nathan

Robinson

Yanez

In The Chair: Walsh

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

“An act to authorize certain organizations to enter into prudent purchaser agreements with health care providers; to control health care costs, assure appropriate utilization of health care services, and maintain quality of health care; to provide for the regulation of certain organizations, health care providers, health care facilities, and prudent purchaser arrangements; to establish a joint legislative committee to investigate the degree of competition in the health care coverage market in this state; and to provide for the powers and duties of certain state officers and agencies,”

The House agreed to the full title.

Rep. Stamas moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

Senate Bill No. 693, entitled

A bill to amend 1969 PA 317, entitled “Worker’s disability compensation act of 1969,” by amending section 315 (MCL 418.315), as amended by 2011 PA 266.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 402

Yeas—106

Abed	Glardon	Lauwers	Rendon
Banks	Goike	LaVoy	Roberts
Barnett	Graves	Leonard	Rogers
Bolger	Greimel	Lipton	Rutledge
Brinks	Haines	Lori	Santana
Brown	Haugh	Lund	Schmidt
Brunner	Haveman	Lyons	Schor
Bumstead	Heise	MacGregor	Segal
Cavanagh	Hobbs	MacMaster	Shirkey
Clemente	Hooker	McBroom	Singh
Cochran	Hovey-Wright	McCann	Slavens
Cotter	Howrylak	McCready	Smiley
Crawford	Irwin	McMillin	Somerville
Daley	Jacobsen	Muxlow	Stallworth
Darany	Jenkins	Nesbitt	Stamas
Denby	Johnson	O’Brien	Stanley
Dianda	Kandrevas	Oakes	Switalski
Dillon	Kelly	Olumba	Talabi
Driskell	Kesto	Outman	Tlaib
Durhal	Kivela	Pagel	Townsend
Faris	Knezek	Pettalia	VerHeulen
Farrington	Kosowski	Phelps	Victory
Forlini	Kowall	Poleski	Walsh
Foster	Kurtz	Potvin	Yonker
Franz	LaFontaine	Price	Zemke
Geiss	Lamonte	Pscholka	Zorn
Genetski	Lane		

Nays—4

Callton	Nathan	Robinson	Yanez
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Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

“An act to revise and consolidate the laws relating to worker’s disability compensation; to increase the administrative efficiency of the adjudicative processes of the worker’s compensation system; to improve the qualifications of the persons having adjudicative functions within the worker’s compensation system; to prescribe certain powers and duties; to create the board of worker’s compensation magistrates and the worker’s compensation appellate commission; to create certain other boards; to provide certain procedures for the resolution of claims, including mediation and arbitration; to prescribe certain benefits for persons suffering a personal injury under the act; to prescribe certain limitations on obtaining benefits under the act; to create, and provide for the transfer of, certain funds; to prescribe certain fees; to prescribe certain remedies and penalties; to repeal certain parts of this act on specific dates; and to repeal certain acts and parts of acts,”

The House agreed to the full title.

Rep. Stamas moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

Senate Bill No. 694, entitled

A bill to amend 1956 PA 218, entitled “The insurance code of 1956,” by amending sections 3107b, 3405, 3475, and 3631 (MCL 500.3107b, 500.3405, 500.3475, and 500.3631), section 3107b as amended by 2009 PA 222 and sections 3405, 3475, and 3631 as amended by 2009 PA 227.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 403

Yeas—106

Abed	Glardon	Lauwers	Rendon
Banks	Goike	LaVoy	Roberts
Barnett	Graves	Leonard	Rogers
Bolger	Greimel	Lipton	Rutledge
Brinks	Haines	Lori	Santana
Brown	Haugh	Lund	Schmidt
Brunner	Haveman	Lyons	Schor
Bumstead	Heise	MacGregor	Segal
Cavanagh	Hobbs	MacMaster	Shirkey
Clemente	Hooker	McBroom	Singh
Cochran	Hovey-Wright	McCann	Slavens
Cotter	Howrylak	McCready	Smiley
Crawford	Irwin	McMillin	Somerville
Daley	Jacobsen	Muxlow	Stallworth
Darany	Jenkins	Nesbitt	Stamas
Denby	Johnson	O’Brien	Stanley
Dianda	Kandrevas	Oakes	Switalski
Dillon	Kelly	Olumba	Talabi
Driskell	Kesto	Outman	Tlaib
Durhal	Kivela	Pagel	Townsend
Faris	Knezek	Pettalia	VerHeulen
Farrington	Kosowski	Phelps	Victory
Forlini	Kowall	Poleski	Walsh
Foster	Kurtz	Potvin	Yonker
Franz	LaFontaine	Price	Zemke
Geiss	Lamonte	Pscholka	Zorn
Genetski	Lane		

Nays—4

Callton

Nathan

Robinson

Yanez

In The Chair: Walsh

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

“An act to revise, consolidate, and classify the laws relating to the insurance and surety business; to regulate the incorporation or formation of domestic insurance and surety companies and associations and the admission of foreign and alien companies and associations; to provide their rights, powers, and immunities and to prescribe the conditions on which companies and associations organized, existing, or authorized under this act may exercise their powers; to provide the rights, powers, and immunities and to prescribe the conditions on which other persons, firms, corporations, associations, risk retention groups, and purchasing groups engaged in an insurance or surety business may exercise their powers; to provide for the imposition of a privilege fee on domestic insurance companies and associations and the state accident fund; to provide for the imposition of a tax on the business of foreign and alien companies and associations; to provide for the imposition of a tax on risk retention groups and purchasing groups; to provide for the imposition of a tax on the business of surplus line agents; to provide for the imposition of regulatory fees on certain insurers; to provide for assessment fees on certain health maintenance organizations; to modify tort liability arising out of certain accidents; to provide for limited actions with respect to that modified tort liability and to prescribe certain procedures for maintaining those actions; to require security for losses arising out of certain accidents; to provide for the continued availability and affordability of automobile insurance and homeowners insurance in this state and to facilitate the purchase of that insurance by all residents of this state at fair and reasonable rates; to provide for certain reporting with respect to insurance and with respect to certain claims against uninsured or self-insured persons; to prescribe duties for certain state departments and officers with respect to that reporting; to provide for certain assessments; to establish and continue certain state insurance funds; to modify and clarify the status, rights, powers, duties, and operations of the nonprofit malpractice insurance fund; to provide for the departmental supervision and regulation of the insurance and surety business within this state; to provide for regulation over worker’s compensation self-insurers; to provide for the conservation, rehabilitation, or liquidation of unsound or insolvent insurers; to provide for the protection of policyholders, claimants, and creditors of unsound or insolvent insurers; to provide for associations of insurers to protect policyholders and claimants in the event of insurer insolvencies; to prescribe educational requirements for insurance agents and solicitors; to provide for the regulation of multiple employer welfare arrangements; to create an automobile theft prevention authority to reduce the number of automobile thefts in this state; to prescribe the powers and duties of the automobile theft prevention authority; to provide certain powers and duties upon certain officials, departments, and authorities of this state; to provide for an appropriation; to repeal acts and parts of acts; and to provide penalties for the violation of this act.”

The House agreed to the full title.

Rep. Stamas moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

Senate Bill No. 853, entitled

A bill to amend 1978 PA 368, entitled “Public health code,” (MCL 333.1101 to 333.25211) by adding part 55A.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 404

Yeas—108

Abed	Glardon	Lauwers	Roberts
Banks	Goike	LaVoy	Robinson
Barnett	Graves	Leonard	Rogers
Bolger	Greimel	Lipton	Rutledge
Brinks	Haines	Lori	Santana
Brown	Haugh	Lund	Schmidt
Brunner	Haveman	Lyons	Schor
Bumstead	Heise	MacGregor	Segal
Callton	Hobbs	MacMaster	Shirkey
Cavanagh	Hooker	McBroom	Singh
Clemente	Hovey-Wright	McCann	Slavens
Cochran	Howrylak	McCready	Smiley
Cotter	Irwin	Muxlow	Somerville
Crawford	Jacobsen	Nathan	Stallworth
Daley	Jenkins	Nesbitt	Stamas
Darany	Johnson	O’Brien	Stanley
Denby	Kandrevas	Oakes	Switalski
Dianda	Kelly	Olumba	Talabi

Dillon	Kesto	Outman	Tlaib
Driskell	Kivela	Pagel	Townsend
Durhal	Knezek	Pettalia	VerHeulen
Faris	Kosowski	Phelps	Victory
Farrington	Kowall	Poleski	Walsh
Forlini	Kurtz	Potvin	Yanez
Foster	LaFontaine	Price	Yonker
Franz	Lamonte	Pscholka	Zemke
Genetski	Lane	Rendon	Zorn

Nays—2

Geiss	McMillin
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In The Chair: Walsh

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

“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 provide for the levy of taxes against certain health facilities or agencies; 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 provide for an appropriation and supplements; 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,”

The House agreed to the full title.

Rep. Stamas moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

Senate Bill No. 20, entitled

A bill to amend 1994 PA 451, entitled “Natural resources and environmental protection act,” by amending section 11123 (MCL 324.11123), as amended by 2010 PA 357.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 405**Yeas—110**

Abed	Glardon	LaVoy	Roberts
Banks	Goike	Leonard	Robinson
Barnett	Graves	Lipton	Rogers
Bolger	Greimel	Lori	Rutledge
Brinks	Haines	Lund	Santana
Brown	Haugh	Lyons	Schmidt
Brunner	Haveman	MacGregor	Schor
Bumstead	Heise	MacMaster	Segal
Callton	Hobbs	McBroom	Shirkey

Cavanagh	Hooker	McCann	Singh
Clemente	Hovey-Wright	McCready	Slavens
Cochran	Howrylak	McMillin	Smiley
Cotter	Irwin	Muxlow	Somerville
Crawford	Jacobsen	Nathan	Stallworth
Daley	Jenkins	Nesbitt	Stamas
Darany	Johnson	O'Brien	Stanley
Denby	Kandrevas	Oakes	Switalski
Dianda	Kelly	Olumba	Talabi
Dillon	Kesto	Outman	Tlaib
Driskell	Kivela	Pagel	Townsend
Durhal	Knezek	Pettalia	VerHeulen
Faris	Kosowski	Phelps	Victory
Farrington	Kowall	Poleski	Walsh
Forlini	Kurtz	Potvin	Yanez
Foster	LaFontaine	Price	Yonker
Franz	Lamonte	Pscholka	Zemke
Geiss	Lane	Rendon	Zorn
Genetski	Lauwers		

Nays—0

In The Chair: Walsh

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

“An act to protect the environment and natural resources of the state; to codify, revise, consolidate, and classify laws relating to the environment and natural resources of the state; to regulate the discharge of certain substances into the environment; to regulate the use of certain lands, waters, and other natural resources of the state; to protect the people’s right to hunt and fish; to prescribe the powers and duties of certain state and local agencies and officials; to provide for certain charges, fees, assessments, and donations; to provide certain appropriations; to prescribe penalties and provide remedies; and to repeal acts and parts of acts.”

The House agreed to the full title.

Rep. Stamas moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

Senate Bill No. 667, entitled

A bill to amend 1915 PA 31, entitled “Youth tobacco act,” by amending section 2 (MCL 722.642), as amended by 2006 PA 236.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 406

Yeas—94

Abed	Graves	LaVoy	Rendon
Banks	Greimel	Leonard	Roberts
Bolger	Haugh	Lund	Rogers
Brinks	Haveman	Lyons	Rutledge
Brunner	Heise	MacGregor	Santana
Bumstead	Hobbs	MacMaster	Schmidt
Callton	Hooker	McBroom	Shirkey
Clemente	Howrylak	McCann	Singh
Cotter	Irwin	McCready	Smiley
Crawford	Jacobsen	McMillin	Somerville
Daley	Jenkins	Muxlow	Stallworth
Denby	Johnson	Nathan	Stamas

Dianda	Kandrevas	Nesbitt	Stanley
Dillon	Kelly	O'Brien	Switalski
Durhal	Kesto	Oakes	Talabi
Faris	Kivela	Olumba	Tlaib
Farrington	Knezek	Outman	Townsend
Forlini	Kosowski	Pagel	VerHeulen
Foster	Kowall	Pettalia	Victory
Franz	Kurtz	Phelps	Walsh
Geiss	LaFontaine	Poleski	Yonker
Genetski	Lamonte	Price	Zemke
Gardon	Lane	Pscholka	Zorn
Goike	Lauwers		

Nays—16

Barnett	Darany	Lipton	Schor
Brown	Driskell	Lori	Segal
Cavanagh	Haines	Potvin	Slavens
Cochran	Hovey-Wright	Robinson	Yanez

In The Chair: Walsh

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

“An act to prohibit the selling, giving, or furnishing of tobacco products to minors; to prohibit the purchase, possession, or use of tobacco products by minors; to regulate the retail sale of tobacco products; to prescribe penalties; and to prescribe the powers and duties of certain state agencies and departments,”

The House agreed to the full title.

Rep. Stamas moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

Rep. Slavens, having reserved the right to explain her protest against the passage of the bill, made the following statement:
“Mr. Speaker and members of the House:

I agree with the sponsors intent that sales of e-cigarettes to children should be prohibited.

Instead of these bills characterizing these bills as tobacco products, the package will regulate these products separately as ‘vapor products’ which will cause youth and legal consumers to view this product safe. With numerous chemicals in e-cigarettes, we should have serious concerns about potential health effects on the citizens of this great state. These concerns are addressed in HB 5393. I encourage passage of HB 5393.”

Senate Bill No. 668, entitled

A bill to amend 1915 PA 31, entitled “Youth tobacco act,” by amending the title and sections 1 and 4 (MCL 722.641 and 722.644), as amended by 2006 PA 236.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 407

Yeas—96

Abed	Goike	Lauwers	Pscholka
Banks	Graves	LaVoy	Rendon
Bolger	Greimel	Leonard	Roberts
Brinks	Haugh	Lund	Rogers

Brown	Haveman	Lyons	Rutledge
Brunner	Heise	MacGregor	Santana
Bumstead	Hobbs	MacMaster	Schmidt
Callton	Hooker	McBroom	Shirkey
Clemente	Howrylak	McCann	Singh
Cotter	Irwin	McCready	Smiley
Crawford	Jacobsen	McMillin	Somerville
Daley	Jenkins	Muxlow	Stallworth
Denby	Johnson	Nathan	Stamas
Dianda	Kandrevas	Nesbitt	Stanley
Dillon	Kelly	O'Brien	Switalski
Durhal	Kesto	Oakes	Talabi
Faris	Kivela	Olumba	Tlaib
Farrington	Knezek	Outman	Townsend
Forlini	Kosowski	Pagel	VerHeulen
Foster	Kowall	Pettalia	Victory
Franz	Kurtz	Phelps	Walsh
Geiss	LaFontaine	Poleski	Yonker
Genetski	Lamonte	Potvin	Zemke
Glardon	Lane	Price	Zorn

Nays—14

Barnett	Driskell	Lori	Segal
Cavanagh	Haines	Robinson	Slavens
Cochran	Hovey-Wright	Schor	Yanez
Darany	Lipton		

In The Chair: Walsh

The question being on agreeing to the title of the bill,

Rep. Stamas moved to amend the title to read as follows:

A bill to amend 1915 PA 31, entitled "An act to prohibit the selling, giving, or furnishing of tobacco products to minors; to prohibit the purchase, possession, or use of tobacco products by minors; to regulate the retail sale of tobacco products; to prescribe penalties; and to prescribe the powers and duties of certain state agencies and departments," by amending the title and section 1 (MCL 722.641), as amended by 2006 PA 236.

The motion prevailed.

The House agreed to the title as amended.

Rep. Stamas moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

The Speaker Pro Tempore called Associate Speaker Pro Tempore Cotter to the Chair.

By unanimous consent the House returned to the order of

Reports of Select Committees

First Conference Report

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

House Bill No. 5314, entitled

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending sections 6, 8b, 11, 11a, 11g, 11j, 11k, 11m, 12, 15, 17a, 18, 19, 20, 20d, 20f, 20g, 21f, 22a, 22b, 22d, 22f, 22g, 22i, 22j, 24, 24a, 24c, 25e, 26a, 26b, 26c, 31a, 31b,

31d, 31f, 32d, 32p, 39, 39a, 41, 51a, 51c, 51d, 53a, 54, 56, 61a, 62, 74, 81, 94, 94a, 98, 99, 99h, 101, 104, 104b, 107, 147, 147b, 147c, 152a, 161, 163, 168, 201, 201a, 202a, 206, 207, 209, 210, 213, 222, 224, 225, 229, 229a, 230, 236, 236a, 236b, 236c, 241, 245, 252, 256, 263, 263a, 264, 265, 265a, 267, 268, 269, 270, 272a, 273, 274, 274a, 275, 276, 277, 278, 279, 280, 281, 282, 283, and 284 (MCL 388.1606, 388.1608b, 388.1611, 388.1611a, 388.1611g, 388.1611j, 388.1611k, 388.1611m, 388.1612, 388.1615, 388.1617a, 388.1618, 388.1619, 388.1620, 388.1620d, 388.1620f, 388.1620g, 388.1621f, 388.1622a, 388.1622b, 388.1622d, 388.1622f, 388.1622g, 388.1622i, 388.1622j, 388.1624, 388.1624a, 388.1624c, 388.1625e, 388.1626a, 388.1626b, 388.1626c, 388.1631a, 388.1631b, 388.1631d, 388.1631f, 388.1632d, 388.1632p, 388.1639, 388.1639a, 388.1641, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1656, 388.1661a, 388.1662, 388.1674, 388.1681, 388.1694, 388.1694a, 388.1698, 388.1699, 388.1699h, 388.1701, 388.1704, 388.1704b, 388.1707, 388.1747, 388.1747b, 388.1747c, 388.1752a, 388.1761, 388.1763, 388.1768, 388.1801, 388.1801a, 388.1802a, 388.1806, 388.1807, 388.1809, 388.1810, 388.1813, 388.1822, 388.1824, 388.1825, 388.1829, 388.1829a, 388.1830, 388.1836, 388.1836a, 388.1836b, 388.1836c, 388.1841, 388.1845, 388.1852, 388.1856, 388.1863, 388.1863a, 388.1864, 388.1865, 388.1865a, 388.1867, 388.1868, 388.1869, 388.1870, 388.1872a, 388.1873, 388.1874, 388.1874a, 388.1875, 388.1876, 388.1877, 388.1878, 388.1879, 388.1880, 388.1881, 388.1882, 388.1883, and 388.1884), sections 6, 20, 24c, 25e, 26a, 74, 104b, and 107 as amended by 2013 PA 130, section 8b as amended by 2007 PA 92, sections 11, 11m, 20g, 21f, 22a, 22b, 22g, 51a, 51c, 99h, 101, and 147c as amended and sections 31b and 94 as added by 2014 PA 116, sections 11a, 11j, 11k, 12, 15, 18, 19, 20d, 22d, 22f, 22i, 22j, 24, 24a, 26b, 26c, 31a, 31d, 31f, 32d, 32p, 39, 39a, 41, 51d, 53a, 54, 56, 61a, 62, 81, 94a, 98, 99, 104, 147, 147b, 152a, 201, 201a, 206, 209, 210, 224, 225, 229, 229a, 230, 236, 236a, 236b, 241, 245, 252, 263, 263a, 264, 265, 265a, 267, 268, 269, 270, 273, 274, 274a, 275, 276, 277, 278, 279, 280, 281, and 282 as amended and sections 20f, 236c, and 272a as added by 2013 PA 60, sections 11g and 17a as amended by 2013 PA 97, section 161 as amended by 1990 PA 207, section 163 as amended by 2007 PA 137, section 168 as added by 1993 PA 175, and section 202a as added and sections 207, 213, 222, 256, 283, and 284 as amended by 2012 PA 201, and by adding sections 11r, 20h, 31g, 64b, 95a, 97, 102b, 104c, 207a, and 207b; and to repeal acts and parts of acts.

Recommends:

First: That the Senate recede from the Substitute of the Senate as passed by the Senate.

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

A bill to amend 1979 PA 94, entitled “The state school aid act of 1979,” by amending sections 6, 8b, 11, 11a, 11g, 11j, 11k, 11m, 12, 15, 17a, 18, 19, 20, 20d, 20f, 20g, 21b, 21f, 22a, 22b, 22c, 22d, 22f, 22g, 22i, 22j, 24, 24a, 24c, 25e, 25f, 26a, 26b, 26c, 31a, 31d, 31f, 32d, 32p, 39, 39a, 41, 51a, 51c, 51d, 53a, 54, 56, 61a, 62, 74, 81, 94, 94a, 98, 99, 99h, 101, 104, 104b, 107, 147, 147a, 147c, 152a, 161, 163, 168, 201, 201a, 202a, 206, 209, 210b, 217, 224, 225, 229, 229a, 230, 236, 236a, 236b, 236c, 241, 245, 246, 252, 256, 263, 263a, 264, 265, 265a, 267, 268, 269, 270, 272a, 273, 274, 274a, 275, 276, 277, 278, 279, 280, 281, 282, 283, and 284 (MCL 388.1606, 388.1608b, 388.1611, 388.1611a, 388.1611g, 388.1611j, 388.1611k, 388.1611m, 388.1612, 388.1615, 388.1617a, 388.1618, 388.1619, 388.1620, 388.1620d, 388.1620f, 388.1620g, 388.1621b, 388.1621f, 388.1622a, 388.1622b, 388.1622c, 388.1622d, 388.1622f, 388.1622g, 388.1622i, 388.1622j, 388.1624, 388.1624a, 388.1624c, 388.1625e, 388.1625f, 388.1626a, 388.1626b, 388.1626c, 388.1631a, 388.1631d, 388.1631f, 388.1632d, 388.1632p, 388.1639, 388.1639a, 388.1641, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1656, 388.1661a, 388.1662, 388.1674, 388.1681, 388.1694, 388.1694a, 388.1698, 388.1699, 388.1699h, 388.1701, 388.1704, 388.1704b, 388.1707, 388.1747, 388.1747a, 388.1747c, 388.1752a, 388.1761, 388.1763, 388.1768, 388.1801, 388.1801a, 388.1802a, 388.1806, 388.1807, 388.1809, 388.1810b, 388.1817, 388.1824, 388.1825, 388.1829, 388.1829a, 388.1830, 388.1836, 388.1836a, 388.1836b, 388.1836c, 388.1841, 388.1845, 388.1846, 388.1852, 388.1856, 388.1863, 388.1863a, 388.1864, 388.1865, 388.1865a, 388.1867, 388.1868, 388.1869, 388.1870, 388.1872a, 388.1873, 388.1874, 388.1874a, 388.1875, 388.1876, 388.1877, 388.1878, 388.1879, 388.1880, 388.1881, 388.1882, 388.1883, and 388.1884), sections 6, 20, 24c, 25e, 26a, 74, 104b, 107, and 147a as amended by 2013 PA 130, section 8b as amended by 2007 PA 92, sections 11, 11m, 20g, 21f, 22a, 22b, 22g, 51a, 51c, 99h, 101, and 147c as amended and sections 25f and 94 as added by 2014 PA 116, sections 11a, 11j, 11k, 12, 15, 18, 19, 20d, 22d, 22f, 22i, 22j, 24, 24a, 26b, 26c, 31a, 31d, 31f, 32d, 32p, 39, 39a, 41, 51d, 53a, 54, 56, 61a, 62, 81, 94a, 98, 99, 104, 147, 152a, 201, 201a, 206, 209, 224, 225, 229, 229a, 230, 236, 236a, 236b, 241, 245, 246, 252, 263, 263a, 264, 265, 265a, 267, 268, 269, 270, 273, 274, 274a, 275, 276, 277, 278, 279, 280, 281, and 282 as amended and sections 20f, 22c, 210b, 236c, and 272a as added by 2013 PA 60, sections 11g and 17a as amended by 2013 PA 97, section 21b as amended by 2004 PA 351, section 161 as amended by 1990 PA 207, section 163 as amended by 2007 PA 137, section 168 as added by 1993 PA 175, and section 202a as added and sections 217, 256, 283, and 284 as amended by 2012 PA 201, and by adding sections 11r, 31g, 43, 64b, 64c, 74a, 95a, 99b, 104c, 147d, 164f, 207a, 207b, 207c, and 271a; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Sec. 6. (1) “Center program” means a program operated by a district or by an intermediate district for special education pupils from several districts in programs for pupils with autism spectrum disorder, pupils with severe cognitive impairment, pupils with moderate cognitive impairment, pupils with severe multiple impairments, pupils with hearing impairment, pupils with visual impairment, and pupils with physical impairment or other health impairment. Programs for pupils with emotional impairment 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, 20 USC 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 and high school graduation rate" means the annual completion and pupil dropout rate that is calculated by the center pursuant to nationally recognized standards.

(3) "District and high school graduation report" means a report of the number of pupils, excluding adult participants, in the district for the immediately preceding school year, adjusted for those pupils who have transferred into or out of the district or high school, who leave high school with a diploma or other credential of equal status.

(4) "Membership", except as otherwise provided in this article, means for a district, a public school academy, the education achievement system, or an intermediate district the sum of the product of .90 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 .10 times the final audited count from the supplemental count day for the current school year. A district's, public school academy's, or intermediate district's membership shall be adjusted as provided under section 25-25E for pupils who enroll in the district, public school academy, or intermediate district after the pupil membership count day. 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. For the purposes of this section and section 6a, for a school of excellence that is a cyber school, as defined in section 551 of the revised school code, MCL 380.551, and is in compliance with section 553a of the revised school code, MCL 380.553a, a pupil's participation in the cyber school's educational program is considered regular daily attendance; for the education achievement system, a pupil's participation in an online educational program of the education achievement system or of an achievement school is considered regular daily attendance; and for a district a pupil's participation in an online course as defined in section 21f is considered regular daily attendance. 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, a public school academy, the education achievement system, or an 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 career and technical 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 public school academy shall be counted in membership in the public school academy.

(h) A pupil enrolled in an achievement school shall be counted in membership in the education achievement system.

(i) For a new district or public school academy beginning its operation after December 31, 1994, or for the education achievement system or an achievement school, 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, a public school academy, the education achievement system, or an 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) To be counted in membership, a pupil shall meet the minimum age requirement to be eligible to attend school under section 1147 of the revised school code, MCL 380.1147, or shall be enrolled under subsection (3) of that section, and shall be less than 20 years of age on September 1 of the school year except as follows:

(i) A special education pupil who is enrolled and receiving instruction in a special education program or service approved by the department, who does not have a high school diploma, and who is less than 26 years of age as of September 1 of the current school year shall be counted in membership.

(ii) A pupil who is determined by the department to meet all of the following may be counted in membership:

(A) Is enrolled in a public school academy or an alternative education high school diploma program, that is primarily focused on educating homeless pupils, ~~and that is located in a city with a population of more than 175,000.~~

(B) Had dropped out of school for more than 1 year and has re-entered school.

(C) Is less than 22 years of age as of September 1 of the current school year.

(iii) If a child does not meet the minimum age requirement to be eligible to attend school for that school year under section 1147 of the revised school code, MCL 380.1147, but will be 5 years of age not later than December 1 of that school year, the district may count the child in membership for that school year if the parent or legal guardian has notified the district in writing that he or she intends to enroll the child in kindergarten for that school year.

(m) An individual who has obtained a high school diploma shall not be counted in membership. An individual who has obtained a general educational development (G.E.D.) certificate shall not be counted in membership unless the individual is a pupil with a disability as defined in R 340.1702 of the Michigan administrative code. 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 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 or the education achievement system 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 or the education achievement system unless a written agreement signed by all parties designates the party or parties in which the pupil shall be counted in membership, 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 or the education achievement system 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 or the education achievement system provides instruction for at least 1/2 of the class hours specified in subdivision (q), the public school academy or the education achievement system 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 or the education achievement system 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 or the education achievement system 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 or the education achievement system.

(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) Beginning in 2012-2013, full-time equated memberships for pupils in kindergarten shall be determined by dividing the number of instructional hours scheduled and provided per year per kindergarten pupil by the same number used for determining full-time equated memberships for pupils in grades 1 to 12. However, to the extent allowable under federal law, for a district or public school academy that provides evidence satisfactory to the department that it used federal title I money in the 2 immediately preceding school fiscal years to fund full-time kindergarten, 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. The change in the counting of full-time equated memberships for pupils in kindergarten that took effect for 2012-2013 is not a mandate.

(s) For a district, a public school academy, or the education achievement system that has pupils enrolled in a grade level that was not offered by the district, the public school academy, or the education achievement system 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 or otherwise apart from the general school population, 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 or otherwise apart from the general school population, 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 or otherwise apart from the general school population under the supervision of a certificated teacher.

(ii) The district provides instructional materials, resources, and supplies 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, the public school academy, or the education achievement system that is educating the pupil.~~

~~(V) (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 or the public school academy otherwise ceases to operate, and if the pupil enrolls in a district or the education achievement system within 45 days after the pupil membership count day, the department shall adjust the district's or the education achievement system's pupil count for the pupil membership count day to include the pupil in the count.

~~(W) (x)~~ 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 .90 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 .10 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.

~~(X) (y)~~ If a district's membership for a particular 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, and if the district does not receive funding under section 22d(2), the district's membership shall be considered to be the membership figure calculated under this subdivision. If a district educates and counts in its membership pupils in grades 9 to 12 who reside in a contiguous district that does not operate grades 9 to 12 and if 1 or both of the affected districts request the department to use the determination allowed under this sentence, the department shall include the square mileage of both districts in determining the number of pupils per square mile for each of the districts for the purposes of this subdivision. The membership figure calculated under this subdivision 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 each of those 3 fiscal years, as otherwise calculated under this subsection, and dividing the sum of those 3 membership figures by 3.

(ii) The district's actual membership for that fiscal year as otherwise calculated under this subsection.

~~(z) If a public school academy that is not in its first or second year of operation closes at the end of a school year and does not reopen for the next school year, the department shall adjust the membership count of the district or the education achievement system in which a former pupil of the public school academy enrolls and is in regular daily attendance for the next school year to ensure that the district or the education achievement system receives the same amount of membership aid for the pupil as if the pupil were counted in the district or the education achievement system on the supplemental count day of the preceding school year.~~

(Y) ~~(aa)~~ Full-time equated memberships for special education pupils who are not enrolled in kindergarten but are enrolled in a classroom program under R 340.1754 of the Michigan administrative code shall be determined by dividing the number of class hours scheduled and provided per year by 450. Full-time equated memberships for special education pupils who are not enrolled in kindergarten but are receiving early childhood special education services under R 340.1755 or 340.1862 of the Michigan administrative code shall be determined by dividing the number of hours of service scheduled and provided per year per pupil by 180.

(Z) ~~(bb)~~ A pupil of a district that begins its school year after Labor day who is enrolled in an intermediate district program that begins before Labor day shall not be considered to be less than a full-time pupil solely due to instructional time scheduled but not attended by the pupil before Labor day.

(AA) ~~(ee)~~ For the first year in which a pupil is counted in membership on the pupil membership count day in a middle college program, the membership is the average of the full-time equated membership on the pupil membership count day and on the supplemental count day for the current school year, as determined by the department. ~~If a pupil was counted by the operating district on the immediately preceding supplemental count day, the pupil shall be excluded from the district's immediately preceding supplemental count for purposes of determining the district's membership.~~

(BB) ~~(dd)~~ A district, a public school academy, or the education achievement system that educates a pupil who attends a United States Olympic education center may count the pupil in membership regardless of whether or not the pupil is a resident of this state.

(CC) ~~(ee)~~ A pupil enrolled in a district other than the pupil's district of residence pursuant to section 1148(2) of the revised school code, MCL 380.1148, shall be counted in the educating district or the education achievement system.

(DD) ~~(ff)~~ For a pupil enrolled in a dropout recovery program that meets the requirements of section 23a, the pupil shall be counted as 1/12 of a full-time equated membership for each month that the district operating the program reports that the pupil was enrolled in the program and was in full attendance. However, ~~a pupil counted under this subdivision shall not be counted as more than 1.0 FTE in a fiscal year.~~ **IF THE SPECIAL MEMBERSHIP COUNTING PROVISIONS UNDER THIS SUBDIVISION AND THE OPERATION OF THE OTHER MEMBERSHIP COUNTING PROVISIONS UNDER THIS SUBSECTION RESULT IN A PUPIL BEING COUNTED AS MORE THAN 1.0 FTE IN A FISCAL YEAR, THE PAYMENT MADE FOR THE PUPIL UNDER SECTIONS 22A AND 22B SHALL NOT BE BASED ON MORE THAN 1.0 FTE FOR THAT PUPIL, AND ANY PORTION OF AN FTE FOR THAT PUPIL THAT EXCEEDS 1.0 SHALL INSTEAD BE PAID UNDER SECTION 25F.** The district operating the program shall report to the center the number of pupils who were enrolled in the program and were in full attendance for a month not later than the tenth day of the next month. A district shall not report a pupil as being in full attendance for a month unless both of the following are met:

(i) A personalized learning plan is in place on or before the first school day of the month for the first month the pupil participates in the program.

(ii) The pupil meets the district's definition under section 23a of satisfactory monthly progress for that month or, if the pupil does not meet that definition of satisfactory monthly progress for that month, the pupil did meet that definition of satisfactory monthly progress in the immediately preceding month and appropriate interventions are implemented within 10 school days after it is determined that the pupil does not meet that definition of satisfactory monthly progress.

(5) "Public school academy" means that term as defined in **SECTION 5 OF** the revised school code, **MCL 380.5**.

(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 is not 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 the education achievement system.

(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 if the pupil is enrolled in accordance with section 105 or 105c.

(f) A 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 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 750.41a, 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 750.90h, 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.

(g) 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.

(h) 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.

~~(v) The pupil is enrolled in an alternative or disciplinary education program described in section 25.~~

(i) A pupil enrolled in the Michigan virtual school, for the pupil's enrollment in the Michigan virtual school.

(j) A pupil who is the child of a person who works at the district or who is the child of a person who worked at the district as of the time the pupil first enrolled in the district but who no longer works at the district due to a workforce reduction. As used in this subdivision, "child" includes an adopted child, stepchild, or legal ward.

(k) An expelled pupil who has been denied reinstatement by the expelling district and is reinstated by another school board under section 1311 or 1311a of the revised school code, MCL 380.1311 and 380.1311a.

(l) A pupil enrolled in a district other than the pupil's district of residence in a middle college program if the pupil's district of residence and the enrolling district are both constituent districts of the same intermediate district.

(m) A pupil enrolled in a district other than the pupil's district of residence who attends a United States Olympic education center.

(n) A pupil enrolled in a district other than the pupil's district of residence pursuant to section 1148(2) of the revised school code, MCL 380.1148.

(o) A pupil who enrolls in a district other than the pupil's district of residence as a result of the pupil's school not making adequate yearly progress under the no child left behind act of 2001, Public Law 107-110.

(p) An online learning pupil enrolled in a district other than the pupil's district of residence as an eligible pupil under section 21f.

However, if a district educates pupils who reside in another district and if the primary instructional site for those pupils is established by the educating district after 2009-2010 and is located within the boundaries of that other district, the educating district must have the approval of that other district to count those pupils in membership.

(7) "Pupil membership count day" of a district or intermediate district means:

(a) Except as provided in subdivision (b), the first Wednesday in October each school year or, for a district or building in which school is not in session on that Wednesday due to conditions not within the control of school authorities, with the approval of the superintendent, the immediately following day on which school is in session in the district or building.

(b) For a district or intermediate district maintaining school during the entire school year, the following days:

(i) Fourth Wednesday in July.

(ii) First Wednesday in October.

(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. Except as otherwise provided in this subsection, 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. 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. In addition, a pupil who was enrolled and in attendance in a district, an intermediate district, a public school academy, or the education achievement system before the pupil membership count day or supplemental count day of a particular year but was expelled or suspended on the pupil membership count day or

supplemental count day shall only be counted as 1.0 full-time equated membership if the pupil resumed attendance in the district, intermediate district, public school academy, or education achievement system within 45 days after the pupil membership count day or supplemental count day of that particular year. 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 district of the first class", "first class school district", and "district of the first class" mean, **FOR THE PURPOSES OF THIS ARTICLE ONLY**, a district that had at least ~~60,000~~ **40,000** pupils in membership for the immediately preceding fiscal year.

(12) "School fiscal year" means a fiscal year that commences July 1 and continues through June 30.

(13) "State board" means the state board of education.

(14) "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.

(15) "Supplemental count day" means the day on which the supplemental pupil count is conducted under section 6a.

(16) "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 to the district of residence. Tuition pupil does not include a pupil who is a special education pupil, a pupil described in subsection (6)(c) to (p), or a pupil whose parent or guardian voluntarily enrolls the pupil in a district that is not the pupil's district of residence. 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.

(17) "State school aid fund" means the state school aid fund established in section 11 of article IX of the state constitution of 1963.

(18) "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.

(19) "Textbook" means a book, electronic book, or other instructional print or electronic resource that is selected and approved by the governing board of a district or, for an achievement school, by the chancellor of the achievement authority and that contains a presentation of principles of a subject, or that is a literary work relevant to the study of a subject required for the use of classroom pupils, or another type of course material that forms the basis of classroom instruction.

(20) "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 article.

Sec. 8b. (1) The department shall assign a district code to each public school academy that is authorized under the revised school code and is eligible to receive funding under this ~~act~~ **ARTICLE** within 30 days after a contract is submitted to the department by the authorizing body of a public school academy.

(2) If the department does not assign a district code to a public school academy within the 30-day period described in subsection (1), the district code the department shall use to make payments under this ~~act~~ **ARTICLE** to the newly authorized public school academy shall be a number that is equivalent to the sum of the last district code assigned to a public school academy located in the same county as the newly authorized public school academy plus 1. However, if there is not an existing public school academy located in the same county as the newly authorized public school academy, then the district code the department shall use to make payments under this ~~act~~ **ARTICLE** to the newly authorized public school academy shall be a 5-digit number that has the county code in which the public school academy is located as its first 2 digits, 9 as its third digit, 0 as its fourth digit, and 1 as its fifth digit. If the number of public school academies in a county grows to exceed 100, the third digit in this 5-digit number shall then be ~~8~~ **7** for the public school academies in excess of 100.

Sec. 11. (1) For the fiscal year ending September 30, 2014, there is appropriated for the public schools of this state and certain other state purposes relating to education the sum of ~~\$11,115,232,300.00~~ **\$11,200,232,300.00** from the state school aid fund, the sum of \$156,000,000.00 from the MPSERS retirement obligation reform reserve fund created under section 147b, and the sum of ~~\$234,900,000.00~~ **\$149,900,000.00** from the general fund. **FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2015, THERE IS APPROPRIATED FOR THE PUBLIC SCHOOLS OF THIS STATE AND CERTAIN OTHER STATE PURPOSES RELATING TO EDUCATION THE SUM OF \$11,929,262,900.00 FROM THE STATE SCHOOL AID FUND, THE SUM OF \$18,000,000.00 FROM THE MPSERS RETIREMENT OBLIGATION REFORM RESERVE FUND CREATED UNDER SECTION 147B, AND THE SUM OF \$114,900,000.00 FROM THE GENERAL FUND.** In addition, all other available federal funds are appropriated **EACH FISCAL YEAR** for the fiscal year ending September 30, 2014 **AND FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2015.**

(2) The appropriations under this section shall be allocated as provided in this article. Money appropriated under this section from the general fund shall be expended to fund the purposes of this article before the expenditure of money appropriated under this section from the state school aid fund.

(3) Any general fund allocations under this article that are not expended by the end of the state fiscal year are transferred to the school aid stabilization fund created under section 11a.

Sec. 11a. (1) The school aid stabilization fund is created as a separate account within the state school aid fund established by section 11 of article IX of the state constitution of 1963.

(2) The state treasurer may receive money or other assets from any source for deposit into the school aid stabilization fund. The state treasurer shall deposit into the school aid stabilization fund all of the following:

(a) Unexpended and unencumbered state school aid fund revenue for a fiscal year that remains in the state school aid fund as of the bookclosing for that fiscal year.

(b) Money statutorily dedicated to the school aid stabilization fund.

(c) Money appropriated to the school aid stabilization fund.

(3) Money available in the school aid stabilization fund may not be expended without a specific appropriation from the school aid stabilization fund. Money in the school aid stabilization fund shall be expended only for purposes for which state school aid fund money may be expended.

(4) The state treasurer shall direct the investment of the school aid stabilization fund. The state treasurer shall credit to the school aid stabilization fund interest and earnings from fund investments.

(5) Money in the school aid stabilization fund at the close of a fiscal year shall remain in the school aid stabilization fund and shall not lapse to the unreserved school aid fund balance or the general fund.

(6) If the maximum amount appropriated under section 11 from the state school aid fund for a fiscal year exceeds the amount available for expenditure from the state school aid fund for that fiscal year, there is appropriated from the school aid stabilization fund to the state school aid fund an amount equal to the projected shortfall as determined by the department of treasury, but not to exceed available money in the school aid stabilization fund. If the money in the school aid stabilization fund is insufficient to fully fund an amount equal to the projected shortfall, the state budget director shall notify the legislature as required under section 296(2) and state payments in an amount equal to the remainder of the projected shortfall shall be prorated in the manner provided under section 296(3).

(7) For ~~2013-2014, 2014-2015~~, in addition to the appropriations in section 11, there is appropriated from the school aid stabilization fund to the state school aid fund the amount necessary to fully fund the allocations under this article.

Sec. 11g. (1) From the appropriation in section 11, there is allocated for this section an amount not to exceed \$39,500,000.00 for the fiscal year ending ~~September 30, 2014~~ and for the fiscal year ending September 30, 2015, after which these payments will cease. These allocations are for paying the amounts described in subsection (3) to districts and intermediate districts, other than those receiving a lump-sum payment under section 11f(2), that were not plaintiffs in the consolidated cases known as Durant v State of Michigan, Michigan supreme court docket no. 104458-104492 and that, on or before March 2, 1998, submitted to the state treasurer a waiver resolution described in section 11f. The amounts paid under this section represent offers of settlement and compromise of any claim or claims that were or could have been asserted by these districts and intermediate districts, as described in this section.

(2) This section does not create any obligation or liability of this state to any district or intermediate district that does not submit a waiver resolution described in section 11f. This section and any other provision of this article are not intended to admit liability or waive any defense that is or would be available to this state or its agencies, employees, or agents in any litigation or future litigation with a district or intermediate district regarding these claims or potential claims.

(3) The amount paid each fiscal year to each district or intermediate district under this section shall be 1 of the following:

(a) If the district or intermediate district does not borrow money and issue bonds under section 11i, 1/30 of the total amount listed in section 11h for the district or intermediate district through the fiscal year ending September 30, 2015.

(b) If the district or intermediate district borrows money and issues bonds under section 11i, an amount in each fiscal year calculated by the department of treasury that is equal to the debt service amount in that fiscal year on the bonds issued by that district or intermediate district under section 11i and that will result in the total payments made to all districts and intermediate districts in each fiscal year under this section being no more than the amount appropriated under this section in each fiscal year.

(4) The entire amount of each payment under this section each fiscal year shall be paid on May 15 of the applicable fiscal year or on the next business day following that date. If a district or intermediate district borrows money and issues bonds under section 11i, the district or intermediate district shall use funds received under this section to pay debt service on bonds issued under section 11i. If a district or intermediate district does not borrow money and issue bonds under section 11i, the district or intermediate district shall use funds received under this section only for the following purposes, in the following order of priority:

(a) First, to pay debt service on voter-approved bonds issued by the district or intermediate district before the effective date of this section.

(b) Second, to pay debt service on other limited tax obligations.

(c) Third, for deposit into a sinking fund established by the district or intermediate district under the revised school code.

(5) To the extent payments under this section are used by a district or intermediate district to pay debt service on debt payable from millage revenues, and to the extent permitted by law, the district or intermediate district may make a corresponding reduction in the number of mills levied for debt service.

(6) A district or intermediate district may pledge or assign payments under this section as security for bonds issued under section 11i, but shall not otherwise pledge or assign payments under this section.

(7) If a district eligible for payments under this section is dissolved under section 12 of the revised school code, MCL 380.12, the payment otherwise due to the dissolved district under this section shall be paid instead to the intermediate district of the dissolved district. The intermediate district of the dissolved district shall perform any functions and responsibilities of the board and other officers of the dissolved district necessary under this section on behalf of the dissolved district. As used in this subsection, "dissolved district" and "receiving district" mean those terms as defined in section 20.

Sec. 11j. From the appropriation in section 11, there is allocated an amount not to exceed ~~\$131,660,000.00 for 2013-2014~~ **\$126,000,000.00 FOR 2014-2015** for payments to the school loan bond redemption fund in the department of treasury on behalf of districts and intermediate districts. Notwithstanding section 296 or any other provision of this act, funds allocated under this section are not subject to proration and shall be paid in full.

Sec. 11k. For ~~2013-2014, 2014-2015~~, there is appropriated from the general fund to the school loan revolving fund an amount equal to the amount of school bond loans assigned to the Michigan finance authority, not to exceed the total amount of school bond loans held in reserve as long-term assets. As used in this section, "school loan revolving fund" means that fund created in section 16c of the shared credit rating act, 1985 PA 227, MCL 141.1066c.

Sec. 11m. From the appropriations in section 11, there is allocated for ~~2013-2014-2014-2015~~ an amount not to exceed ~~\$2,500,000.00~~ **\$4,000,000.00** for fiscal year cash-flow borrowing costs solely related to the state school aid fund established by section 11 of article IX of the state constitution of 1963.

SEC. 11R. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$4,000,000.00 TO BE DEPOSITED INTO THE DISTRESSED DISTRICTS EMERGENCY GRANT FUND CREATED UNDER THIS SECTION FOR THE PURPOSE OF FUNDING GRANTS UNDER THIS SECTION.

(2) THE DISTRESSED DISTRICTS EMERGENCY GRANT FUND IS CREATED AS A SEPARATE ACCOUNT WITHIN THE STATE SCHOOL AID FUND. THE STATE TREASURER MAY RECEIVE MONEY OR OTHER ASSETS FROM ANY SOURCE FOR DEPOSIT INTO THE DISTRESSED DISTRICTS EMERGENCY GRANT FUND. THE STATE TREASURER SHALL DIRECT THE INVESTMENT OF THE DISTRESSED DISTRICTS EMERGENCY GRANT FUND AND SHALL CREDIT TO THE DISTRESSED DISTRICTS EMERGENCY GRANT FUND INTEREST AND EARNINGS FROM THE FUND.

(3) SUBJECT TO SUBSECTION (4), A DISTRICT IS ELIGIBLE TO RECEIVE A GRANT FROM THE DISTRESSED DISTRICTS EMERGENCY GRANT FUND IF EITHER OF THE FOLLOWING APPLIES:

(A) THE DISTRICT HAS ADOPTED A RESOLUTION AUTHORIZING THE VOLUNTARY DISSOLUTION OF THE DISTRICT APPROVED BY THE STATE TREASURER UNDER SECTION 12 OF THE REVISED SCHOOL CODE, MCL 380.12, BUT THE DISSOLUTION HAS NOT YET TAKEN EFFECT UNDER THAT SECTION.

(B) THE DISTRICT IS A RECEIVING DISTRICT UNDER SECTION 12 OF THE REVISED SCHOOL CODE, MCL 380.12, AND THE DISTRICT ENROLLS PUPILS WHO WERE PREVIOUSLY ENROLLED IN A DISTRICT THAT WAS DISSOLVED UNDER SECTION 12 OF THE REVISED SCHOOL CODE, MCL 380.12, IN THE IMMEDIATELY PRECEDING SCHOOL YEAR.

(4) A DISTRICT RECEIVING FUNDS UNDER SECTION 20G IS NOT ELIGIBLE TO RECEIVE FUNDS UNDER THIS SECTION.

(5) THE AMOUNT OF A GRANT UNDER THIS SECTION SHALL BE DETERMINED BY THE STATE TREASURER AFTER CONSULTATION WITH THE SUPERINTENDENT OF PUBLIC INSTRUCTION, BUT SHALL NOT EXCEED THE ESTIMATED AMOUNT OF REMAINING DISTRICT COSTS IN EXCESS OF AVAILABLE REVENUES, INCLUDING, BUT NOT LIMITED TO, PAYROLL, BENEFITS, RETIREMENT SYSTEM CONTRIBUTIONS, PUPIL TRANSPORTATION, FOOD SERVICES, SPECIAL EDUCATION, BUILDING SECURITY, AND OTHER COSTS NECESSARY TO ALLOW THE DISTRICT TO OPERATE SCHOOLS DIRECTLY AND PROVIDE PUBLIC EDUCATION SERVICES UNTIL THE END OF THE CURRENT SCHOOL FISCAL YEAR. FOR A DISTRICT THAT MEETS THE ELIGIBILITY CRITERIA UNDER SUBSECTION (3)(B), THE AMOUNT OF THE GRANT SHALL BE DETERMINED IN THE SAME MANNER AS TRANSITION COSTS UNDER SECTION 20G.

(6) BEFORE DISBURSING FUNDS UNDER THIS SECTION, THE STATE TREASURER SHALL NOTIFY THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON SCHOOL AID AND THE HOUSE AND SENATE FISCAL AGENCIES. THE NOTIFICATION SHALL INCLUDE, BUT NOT BE LIMITED TO, THE DISTRICT RECEIVING FUNDS UNDER THIS SECTION, THE AMOUNT OF THE FUNDS AWARDED UNDER THIS SECTION, AN EXPLANATION OF THE DISTRICT CONDITIONS THAT NECESSITATE FUNDING UNDER THIS SECTION, AND THE INTENDED USE OF FUNDS DISBURSED UNDER THIS SECTION.

(7) MONEY IN THE DISTRESSED DISTRICTS EMERGENCY GRANT FUND AT THE CLOSE OF A FISCAL YEAR SHALL REMAIN IN THE DISTRESSED DISTRICTS EMERGENCY GRANT FUND AND SHALL NOT LAPSE TO THE STATE SCHOOL AID FUND OR TO THE GENERAL FUND.

Sec. 12. It is the intent of the legislature to appropriate and allocate for the fiscal year ending September 30, ~~2015-2016~~ the same amounts of money from the same sources for the same purposes as are appropriated and allocated under this article for the fiscal year ending September 30, ~~2014, 2015~~, as adjusted for changes in pupil membership, taxable values, special education costs, interest costs, **RETIREMENT COSTS**, and available revenue. These adjustments will be determined after the January ~~2014-2015~~ consensus revenue estimating conference.

Sec. 15. (1) If a district or intermediate district fails to receive its proper apportionment, the department, upon satisfactory proof that the district or intermediate district was entitled justly, shall apportion the deficiency in the next apportionment. Subject to subsections (2) and (3), if a district or intermediate district has received more than its proper apportionment, the department, upon satisfactory proof, shall deduct the excess in the next apportionment. Notwithstanding any other provision in this article, state aid overpayments to a district, other than overpayments in payments for special education or special education transportation, may be recovered from any payment made under this article other than a special education or special education transportation payment, from the proceeds of a loan to the district under the emergency municipal loan act, 1980 PA 243, MCL 141.931 to 141.942, or from the proceeds of millage levied or pledged under section 1211 of the revised school code, MCL 380.1211. State aid overpayments made in special education or special education transportation payments may be recovered from subsequent special education or special education transportation payments, from the proceeds of a loan to the district under the emergency municipal loan act, 1980 PA 243, MCL 141.931 to 141.942, or from the proceeds of millage levied or pledged under section 1211 of the revised school code, MCL 380.1211.

(2) If the result of an audit conducted by or for the department affects the current fiscal year membership, affected payments shall be adjusted in the current fiscal year. A deduction due to an adjustment made as a result of an audit conducted by or for the department, or as a result of information obtained by the department from the district, an intermediate district, the department of treasury, or the office of auditor general, shall be deducted from the district's apportionments when the adjustment is finalized. At the request of the district and upon the district presenting evidence satisfactory to the department of the hardship, the department may grant up to an additional 4 years for the adjustment and may advance payments to the district otherwise authorized under this article if the district would otherwise experience a significant hardship in satisfying its financial obligations.

(3) If, ~~BASED ON AN AUDIT BY THE DEPARTMENT OR THE DEPARTMENT'S DESIGNEE OR~~ because of the receipt of new or updated data, ~~INFORMATION RECEIVED BY THE DEPARTMENT,~~ the department determines during a fiscal year that the amount paid to a district or intermediate district under this article for ~~THE CURRENT FISCAL YEAR OR~~ a prior fiscal year was incorrect, ~~under the law in effect for that year,~~ the department may ~~SHALL~~ make the appropriate deduction or payment in the district's or intermediate district's allocation for the fiscal year in which the determination is made. ~~IN THE NEXT APPORTIONMENT AFTER THE ADJUSTMENT IS FINALIZED.~~ The deduction or payment shall be calculated according to the law in effect in the fiscal year in which the ~~improper~~ ~~INCORRECT~~ amount was paid. If the district does not receive an allocation for the fiscal year or if the allocation is not sufficient to pay the amount of any deduction, the amount of any deduction otherwise applicable shall be satisfied from the proceeds of a loan to the district under the emergency municipal loan act, 1980 PA 243, MCL 141.931 to 141.942, or from the proceeds of millage levied or pledged under section 1211 of the revised school code, MCL 380.1211, as determined by the department.

(4) THE DEPARTMENT MAY CONDUCT AUDITS, OR MAY DIRECT AUDITS BY DESIGNEE OF THE DEPARTMENT, FOR THE CURRENT FISCAL YEAR AND THE IMMEDIATELY PRECEDING 3 FISCAL YEARS OF ALL RECORDS RELATED TO A PROGRAM FOR WHICH A DISTRICT OR INTERMEDIATE DISTRICT HAS RECEIVED FUNDS UNDER THIS ARTICLE.

~~(5) (4)~~ Expenditures made by the department under this article that are caused by the write-off of prior year accruals may be funded by revenue from the write-off of prior year accruals.

~~(6) (5)~~ In addition to funds appropriated in section 11 for all programs and services, there is appropriated for ~~2013-2014~~ **2014-2015** for obligations in excess of applicable appropriations an amount equal to the collection of overpayments, but not to exceed amounts available from overpayments.

Sec. 17a. (1) The department may withhold all or part of any payment that a district or intermediate district is entitled to receive under this ~~act~~ ~~ARTICLE~~ to the extent the withholdings are a component part of a plan, developed and implemented pursuant to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, ~~THE EMERGENCY MUNICIPAL LOAN ACT, 1980 PA 243, MCL 141.931 TO 141.942, THE LOCAL FINANCIAL STABILITY AND CHOICE ACT, 2012 PA 436, MCL 141.1541 TO 141.1575,~~ or other statutory authority, for financing an outstanding obligation upon which the district or intermediate district defaulted ~~OR FOR OTHER FINANCIAL OBLIGATIONS OF THE DISTRICT OR INTERMEDIATE DISTRICT.~~ Amounts withheld shall be used to pay, on behalf of the district or intermediate district, unpaid amounts or subsequently due amounts, or both, of principal and interest on the outstanding obligation upon which the district or intermediate district defaulted.

(2) The state treasurer may withhold all or part of any payment that a district or intermediate district is entitled to receive under this ~~act~~ ~~ARTICLE~~ to the extent authorized or required under section 15 of the school bond qualification, approval, and loan act, 2005 PA 92, MCL 388.1935, ~~THE EMERGENCY MUNICIPAL LOAN ACT, 1980 PA 243, MCL 141.931 TO 141.942, THE LOCAL FINANCIAL STABILITY AND CHOICE ACT, 2012 PA 436, MCL 141.1541 TO 141.1575, OR OTHER STATUTORY AUTHORITY.~~

(3) Under an agreement entered into by a district or intermediate district assigning all or a portion of the payment that it is eligible to receive under this ~~act~~ ~~ARTICLE~~ to the Michigan finance authority or to the trustee of a pooled arrangement or pledging the amount for payment of an obligation it incurred with the Michigan finance authority or with the trustee of a pooled arrangement, the state treasurer shall transmit to the Michigan finance authority or a trustee designated by the Michigan finance authority or to the trustee of a pooled arrangement ~~OR OTHER DESIGNATED DEPOSITORY~~ the amount of the payment that is assigned or pledged under the agreement.

(4) If a district or intermediate district for which an emergency manager ~~has been appointed pursuant to~~ **IS IN PLACE UNDER** the local financial stability and choice act, 2012 PA 436, MCL 141.1541 to 141.1575, or that has an approved deficit elimination plan **OR AN APPROVED ENHANCED DEFICIT ELIMINATION PLAN** under section 102, enters into or has entered into an agreement described in subsection (3) pursuant to section 1225(2) of the revised school code, MCL 380.1225, whether the obligation was issued before or after the effective date of this subsection, the portion of state school aid paid or to be paid on behalf of the district or intermediate district directly to the Michigan finance authority, or to a trustee designated by the Michigan finance authority, for the sole purpose of paying the principal of and interest on the obligation is subject to a lien and trust that is a statutory lien and trust, paramount and superior to all other liens and interests of any kind, for the sole purpose of paying the principal of and interest on the obligation. The statutory lien and trust applies to the state school aid received or to be received by the Michigan finance authority, or trustee designated by the Michigan finance authority, on behalf of the district or intermediate district, immediately upon the later of the effective date of this subsection or the time when the state school aid is allocated to the district or intermediate district, but is subject to any subsequent reduction of the state school aid allocation by operation of law or executive order. The lien and trust imposed by this section with respect to state school aid has a priority as established in the agreement, except that the agreement shall not impair any existing lien and trust previously created pursuant to this section, including any lien and trust applicable to a multi-year repayment agreement under section 1225 of the revised school code, MCL 380.1225. Except as otherwise provided in this subsection, the lien and trust created under this subsection for the benefit of holders of the obligation issued pursuant to this section is valid and binding against a party having a claim of any kind in tort, contract, or otherwise against the district or intermediate district that has issued the obligation secured by a pledge of state school aid pursuant to this section, regardless of whether that party has notice of the pledge. A pledge made pursuant to this section for the benefit of the holders of obligations or others is perfected without delivery, recording, or notice. The state school aid paid or to be paid on behalf of a district or intermediate district to the Michigan finance authority, or trustee designated by the Michigan finance authority, shall be held in trust for the sole benefit of the holders of the obligation issued pursuant to this section or section 1225 of the revised school code, MCL 380.1225, and is exempt from being levied upon, taken, sequestered, or applied toward paying the debts or liabilities of the district or intermediate district other than for payment of the obligation to which the lien applies. However, nothing in this subsection alters the ability of the state treasurer to withhold state school aid from a district or intermediate district as provided by law.

(5) Notwithstanding the payment dates prescribed by this ~~act~~ **ARTICLE** for distributions under this ~~act~~, **ARTICLE**, the state treasurer may advance all or part of a payment that is dedicated for distribution or for which the appropriation authorizing the payment has been made if and to the extent, under the terms of an agreement entered into by a district or intermediate district and the Michigan finance authority, the payment that the district or intermediate district is eligible to receive has been assigned to or pledged for payment of an obligation it incurred with the Michigan finance authority.

(6) This section does not require the state to make an appropriation to any school district or intermediate school district and shall not be construed as creating an indebtedness of the state, and any agreement made pursuant to this section shall contain a statement to that effect.

(7) As used in this section, "trustee of a pooled arrangement" means the trustee of a trust approved by the state treasurer and, subject to the conditions and requirements of that approval, established for the purpose of offering for sale, as part of a pooled arrangement, certificates representing undivided interests in notes issued by districts or intermediate districts under section 1225 of the revised school code, MCL 380.1225.

(8) If a trustee applies to the state treasurer for approval of a trust for the purposes of this section, the state treasurer shall approve or disapprove the trust within 10 days after receipt of the application.

Sec. 18. (1) Except as provided in another section of this article, each district or other entity shall apply the money received by the district or entity under this article to salaries and other compensation of teachers and other employees, tuition, transportation, lighting, heating, ventilation, water service, the purchase of textbooks, other supplies, and any other school operating expenditures defined in section 7. However, not more than 20% of the total amount received by a district **UNDER SECTIONS 22A AND 22B** or **RECEIVED BY AN** intermediate district under ~~this article~~ **SECTION 81** may be transferred by the board to either the capital projects fund or to the debt retirement fund for debt service. The money shall not be applied or taken for a purpose other than as provided in this section. The department shall determine the reasonableness of expenditures and may withhold from a recipient of funds under this article the apportionment otherwise due upon a violation by the recipient.

(2) Within ~~30-15~~ days after a board adopts its annual operating budget for the following school fiscal year, or after a board adopts a subsequent revision to that budget, the district shall make all of the following available through a link on its website home page, or may make the information available through a link on its intermediate district's website home page, in a form and manner prescribed by the department:

- (a) The annual operating budget and subsequent budget revisions.
- (b) Using data that have already been collected and submitted to the department, a summary of district expenditures for the most recent fiscal year for which they are available, expressed in the following 2 pie charts:
 - (i) A chart of personnel expenditures, broken into the following subcategories:
 - (A) Salaries and wages.
 - (B) Employee benefit costs, including, but not limited to, medical, dental, vision, life, disability, and long-term care benefits.
 - (C) Retirement benefit costs.

- (D) All other personnel costs.
- (ii) A chart of all district expenditures, broken into the following subcategories:
 - (A) Instruction.
 - (B) Support services.
 - (C) Business and administration.
 - (D) Operations and maintenance.
- (c) Links to all of the following:
 - (i) The current collective bargaining agreement for each bargaining unit.
 - (ii) Each health care benefits plan, including, but not limited to, medical, dental, vision, disability, long-term care, or any other type of benefits that would constitute health care services, offered to any bargaining unit or employee in the district.
 - (iii) The audit report of the audit conducted under subsection (4) for the most recent fiscal year for which it is available.
 - (iv) The bids required under section 5 of the public employee health benefits act, 2007 PA 106, MCL 124.75.
- (d) The total salary and a description and cost of each fringe benefit included in the compensation package for the superintendent of the district and for each employee of the district whose salary exceeds \$100,000.00.
- (e) The annual amount spent on dues paid to associations.
- (f) The annual amount spent on lobbying or lobbying services. As used in this subdivision, "lobbying" means that term as defined in section 5 of 1978 PA 472, MCL 4.415.

(G) ANY DEFICIT ELIMINATION PLAN OR ENHANCED DEFICIT ELIMINATION PLAN THE DISTRICT WAS REQUIRED TO SUBMIT UNDER THIS ARTICLE.

(H) IDENTIFICATION OF ALL CREDIT CARDS MAINTAINED BY THE DISTRICT AS DISTRICT CREDIT CARDS, THE IDENTITY OF ALL INDIVIDUALS AUTHORIZED TO USE EACH OF THOSE CREDIT CARDS, THE CREDIT LIMIT ON EACH CREDIT CARD, AND THE DOLLAR LIMIT, IF ANY, FOR EACH INDIVIDUAL'S AUTHORIZED USE OF THE CREDIT CARD.

(I) COSTS INCURRED FOR EACH INSTANCE OF OUT-OF-STATE TRAVEL BY THE SCHOOL ADMINISTRATOR OF THE DISTRICT THAT IS FULLY OR PARTIALLY PAID FOR BY THE DISTRICT AND THE DETAILS OF EACH OF THOSE INSTANCES OF OUT-OF-STATE TRAVEL, INCLUDING AT LEAST IDENTIFICATION OF EACH INDIVIDUAL ON THE TRIP, DESTINATION, AND PURPOSE.

(3) For the information required under subsection (2)(a), (2)(b)(i), and (2)(c), an intermediate district shall provide the same information in the same manner as required for a district under subsection (2).

(4) For the ~~purpose~~ **PURPOSES** of determining the reasonableness of expenditures, **WHETHER A DISTRICT OR INTERMEDIATE DISTRICT HAS RECEIVED THE PROPER AMOUNT OF FUNDS UNDER THIS ARTICLE**, and whether a violation of this article has occurred, all of the following apply:

(a) The department shall require that each district and intermediate district have an audit of the district's or intermediate district's financial and pupil accounting records conducted at least annually, **AND AT SUCH OTHER TIMES AS DETERMINED BY THE DEPARTMENT**, at the expense of the district or intermediate district, as applicable. ~~THE AUDITS MUST BE PERFORMED~~ by a certified public accountant or by the intermediate district superintendent, as may be required by the department, or in the case of a district of the first class by a certified public accountant, the intermediate superintendent, or the auditor general of the city. **A DISTRICT OR INTERMEDIATE DISTRICT SHALL RETAIN THESE RECORDS FOR THE CURRENT FISCAL YEAR AND FROM AT LEAST THE 3 IMMEDIATELY PRECEDING FISCAL YEARS.**

(b) If a district operates in a single building with fewer than 700 full-time equated pupils, if the district has stable membership, and if the error rate of the immediately preceding 2 pupil accounting field audits of the district is less than 2%, the district may have a pupil accounting field audit conducted biennially but must continue to have desk audits for each pupil count. The auditor must document compliance with the audit cycle in the pupil auditing manual. As used in this subdivision, "stable membership" means that the district's membership for the current fiscal year varies from the district's membership for the immediately preceding fiscal year by less than 5%.

(c) A district's or intermediate district's annual financial audit shall include an analysis of the financial and pupil accounting data used as the basis for distribution of state school aid.

(d) The pupil and financial accounting records and reports, audits, and management letters are subject to requirements established in the auditing and accounting manuals approved and published by the department.

(e) All of the following shall be done not later than November 15, ~~each year~~ **2014 FOR REPORTING 2013-2014 DATA DURING 2014-2015, AND NOT LATER THAN OCTOBER 15 FOR REPORTING THE PRIOR FISCAL YEAR DATA FOR ALL SUBSEQUENT FISCAL YEARS:**

- (i) A district shall file the annual financial audit reports with the intermediate district and the department.
- (ii) The intermediate district shall file the annual financial audit reports for the intermediate district with the department.
- (iii) The intermediate district shall enter the pupil membership audit reports for its constituent districts and for the intermediate district, for the pupil membership count day and supplemental count day, in the Michigan student data system.
- (f) The annual financial audit reports and pupil accounting procedures reports shall be available to the public in compliance with the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(g) Not later than January 31 of each year, the department shall notify the state budget director and the legislative appropriations subcommittees responsible for review of the school aid budget of districts and intermediate districts that have not filed an annual financial audit and pupil accounting procedures report required under this section for the school year ending in the immediately preceding fiscal year.

(5) By November 15, ~~of each year, 2014 FOR 2014-2015 AND BY OCTOBER 15 FOR ALL SUBSEQUENT FISCAL YEARS~~, each district and intermediate district shall submit to the center, in a manner prescribed by the center, annual comprehensive financial data consistent with accounting manuals and charts of accounts approved and published by the department. For an intermediate district, the report shall also contain the website address where the department can access the report required under section 620 of the revised school code, MCL 380.620. The department shall ensure that the prescribed Michigan public school accounting manual chart of accounts includes standard conventions to distinguish expenditures by allowable fund function and object. The functions shall include at minimum categories for instruction, pupil support, instructional staff support, general administration, school administration, business administration, transportation, facilities operation and maintenance, facilities acquisition, and debt service; and shall include object classifications of salary, benefits, including categories for active employee health expenditures, purchased services, supplies, capital outlay, and other. Districts shall report the required level of detail consistent with the manual as part of the comprehensive annual financial report.

(6) By September 30 of each year, each district and intermediate district shall file with the department the special education actual cost report, known as "SE-4096", on a form and in the manner prescribed by the department.

(7) By October 7 of each year, each district and intermediate district shall file with the center the transportation expenditure report, known as "SE-4094", on a form and in the manner prescribed by the center.

(8) The department shall review its pupil accounting and pupil auditing manuals at least annually and shall periodically update those manuals to reflect changes in this article.

(9) If a district that is a public school academy purchases property using money received under this article, the public school academy shall retain ownership of the property unless the public school academy sells the property at fair market value.

(10) If a district or intermediate district does not comply with subsections (4), (5), (6), and (7), the department shall withhold all state school aid due to the district or intermediate district under this article, beginning with the next payment due to the district or intermediate district, until the district or intermediate district complies with subsections (4), (5), (6), and (7). **HOWEVER, THE DEPARTMENT SHALL NOT WITHHOLD THE PAYMENT DUE ON OCTOBER 20 DUE TO THE OPERATION OF THIS SUBSECTION.** If the district or intermediate district does not comply with subsections (4), (5), (6), and (7) by the end of the fiscal year, the district or intermediate district forfeits the amount withheld.

(11) Not later than ~~September~~ **NOVEMBER 1, 2014**, if a district or intermediate district offers online learning **UNDER SECTION 21F**, the district or intermediate district shall submit to the department a report that details the per-pupil costs of operating the online learning **BY VENDOR TYPE**. The report shall include at least all of the following information concerning the operation of online learning for the school fiscal year ending June 30, 2014:

(a) The name of the district operating the online learning and of each district that enrolled students in the online learning.

(b) The total number of students enrolled in the online learning and the total number of membership pupils enrolled in the online learning.

(c) For each pupil who is enrolled in a district other than the district offering online learning, the name of that district.

(d) The district in which the pupil was enrolled before enrolling in the district offering online learning.

(e) The number of participating students who had previously dropped out of school.

(f) The number of participating students who had previously been expelled from school.

(g) The total cost to enroll a student in the program. This cost shall be reported on a per-pupil, per-course, per-semester or trimester basis **BY VENDOR TYPE**. The total shall include costs broken down by cost for **CONTENT DEVELOPMENT, CONTENT LICENSING**, training, **ONLINE INSTRUCTION AND INSTRUCTIONAL SUPPORT**, personnel, hardware and software, payment to each online learning provider, and other costs associated with operating online learning.

(h) The name of each online education provider contracted by the district and the state in which each online education provider is headquartered.

(12) NOT LATER THAN MARCH 31, 2015, THE DEPARTMENT SHALL SUBMIT TO THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON STATE SCHOOL AID, THE STATE BUDGET DIRECTOR, AND THE HOUSE AND SENATE FISCAL AGENCIES A REPORT SUMMARIZING THE PER PUPIL COSTS BY VENDOR TYPE OF ONLINE COURSES AVAILABLE UNDER SECTION 21F.

(13) AS USED IN SUBSECTIONS (11) AND (12), "VENDOR TYPE" MEANS THE FOLLOWING:

(A) ONLINE COURSES PROVIDED BY THE MICHIGAN VIRTUAL UNIVERSITY.

(B) ONLINE COURSES PROVIDED BY A SCHOOL OF EXCELLENCE THAT IS A CYBER SCHOOL, AS DEFINED IN SECTION 551 OF THE REVISED SCHOOL CODE, MCL 380.551.

(C) ONLINE COURSES PROVIDED BY THIRD PARTY VENDORS NOT AFFILIATED WITH A MICHIGAN PUBLIC SCHOOL.

(D) ONLINE COURSES CREATED AND OFFERED BY A DISTRICT OR INTERMEDIATE DISTRICT.

Sec. 19. (1) A district or intermediate district shall comply with all applicable reporting requirements specified in state and federal law. Data provided to the center, in a form and manner prescribed by the center, shall be aggregated and disaggregated

as required by state and federal law. In addition, a district or intermediate district shall cooperate with all measures taken by the center to establish and maintain a statewide P-20 longitudinal data system.

(2) Each district shall furnish to the center not later than 5 weeks after the pupil membership count day and by June 30 of the school fiscal year ending in the fiscal year, in a manner prescribed by the center, the information necessary for the preparation of the district and high school graduation report. This information shall meet requirements established in the pupil auditing manual approved and published by the department. The center shall calculate an annual graduation and pupil dropout rate for each high school, each district, and this state, in compliance with nationally recognized standards for these calculations. The center shall report all graduation and dropout rates to the senate and house education committees and appropriations committees, the state budget director, and the department not later than 30 days after the publication of the list described in subsection (6).

(3) By the first business day in December and by June 30 of each year, a district shall furnish to the center, in a manner prescribed by the center, information related to educational personnel as necessary for reporting required by state and federal law.

(4) By June 30 of each year, a district shall furnish to the center, in a manner prescribed by the center, information related to safety practices and criminal incidents as necessary for reporting required by state and federal law.

(5) If a district or intermediate district fails to meet the requirements of this section, the department shall withhold 5% of the total funds for which the district or intermediate district qualifies under this article until the district or intermediate district complies with all of those subsections. If the district or intermediate district does not comply with all of those subsections by the end of the fiscal year, the department shall place the amount withheld in an escrow account until the district or intermediate district complies with all of those subsections.

(6) Before publishing a list of school or district accountability designations as required by the no child left behind act of 2001, Public Law 107-110, the department shall allow a school or district to appeal that determination. The department shall consider and act upon the appeal within 30 days after it is submitted and shall not publish the list until after all appeals have been considered and decided.

(7) It is the intent of the legislature to implement not later than ~~2014-2015~~, **2016-2017**, statewide standard reporting requirements for education data approved by the department in conjunction with the center. The department shall work with the center, intermediate districts, districts, and other interested stakeholders to develop recommendations on the implementation of this policy change. A district or intermediate district shall implement the statewide standard reporting requirements not later than 2014-2015 or when a district or intermediate district updates its education data reporting system, whichever is later.

Sec. 20. (1) For ~~2013-2014~~, **the 2014-2015, BOTH OF THE FOLLOWING APPLY:**

(A) THE basic foundation allowance is ~~\$8,049.00~~ \$8,099.00.

(B) THE MINIMUM FOUNDATION ALLOWANCE IS \$7,126.00.

(2) The amount of each district's foundation allowance shall be calculated as provided in this section, using a basic foundation allowance in the amount specified in subsection (1).

(3) Except as otherwise provided in this section, the amount of a district's foundation allowance shall be calculated as follows, using in all calculations the total amount of the district's foundation allowance as calculated before any proration:

(a) ~~For~~ **EXCEPT AS OTHERWISE PROVIDED IN THIS SUBDIVISION, FOR** a district that had a foundation allowance for the immediately preceding state fiscal year that was at least equal to the sum of \$7,108.00 plus the total dollar amount of all adjustments made from 2006-2007 to the immediately preceding state fiscal year in the lowest foundation allowance among all districts, **MINIMUM FOUNDATION ALLOWANCE FOR THE IMMEDIATELY PRECEDING STATE FISCAL YEAR**, but less than the basic foundation allowance for the immediately preceding state fiscal year, the district shall receive a foundation allowance in an amount equal to the sum of the greater of \$6,966.00 or the district's foundation allowance for the immediately preceding state fiscal year plus the difference between twice the dollar amount of the adjustment from the immediately preceding state fiscal year to the current state fiscal year made in the basic foundation allowance and [(the dollar amount of the adjustment from **DIFFERENCE BETWEEN THE BASIC FOUNDATION ALLOWANCE FOR THE CURRENT STATE FISCAL YEAR AND BASIC FOUNDATION ALLOWANCE FOR** the immediately preceding state fiscal year to the current state fiscal year made in the basic foundation allowance minus \$10.00) times (the difference between the district's foundation allowance for the immediately preceding state fiscal year and the sum of \$7,108.00 plus the total dollar amount of all adjustments made from 2006-2007 to the immediately preceding state fiscal year in the lowest foundation allowance among all districts) **MINIMUM FOUNDATION ALLOWANCE FOR THE IMMEDIATELY PRECEDING STATE FISCAL YEAR**] divided by the difference between the basic foundation allowance for the current state fiscal year and the sum of \$7,108.00 plus the total dollar amount of all adjustments made from 2006-2007 to the immediately preceding state fiscal year in the lowest foundation allowance among all districts]. For 2011-2012, for a district that had a foundation allowance for the immediately preceding state fiscal year that was at least equal to the sum of \$7,108.00 plus the total dollar amount of all adjustments made from 2006-2007 to the immediately preceding state fiscal year in the lowest foundation allowance among all districts, but less than the basic foundation allowance for the immediately preceding state fiscal year, the district shall receive a foundation allowance in an amount equal to the district's foundation allowance for 2010-2011, minus \$470.00. **MINIMUM FOUNDATION ALLOWANCE FOR THE IMMEDIATELY PRECEDING STATE FISCAL YEAR**]. However, the foundation allowance for a district that had less than the basic foundation allowance for the immediately preceding state

fiscal year shall not exceed the basic foundation allowance for the current state fiscal year. **FOR THE PURPOSES OF THIS SUBDIVISION, FOR 2014-2015, THE MINIMUM FOUNDATION ALLOWANCE FOR THE IMMEDIATELY PRECEDING STATE FISCAL YEAR SHALL BE CONSIDERED TO BE \$7,076.00. FOR 2014-2015, FOR A DISTRICT THAT HAD A FOUNDATION ALLOWANCE FOR THE IMMEDIATELY PRECEDING STATE FISCAL YEAR THAT WAS AT LEAST EQUAL TO THE MINIMUM FOUNDATION ALLOWANCE FOR THE IMMEDIATELY PRECEDING STATE FISCAL YEAR BUT LESS THAN THE BASIC FOUNDATION ALLOWANCE FOR THE IMMEDIATELY PRECEDING STATE FISCAL YEAR, THE DISTRICT SHALL RECEIVE A FOUNDATION ALLOWANCE IN AN AMOUNT EQUAL TO THE DISTRICT'S FOUNDATION ALLOWANCE FOR 2013-2014 PLUS \$50.00.**

(b) Except as otherwise provided in this subsection, for a district that in the immediately preceding state fiscal year had a foundation allowance in an amount at least equal to the amount of the basic foundation allowance for the immediately preceding state fiscal year, the district shall receive a foundation allowance for ~~2011-2012~~ **2014-2015** in an amount equal to the district's **BASIC** foundation allowance for ~~2010-2011~~, minus ~~\$470.00~~ **2014-2015**.

(c) ~~Except as otherwise provided in subdivision (d), for~~ **FOR** a district that in the ~~1994-95~~ state fiscal year had a foundation allowance **FOR THE IMMEDIATELY PRECEDING STATE FISCAL YEAR THAT WAS** greater than ~~\$6,500.00~~, **THE BASIC FOUNDATION ALLOWANCE FOR THE IMMEDIATELY PRECEDING STATE FISCAL YEAR**, the district's foundation allowance is an amount equal to the sum of the district's foundation allowance for the immediately preceding state fiscal year plus the lesser of the increase in the basic foundation allowance for the current state fiscal year, as compared to the immediately preceding state fiscal year, or the product of the district's foundation allowance for the immediately preceding state fiscal year times the percentage increase in the United States consumer price index in the calendar year ending in the immediately preceding fiscal year as reported by the May revenue estimating conference conducted under section 367b of the management and budget act, 1984 PA 431, MCL 18.1367b. ~~Except as otherwise provided in subdivision (d), for 2011-2012,~~ for a district that in the ~~1994-1995~~ state fiscal year had a foundation allowance greater than ~~\$6,500.00~~, the district's foundation allowance is an amount equal to the district's foundation allowance for the ~~2010-2011~~ fiscal year minus ~~\$470.00~~.

(d) For a district that in the ~~1994-95~~ state fiscal year had a foundation allowance greater than ~~\$6,500.00~~ and that had a foundation allowance for the ~~2009-2010~~ state fiscal year, as otherwise calculated under this section, that was less than the basic foundation allowance, the district's foundation allowance for ~~2011-2012~~ and each succeeding fiscal year shall be considered to be an amount equal to the basic foundation allowance.

(D) ~~(e)~~ For a district that has a foundation allowance that is not a whole dollar amount, the district's foundation allowance shall be rounded up to the nearest whole dollar.

~~(f)~~ For a district that received a payment under section 22c as that section was in effect for ~~2001-2002~~, the district's ~~2001-2002~~ foundation allowance shall be considered to have been an amount equal to the sum of the district's actual ~~2001-2002~~ foundation allowance as otherwise calculated under this section plus the per pupil amount of the district's equity payment for ~~2001-2002~~ under section 22c as that section was in effect for ~~2001-2002~~.

(E) ~~(g)~~ For a district that received a payment under section 22c as that section was in effect for ~~2006-2007~~, **2013-2014**, the district's ~~2006-2007~~ **2013-2014** foundation allowance shall be considered to have been an amount equal to the sum of the district's actual ~~2006-2007~~ **2013-2014** foundation allowance as otherwise calculated under this section plus the per pupil amount of the district's equity payment for ~~2006-2007~~ **2013-2014** under section 22c as that section was in effect for ~~2006-2007~~ **2013-2014**.

~~(h)~~ For ~~2012-2013~~, for a district that had a foundation allowance for the ~~2011-2012~~ state fiscal year of less than ~~\$6,966.00~~, the district's foundation allowance is an amount equal to ~~\$6,966.00~~.

(4) Except as otherwise provided in this subsection, the state portion of a district's foundation allowance is an amount equal to the district's foundation allowance or the basic foundation allowance for the current state fiscal year, whichever is less, minus the difference between the sum of the product of the taxable value per membership pupil of all property in the district that is nonexempt property times the district's certified mills and, for a district with certified mills exceeding 12, the product of the taxable value per membership pupil of property in the district that is commercial personal property times the certified mills minus 12 mills and the quotient of the ad valorem property tax revenue of the district captured under tax increment financing acts **LOCAL PORTION OF THE DISTRICT'S FOUNDATION ALLOWANCE** divided by the district's membership excluding special education pupils. For a district described in subsection (3)(c), the state portion of the district's foundation allowance is an amount equal to ~~\$6,962.00~~ plus the difference between the district's foundation allowance for the current state fiscal year and the district's foundation allowance for ~~1998-99~~, minus the difference between the sum of the product of the taxable value per membership pupil of all property in the district that is nonexempt property times the district's certified mills and, for a district with certified mills exceeding 12, the product of the taxable value per membership pupil of property in the district that is commercial personal property times the certified mills minus 12 mills and the quotient of the ad valorem property tax revenue of the district captured under tax increment financing acts **LOCAL PORTION OF THE DISTRICT'S FOUNDATION ALLOWANCE** divided by the district's membership excluding special education pupils. For a district that has a millage reduction required under section 31 of article IX of the state constitution of 1963, the state portion of the district's foundation allowance shall be calculated as if that reduction did not occur. For a receiving district, if school operating taxes continue to be levied on behalf of a dissolved district that has been attached in whole or in part to the receiving district to satisfy debt obligations of the dissolved district under section 12 of the revised school code, MCL 380.12, the taxable value per

membership pupil of property in the receiving district used for the purposes of this subsection does not include the taxable value of property within the geographic area of the dissolved district.

(5) The allocation calculated under this section for a pupil shall be based on the foundation allowance of the pupil's district of residence. For a pupil enrolled pursuant to section 105 or 105c in a district other than the pupil's district of residence, the allocation calculated under this section shall be based on the lesser of the foundation allowance of the pupil's district of residence or the foundation allowance of the educating district. For a pupil in membership in a K-5, K-6, or K-8 district who is enrolled in another district in a grade not offered by the pupil's district of residence, the allocation calculated under this section shall be based on the foundation allowance of the educating district if the educating district's foundation allowance is greater than the foundation allowance of the pupil's district of residence.

(6) Except as otherwise provided in this subsection, for pupils in membership, other than special education pupils, in a public school academy, the allocation calculated under this section is an amount per membership pupil other than special education pupils in the public school academy equal to the foundation allowance of the district in which the public school academy is located or the state maximum public school academy allocation, whichever is less. However, a public school academy that had an allocation under this subsection before 2009-2010 that was equal to the sum of the local school operating revenue per membership pupil other than special education pupils for the district in which the public school academy is located and the state portion of that district's foundation allowance shall not have that allocation reduced as a result of the 2010 amendment to this subsection. Notwithstanding section 101, for a public school academy that begins operations after the pupil membership count day, the amount per membership pupil calculated under this subsection shall be adjusted by multiplying that amount per membership pupil by the number of hours of pupil instruction provided by the public school academy after it begins operations, as determined by the department, divided by the minimum number of hours of pupil instruction required under section 101(3). The result of this calculation shall not exceed the amount per membership pupil otherwise calculated under this subsection.

(7) Except as otherwise provided in this subsection, for pupils attending an achievement school and in membership in the education achievement system, other than special education pupils, the allocation calculated under this section is an amount per membership pupil other than special education pupils equal to the foundation allowance of the district in which the achievement school is located, not to exceed the basic foundation allowance. Notwithstanding section 101, for an achievement school that begins operation after the pupil membership count day, the amount per membership pupil calculated under this subsection shall be adjusted by multiplying that amount per membership pupil by the number of hours of pupil instruction provided by the achievement school after it begins operations, as determined by the department, divided by the minimum number of hours of pupil instruction required under section 101(3). The result of this calculation shall not exceed the amount per membership pupil otherwise calculated under this subsection. For the purposes of this subsection, if a public school is transferred from a district to the state school reform/redesign district or the achievement authority under section 1280c of the revised school code, MCL 380.1280c, that public school is considered to be an achievement school within the education achievement system and not a school that is part of a district, and a pupil attending that public school is considered to be in membership in the education achievement system and not in membership in the district that operated the school before the transfer.

(8) Subject to subsection (4), for a district that is formed or reconfigured after June 1, 2002 by consolidation of 2 or more districts or by annexation, the resulting district's foundation allowance under this section beginning after the effective date of the consolidation or annexation shall be the lesser of the sum of the average of the foundation allowances of each of the original or affected districts, calculated as provided in this section, weighted as to the percentage of pupils in total membership in the resulting district who reside in the geographic area of each of the original or affected districts plus \$100.00 or the highest foundation allowance among the original or affected districts. This subsection does not apply to a receiving district unless there is a subsequent consolidation or annexation that affects the district.

(9) Each fraction used in making calculations under this section shall be rounded to the fourth decimal place and the dollar amount of an increase in the basic foundation allowance shall be rounded to the nearest whole dollar.

(10) State payments related to payment of the foundation allowance for a special education pupil are not calculated under this section but are instead calculated under section 51a.

(11) To assist the legislature in determining the basic foundation allowance for the subsequent state fiscal year, each revenue estimating conference conducted under section 367b of the management and budget act, 1984 PA 431, MCL 18.1367b, shall calculate a pupil membership factor, a revenue adjustment factor, and an index as follows:

(a) The pupil membership factor shall be computed by dividing the estimated membership in the school year ending in the current state fiscal year, excluding intermediate district membership, by the estimated membership for the school year ending in the subsequent state fiscal year, excluding intermediate district membership. If a consensus membership factor is not determined at the revenue estimating conference, the principals of the revenue estimating conference shall report their estimates to the house and senate subcommittees responsible for school aid appropriations not later than 7 days after the conclusion of the revenue conference.

(b) The revenue adjustment factor shall be computed by dividing the sum of the estimated total state school aid fund revenue for the subsequent state fiscal year plus the estimated total state school aid fund revenue for the current state fiscal year, adjusted for any change in the rate or base of a tax the proceeds of which are deposited in that fund and excluding money transferred into that fund from the countercyclical budget and economic stabilization fund under the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, by the sum of the estimated total school aid fund revenue for the current state fiscal year plus the

estimated total state school aid fund revenue for the immediately preceding state fiscal year, adjusted for any change in the rate or base of a tax the proceeds of which are deposited in that fund. If a consensus revenue factor is not determined at the revenue estimating conference, the principals of the revenue estimating conference shall report their estimates to the house and senate subcommittees responsible for school aid appropriations not later than 7 days after the conclusion of the revenue conference.

(c) The index shall be calculated by multiplying the pupil membership factor by the revenue adjustment factor. If a consensus index is not determined at the revenue estimating conference, the principals of the revenue estimating conference shall report their estimates to the house and senate subcommittees responsible for school aid appropriations not later than 7 days after the conclusion of the revenue conference.

~~(12) For a district that received a grant under former section 32e for 2001-2002, the district's foundation allowance for 2002-2003 and each succeeding fiscal year shall be adjusted to be an amount equal to the sum of the district's foundation allowance, as otherwise calculated under this section, plus the quotient of 100% of the amount of the grant award to the district for 2001-2002 under former section 32e divided by the number of pupils in the district's membership for 2001-2002 who were residents of and enrolled in the district. All of the following apply to districts receiving a foundation allowance adjustment under this subsection:~~

~~(a) Except as otherwise provided in this subdivision, a district qualifying for a foundation allowance adjustment under this subsection shall use the funds resulting from this adjustment for at least 1 of grades K to 3 for purposes allowable under former section 32e as in effect for 2001-2002. For an individual school or schools operated by a district qualifying for a foundation allowance adjustment under this subsection that have been determined by the department to meet the adequate yearly progress standards of the federal no child left behind act of 2001, Public Law 107-110, in both mathematics and English language arts at all applicable grade levels for all applicable subgroups, the district may submit to the department an application for flexibility in using the funds resulting from this adjustment that are attributable to the pupils in the school or schools. The application shall identify the affected school or schools and the affected funds and shall contain a plan for using the funds for specific purposes identified by the district that are designed to reduce class size, but that may be different from the purposes otherwise allowable under this subdivision. The department shall approve the application if the department determines that the purposes identified in the plan are reasonably designed to reduce class size. If the department does not act to approve or disapprove an application within 30 days after it is submitted to the department, the application is considered to be approved. If an application for flexibility in using the funds is approved, the district may use the funds identified in the application for any purpose identified in the plan.~~

~~(b) A district receiving an adjustment under this subsection shall not receive as a result of this adjustment an amount that exceeds 68.5% of the amount the district received as a result of this adjustment for 2010-2011.~~

~~(c) Notwithstanding subsection (8), for a district that is formed or reconfigured by consolidation of 2 or more districts, 1 of which received an adjustment under this subsection for 2012-2013, the resulting district's foundation allowance for 2013-2014 and each succeeding fiscal year shall be adjusted to be an amount equal to the sum of the resulting district's foundation allowance as calculated under subsection (8) excluding any adjustment calculated under this subsection plus [(the original district's adjustment under this subsection in 2012-2013 times the number of pupils in the original district's membership for 2012-2013) divided by the number of pupils in the resulting district's membership for 2013-2014].~~

~~(d) Beginning in 2013-2014, for a district that received an adjustment for the immediately preceding fiscal year and that had a foundation allowance as adjusted by this subsection for the immediately preceding fiscal year equal to \$6,966.00, the district shall not receive an adjustment under this section for the current fiscal year.~~

~~(12) (13) Payments to districts, public school academies, or the education achievement system shall not be made under this section. Rather, the calculations under this section shall be used to determine the amount of state payments under section 22b.~~

~~(13) (14) If an amendment to section 2 of article VIII of the state constitution of 1963 allowing state aid to some or all nonpublic schools is approved by the voters of this state, each foundation allowance or per pupil payment calculation under this section may be reduced.~~

~~(14) (15) As used in this section:~~

~~(a) "Certified mills" means the lesser of 18 mills or the number of mills of school operating taxes levied by the district in 1993-94.~~

~~(b) "Combined state and local revenue" means the aggregate of the district's state school aid received by or paid on behalf of the district under this section and the district's local school operating revenue.~~

~~(c) "Combined state and local revenue per membership pupil" means the district's combined state and local revenue divided by the district's membership excluding special education pupils.~~

~~(d) "Current state fiscal year" means the state fiscal year for which a particular calculation is made.~~

~~(e) "Dissolved district" means a district that loses its organization, has its territory attached to 1 or more other districts, and is dissolved as provided under section 12 of the revised school code, MCL 380.12.~~

~~(f) "Immediately preceding state fiscal year" means the state fiscal year immediately preceding the current state fiscal year.~~

~~(G) "LOCAL PORTION OF THE DISTRICT'S FOUNDATION ALLOWANCE" MEANS AN AMOUNT THAT IS EQUAL TO THE DIFFERENCE BETWEEN (THE SUM OF THE PRODUCT OF THE TAXABLE VALUE PER MEMBERSHIP PUPIL OF ALL PROPERTY IN THE DISTRICT THAT IS NONEXEMPT PROPERTY TIMES~~

THE DISTRICT'S CERTIFIED MILLS AND, FOR A DISTRICT WITH CERTIFIED MILLS EXCEEDING 12, THE PRODUCT OF THE TAXABLE VALUE PER MEMBERSHIP PUPIL OF PROPERTY IN THE DISTRICT THAT IS COMMERCIAL PERSONAL PROPERTY TIMES THE CERTIFIED MILLS MINUS 12 MILLS) AND (THE QUOTIENT OF THE PRODUCT OF THE CAPTURED ASSESSED VALUATION UNDER TAX INCREMENT FINANCING ACTS TIMES THE DISTRICT'S CERTIFIED MILLS DIVIDED BY THE DISTRICT'S MEMBERSHIP EXCLUDING SPECIAL EDUCATION PUPILS).

(H) ~~(g)~~ "Local school operating revenue" means school operating taxes levied under section 1211 of the revised school code, MCL 380.1211. For a receiving district, if school operating taxes are to be levied on behalf of a dissolved district that has been attached in whole or in part to the receiving district to satisfy debt obligations of the dissolved district under section 12 of the revised school code, MCL 380.12, local school operating revenue does not include school operating taxes levied within the geographic area of the dissolved district.

(I) ~~(h)~~ "Local school operating revenue per membership pupil" means a district's local school operating revenue divided by the district's membership excluding special education pupils.

(J) ~~(i)~~ "Maximum public school academy allocation", except as otherwise provided in this subdivision, means the maximum per-pupil allocation as calculated by adding the highest per-pupil allocation among all public school academies for the immediately preceding state fiscal year plus the difference between twice the dollar amount of the adjustment from **AMOUNT OF THE DIFFERENCE BETWEEN THE BASIC FOUNDATION ALLOWANCE FOR THE CURRENT STATE FISCAL YEAR AND THE BASIC FOUNDATION FOR** the immediately preceding state fiscal year to the current state fiscal year made in the basic foundation allowance and [(the dollar amount of the adjustment from **AMOUNT OF THE DIFFERENCE BETWEEN THE BASIC FOUNDATION ALLOWANCE FOR THE CURRENT STATE FISCAL YEAR AND THE BASIC FOUNDATION FOR** the immediately preceding state fiscal year to the current state fiscal year made in the basic foundation allowance minus \$10.00) times (the difference between the highest per-pupil allocation among all public school academies for the immediately preceding state fiscal year and the sum of \$7,108.00 plus the total dollar amount of all adjustments made from 2006-2007 to the immediately preceding state fiscal year in the lowest per-pupil allocation among all public school academies) **MINIMUM FOUNDATION ALLOWANCE FOR THE IMMEDIATELY PRECEDING STATE FISCAL YEAR**] divided by the difference between the basic foundation allowance for the current state fiscal year and the sum of \$7,108.00 plus the total dollar amount of all adjustments made from 2006-2007 to the immediately preceding state fiscal year in the lowest per-pupil allocation among all public school academies] **MINIMUM FOUNDATION ALLOWANCE FOR THE IMMEDIATELY PRECEDING STATE FISCAL YEAR**]. **FOR THE PURPOSES OF THIS SUBDIVISION, FOR 2014-2015, THE MINIMUM FOUNDATION ALLOWANCE FOR THE IMMEDIATELY PRECEDING STATE FISCAL YEAR SHALL BE CONSIDERED TO BE \$7,076.00. FOR 2014-2015, THE MAXIMUM PUBLIC SCHOOL ACADEMY ALLOCATION IS \$7,218.00.**

(K) ~~(j)~~ "Membership" means the definition of that term under section 6 as in effect for the particular fiscal year for which a particular calculation is made.

(L) ~~(k)~~ "Nonexempt property" means property that is not a principal residence, qualified agricultural property, qualified forest property, supportive housing property, industrial personal property, or commercial personal property.

(M) ~~(l)~~ "Principal residence", "qualified agricultural property", "qualified forest property", "supportive housing property", "industrial personal property", and "commercial personal property" mean those terms as defined in section 1211 of the revised school code, MCL 380.1211.

(N) ~~(m)~~ "Receiving district" means a district to which all or part of the territory of a dissolved district is attached under section 12 of the revised school code, MCL 380.12.

(O) ~~(n)~~ "School operating purposes" means the purposes included in the operation costs of the district as prescribed in sections 7 and 18 and purposes authorized under section 1211 of the revised school code, MCL 380.1211.

(P) ~~(o)~~ "School operating taxes" means local ad valorem property taxes levied under section 1211 of the revised school code, MCL 380.1211, and retained for school operating purposes.

(Q) ~~(p)~~ "Tax increment financing acts" means 1975 PA 197, MCL 125.1651 to 125.1681, the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672, or the corridor improvement authority act, 2005 PA 280, MCL 125.2871 to 125.2899.

(R) ~~(q)~~ "Taxable value per membership pupil" means taxable value, as certified by the ~~department of treasury, COUNTY TREASURER AND REPORTED TO THE DEPARTMENT,~~ for the calendar year ending in the current state fiscal year divided by the district's membership excluding special education pupils for the school year ending in the current state fiscal year.

Sec. 20d. In making the final determination required under former section 20a of a district's combined state and local revenue per membership pupil in 1993-94 and in making calculations under section 20 for ~~2013-2014,~~ **2014-2015**, the department and the department of treasury shall comply with all of the following:

(a) For a district that had combined state and local revenue per membership pupil in the 1994-95 state fiscal year of \$6,500.00 or more and served as a fiscal agent for a state board designated area vocational education center in the 1993-94 school year, total state school aid received by or paid on behalf of the district pursuant to this act in 1993-94 shall exclude payments made

under former section 146 and under section 147 on behalf of the district's employees who provided direct services to the area vocational education center. Not later than June 30, 1996, the department shall make an adjustment under this subdivision to the district's combined state and local revenue per membership pupil in the 1994-95 state fiscal year and the department of treasury shall make a final certification of the number of mills that may be levied by the district under section 1211 of the revised school code, MCL 380.1211, as a result of the adjustment under this subdivision.

(b) If a district had an adjustment made to its 1993-94 total state school aid that excluded payments made under former section 146 and under section 147 on behalf of the district's employees who provided direct services for intermediate district center programs operated by the district under article 5, if nonresident pupils attending the center programs were included in the district's membership for purposes of calculating the combined state and local revenue per membership pupil for 1993-94, and if there is a signed agreement by all constituent districts of the intermediate district that an adjustment under this subdivision shall be made, the foundation allowances for 1995-96 and 1996-97 of all districts that had pupils attending the intermediate district center program operated by the district that had the adjustment shall be calculated as if their combined state and local revenue per membership pupil for 1993-94 included resident pupils attending the center program and excluded nonresident pupils attending the center program.

Sec. 20f. (1) From the funds appropriated in section 11, there is allocated an amount not to exceed \$6,000,000.00 for 2013-2014 ~~2014-2015~~ for payments to eligible districts under this section. A district is eligible for funding under this section **IF THE DISTRICT RECEIVED A PAYMENT UNDER THIS SECTION AS IT WAS IN EFFECT FOR 2013-2014. A DISTRICT WAS ELIGIBLE FOR FUNDING IN 2013-2014** if the sum of the following is ~~WAS~~ less than \$5.00:

(a) The increase in the district's foundation allowance or per pupil payment as calculated under section 20 from 2012-2013 to 2013-2014.

(b) The district's equity payment per membership pupil under section 22c **FOR 2013-2014**.

(c) The quotient of the district's allocation under section 147a for 2012-2013 divided by the district's membership pupils for 2012-2013 minus the quotient of the district's allocation under section 147a for 2013-2014 divided by the district's membership pupils for 2013-2014.

(2) The amount allocated to each eligible district under this section is an amount per membership pupil equal to ~~\$5.00 minus the sum of the following:~~ **THE AMOUNT PER MEMBERSHIP PUPIL THE DISTRICT RECEIVED IN 2013-2014**.

~~(a) The increase in the district's foundation allowance or per pupil payment as calculated under section 20 from 2012-2013 to 2013-2014.~~

~~(b) The district's equity payment per membership pupil under section 22c.~~

~~(c) The quotient of the district's allocation under section 147a for 2012-2013 divided by the district's membership pupils for 2012-2013 minus the quotient of the district's allocation under section 147a for 2013-2014 divided by the district's membership pupils for 2013-2014.~~

(3) IF THE ALLOCATION UNDER SUBSECTION (1) IS INSUFFICIENT TO FULLY FUND PAYMENTS AS OTHERWISE CALCULATED UNDER THIS SECTION, THE DEPARTMENT SHALL PRORATE PAYMENTS UNDER THIS SECTION ON AN EQUAL PER-PUPIL BASIS.

Sec. 20g. (1) From the money appropriated under section 11, ~~the following amounts are allocated for 2013-2014:~~

~~(a) From the general fund money,~~ **THERE IS ALLOCATED** an amount not to exceed \$2,200,000.00 for 2013-2014 **2014-2015** for grants to eligible districts **THAT FIRST RECEIVED PAYMENTS UNDER THIS SECTION IN 2013-2014** for transition costs related to the enrollment of pupils who were previously enrolled in a district that was dissolved under section 12 of the revised school code, MCL 380.12, allocated as provided under subsection (3). ~~It is the intent of the legislature to continue this transition funding~~ **PAYMENTS UNDER THIS SECTION SHALL CONTINUE** for a total of 4 fiscal years following the dissolution of a district, **AFTER WHICH THE PAYMENTS SHALL CEASE**.

~~(b) From the state school aid fund money, an amount not to exceed \$5,000,000.00 for reimbursements to eligible districts for costs incurred by the eligible district associated with the transfer of property from a dissolved school district to the eligible district, allocated as provided under subsection (4).~~

(2) A receiving school district, as that term is defined in section 12 of the revised school code, MCL 380.12, is an eligible district under this section.

(3) The amount allocated to each eligible district under ~~subsection (1)(a)~~ **THIS SECTION** is an amount equal to the product of the number of membership pupils enrolled in the eligible district who were previously enrolled in the dissolved **SCHOOL** district in the school year immediately preceding the dissolution, or who reside in the geographic area of the dissolved **SCHOOL** district and are entering kindergarten, times 10.0% of the lesser of the foundation allowance of the eligible district as calculated under section 20 or the basic foundation allowance under section 20(1).

~~(4) To allocate funds under subsection (1)(b), the department shall develop a reimbursement application process and a reimbursement distribution process. Reimbursable costs shall include, but are not limited to, the costs of maintenance, utilities, security, or insurance associated with, or the demolition of, buildings transferred from a dissolved school district to the eligible district. However, the reimbursement made to eligible districts for all of the property transferred from a single dissolved school district shall not exceed the total cumulative sum of \$2,500,000.00 for all of the eligible districts to which property was transferred from that dissolved school district.~~

~~(5) The funds allocated under subsection (1)(b) are considered work project appropriations and any unexpended funds for 2013-2014 are carried forward into 2014-2015. The purpose of the work project is as described in subsection (1)(b). The total estimated cost of the work project is \$5,000,000.00. The tentative estimated completion date for the work project is September 30, 2015.~~

~~(4) (6) As used in this section, "dissolved school district" means a school district that has been declared dissolved under section 12 of the revised school code, 1976 PA 451, MCL 380.12.~~

Sec. 21b. (1) Subject to subsections (2) and (3), a district shall use funds received under section 22a or 22b to support the attendance of a district pupil **WHO IS AN ELIGIBLE STUDENT** at an eligible postsecondary institution under the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524, or under the career and technical preparation act, 2000 PA 258, MCL 388.1901 to 388.1913, **BY PAYING ELIGIBLE CHARGES ON BEHALF OF THE DISTRICT PUPIL AS REQUIRED UNDER THOSE ACTS.**

(2) ~~To the extent required under subsection (3), a district shall pay tuition and mandatory course fees, material fees, and registration fees required by an eligible postsecondary institution for enrollment in an eligible course. A district also shall pay any late fees charged by an eligible postsecondary institution due to the district's failure to make a required payment according to the timetable prescribed by the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524, or the career and technical preparation act, 2000 PA 258, MCL 388.1901 to 388.1913. A district is not required to pay transportation costs, parking costs, or activity fees~~ **ON BEHALF OF AN ELIGIBLE STUDENT FOR ATTENDANCE AT AN ELIGIBLE POSTSECONDARY INSTITUTION AS DESCRIBED IN SUBSECTION (1).**

~~(3) A district shall pay to the eligible postsecondary institution on behalf of an eligible student an amount equal to the lesser of the amount of the eligible charges described in subsection (2) or the prorated percentage of the state portion of the foundation allowance paid or calculated, as applicable, on behalf of that eligible student under section 20, with the proration based on the proportion of the school year that the eligible student attends the postsecondary institution. A district may pay more money to an eligible postsecondary institution on behalf of an eligible student than required under this section and the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524, or the career and technical preparation act, 2000 PA 258, MCL 388.1901 to 388.1913, and may use local school operating revenue for that purpose. An eligible student is responsible for payment of the remainder of the costs associated with his or her postsecondary enrollment that exceed the amount the district is required to pay under this section and the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524, or the career and technical preparation act, 2000 PA 258, MCL 388.1901 to 388.1913, and that are not paid by the district. As used in this subsection, "local school operating revenue" means that term as defined in section 20.~~

(4) As used in this section, "eligible course", "eligible student", and "eligible postsecondary institution" mean those terms as defined in section 3 of the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524, or in section 3 of the career and technical preparation act, 2000 PA 258, MCL 388.1903, as applicable.

Sec. 21f. (1) A pupil enrolled in a district in any of grades 5-6 to 12 is eligible to enroll in an online course as provided for in this section. ~~However, this section does not apply to a pupil enrolled in a school of excellence that is a cyber school, as defined in section 551 of the revised school code, MCL 380.551.~~

(2) With the consent of the pupil's parent or legal guardian, a district shall enroll an eligible pupil in up to 2 online courses as requested by the pupil during an academic term, semester, or trimester. ~~It is the intent of the legislature to consider increasing the limit on the number of online courses that a pupil may enroll in beginning in 2014-2015 for pupils who have demonstrated previous success with online courses.~~ **UNLESS THE PUPIL IS NEWLY ENROLLED IN THE DISTRICT, THE REQUEST FOR ONLINE COURSE ENROLLMENT MUST BE MADE IN THE ACADEMIC TERM, SEMESTER, TRIMESTER, OR SUMMER PRECEDING THE ENROLLMENT. A DISTRICT MAY NOT ESTABLISH ADDITIONAL REQUIREMENTS THAT WOULD PROHIBIT A PUPIL FROM TAKING AN ONLINE COURSE. IF A PUPIL HAS DEMONSTRATED PREVIOUS SUCCESS WITH ONLINE COURSES AND THE SCHOOL LEADERSHIP AND THE PUPIL'S PARENT OR LEGAL GUARDIAN DETERMINE THAT IT IS IN THE BEST INTEREST OF THE PUPIL, A PUPIL MAY BE ENROLLED IN MORE THAN 2 ONLINE COURSES IN A SPECIFIC ACADEMIC TERM, SEMESTER, OR TRIMESTER.** Consent of the pupil's parent or legal guardian is not required if the pupil is at least age 18 or is an emancipated minor.

(3) An eligible pupil may enroll in an online course published in the pupil's educating district's catalog of online courses described in subsection (7)(a) or the statewide catalog of online courses maintained by the Michigan virtual university pursuant to section 98.

(4) A district shall determine whether or not it has capacity to accept applications for enrollment from nonresident applicants in online courses and may use that limit as the reason for refusal to enroll an applicant. If the number of nonresident applicants eligible for acceptance in an online course does not exceed the capacity of the district to provide the online course, the district shall accept for enrollment all of the nonresident applicants eligible for acceptance. If the number of nonresident applicants exceeds the district's capacity to provide the online course, the district shall use a random draw system, subject to the need to abide by state and federal antidiscrimination laws and court orders.

(5) A district may deny a pupil enrollment in an online course if any of the following apply, as determined by the district:

(a) The pupil has previously gained the credits provided from the completion of the online course.

(b) The online course is not capable of generating academic credit.

(c) The online course is inconsistent with the remaining graduation requirements or career interests of the pupil.

(d) The pupil does not possess the prerequisite knowledge and skills to be successful in the online course or has demonstrated failure in previous online coursework in the same subject.

(e) The online course is of insufficient quality or rigor. A district that denies a pupil enrollment for this reason shall make a reasonable effort to assist the pupil to find an alternative course in the same or a similar subject that is of acceptable rigor and quality.

(F) THE COST OF THE ONLINE COURSE EXCEEDS THE AMOUNT IDENTIFIED IN SUBSECTION (8), UNLESS THE PUPIL'S PARENT OR LEGAL GUARDIAN AGREES TO PAY THE COST THAT EXCEEDS THIS AMOUNT.

(G) THE ONLINE COURSE ENROLLMENT REQUEST DOES NOT OCCUR WITHIN THE SAME TIMELINES ESTABLISHED BY THE DISTRICT FOR ENROLLMENT AND SCHEDULE CHANGES FOR REGULAR COURSES.

(6) If a pupil is denied enrollment in an online course by a district, the pupil may appeal the denial by submitting a letter to the superintendent of the intermediate district in which the pupil's educating district is located. The letter of appeal shall include the reason provided by the district for not enrolling the pupil and the reason why the pupil is claiming that the enrollment should be approved. The intermediate district superintendent or designee shall respond to the appeal within 5 days after it is received. If the intermediate district superintendent or designee determines that the denial of enrollment does not meet 1 or more of the reasons specified in subsection (5), the district shall allow the pupil to enroll in the online course.

(7) To offer or provide an online course **UNDER THIS SECTION**, a district or intermediate district shall do all of the following:

(a) Provide the Michigan virtual university with the course syllabus in a form and method prescribed by the Michigan virtual university for inclusion in a statewide online course catalog. The district or intermediate district shall also provide on its publicly accessible website a link to the course syllabi for all of the online courses offered by the district or intermediate district and a link to the statewide catalog of online courses maintained by the Michigan virtual university.

(b) Offer the online course on an open entry and exit method, or aligned to a semester, trimester, or accelerated academic term format.

(C) NOT LATER THAN OCTOBER 1, 2014, PROVIDE THE MICHIGAN VIRTUAL UNIVERSITY WITH THE NUMBER OF ENROLLMENTS IN EACH ONLINE COURSE THE DISTRICT OR INTERMEDIATE DISTRICT OFFERED TO PUPILS PURSUANT TO THIS SECTION IN THE IMMEDIATELY PRECEDING SCHOOL YEAR, AND THE NUMBER OF ENROLLMENTS IN WHICH THE PUPIL EARNED 60% OR MORE OF THE TOTAL COURSE POINTS FOR EACH ONLINE COURSE.

(8) For a pupil enrolled in 1 or more online courses published in the pupil's educating district's catalog of online courses under subsection (7) or in the statewide catalog of online courses maintained by the Michigan virtual university, the district shall use foundation allowance or per pupil funds calculated under section 20 to pay for the expenses associated with the online course or courses. The district shall pay 80% of the cost of the online course upon enrollment and 20% upon completion as determined by the district. A district is not required to pay toward the cost of an online course an amount that exceeds ~~1/12~~ **8.33%** of the ~~district's MINIMUM~~ foundation allowance ~~or per pupil payment~~ **FOR THE CURRENT FISCAL YEAR** as calculated under section 20. ~~per semester or an amount that exceeds 1/18 of the district's foundation allowance or per pupil payment as calculated under section 20 per trimester.~~

(9) An online learning pupil shall have the same rights and access to technology in his or her ~~educating~~ **PRIMARY** district's school facilities as all other pupils enrolled in the ~~educating~~ **PUPIL'S PRIMARY** district.

(10) If a pupil successfully completes an online course, as determined by the **PUPIL'S PRIMARY** district, the pupil's **PRIMARY** district shall grant appropriate academic credit for completion of the course and shall count that credit toward completion of graduation and subject area requirements. A pupil's school record and transcript shall identify the online course title as it appears in the online course syllabus.

(11) The enrollment of a pupil in 1 or more online courses shall not result in a pupil being counted as more than 1.0 full-time equivalent pupils under this ~~act~~ **ARTICLE**.

(12) THE PORTION OF THE FULL-TIME EQUATED PUPIL MEMBERSHIP FOR WHICH A PUPIL IS ENROLLED IN 1 OR MORE ONLINE COURSES UNDER THIS SECTION SHALL NOT BE TRANSFERRED UNDER THE PUPIL TRANSFER PROCESS UNDER SECTION 25E.

(13) ~~(12)~~ As used in this section:

(a) "Online course" means a course of study that is capable of generating a credit or a grade, that is provided in an interactive internet-connected learning environment, in which pupils are separated from their teachers by time or location, or both, and in which a teacher who holds a valid Michigan teaching certificate is responsible for determining appropriate instructional methods for each pupil, diagnosing learning needs, assessing pupil learning, prescribing intervention strategies, reporting outcomes, and evaluating the effects of instruction and support strategies.

(b) "Online course syllabus" means a document that includes all of the following:

(i) The state academic standards addressed in an online course.

(ii) The online course content outline.

- (iii) The online course required assessments.
- (iv) The online course prerequisites.
- (v) Expectations for actual instructor contact time with the online learning pupil and other pupil-to-instructor communications.
- (vi) Academic support available to the online learning pupil.
- (vii) The online course learning outcomes and objectives.
- (viii) The name of the institution or organization providing the online content.
- (ix) The name of the institution or organization providing the online instructor.
- (x) The course titles assigned by the district or intermediate district and the course titles and course codes from the national center for education statistics (NCES) school codes for the exchange of data (SCED).
- (xi) The number of eligible nonresident pupils that will be accepted by the district or intermediate district in the online course.
- (xii) The results of the online course quality review using the guidelines and model review process published by the Michigan virtual university.

(c) "Online learning pupil" means a pupil enrolled in 1 or more online courses.

(D) "PRIMARY DISTRICT" MEANS THE DISTRICT THAT ENROLLS THE PUPIL AND REPORTS THE PUPIL AS A FULL-TIME EQUATED PUPIL FOR PUPIL MEMBERSHIP PURPOSES.

Sec. 22a. (1) From the appropriation in section 11, there is allocated an amount not to exceed ~~\$5,526,000,000.00~~ **\$5,393,000,000.00** for ~~2013-2014~~ **2014-2015** for payments to districts and qualifying public school academies to guarantee each district and qualifying public school academy an amount equal to its 1994-95 total state and local per pupil revenue for school operating purposes under section 11 of article IX of the state constitution of 1963. Pursuant to section 11 of article IX of the state constitution of 1963, this guarantee does not apply to a district in a year in which the district levies a millage rate for school district operating purposes less than it levied in 1994. However, subsection (2) applies to calculating the payments under this section. Funds allocated under this section that are not expended in the state fiscal year for which they were allocated, as determined by the department, may be used to supplement the allocations under sections 22b and 51c in order to fully fund those calculated allocations for the same fiscal year.

(2) To ensure that a district receives an amount equal to the district's 1994-95 total state and local per pupil revenue for school operating purposes, there is allocated to each district a state portion of the district's 1994-95 foundation allowance in an amount calculated as follows:

(a) Except as otherwise provided in this subsection, the state portion of a district's 1994-95 foundation allowance is an amount equal to the district's 1994-95 foundation allowance or \$6,500.00, whichever is less, minus the difference between the sum of the product of the taxable value per membership pupil of all property in the district that is nonexempt property times the district's certified mills and, for a district with certified mills exceeding 12, the product of the taxable value per membership pupil of property in the district that is commercial personal property times the certified mills minus 12 mills and the quotient of the ad valorem property tax revenue of the district captured under tax increment financing acts divided by the district's membership. For a district that has a millage reduction required under section 31 of article IX of the state constitution of 1963, the state portion of the district's foundation allowance shall be calculated as if that reduction did not occur. For a receiving district, if school operating taxes are to be levied on behalf of a dissolved district that has been attached in whole or in part to the receiving district to satisfy debt obligations of the dissolved district under section 12 of the revised school code, MCL 380.12, taxable value per membership pupil of all property in the receiving district that is nonexempt property and taxable value per membership pupil of property in the receiving district that is commercial personal property do not include property within the geographic area of the dissolved district; ad valorem property tax revenue of the receiving district captured under tax increment financing acts does not include ad valorem property tax revenue captured within the geographic boundaries of the dissolved district under tax increment financing acts; and certified mills do not include the certified mills of the dissolved district.

(b) For a district that had a 1994-95 foundation allowance greater than \$6,500.00, the state payment under this subsection shall be the sum of the amount calculated under subdivision (a) plus the amount calculated under this subdivision. The amount calculated under this subdivision shall be equal to the difference between the district's 1994-95 foundation allowance minus \$6,500.00 and the current year hold harmless school operating taxes per pupil. If the result of the calculation under subdivision (a) is negative, the negative amount shall be an offset against any state payment calculated under this subdivision. If the result of a calculation under this subdivision is negative, there shall not be a state payment or a deduction under this subdivision. The taxable values per membership pupil used in the calculations under this subdivision are as adjusted by ad valorem property tax revenue captured under tax increment financing acts divided by the district's membership. For a receiving district, if school operating taxes are to be levied on behalf of a dissolved district that has been attached in whole or in part to the receiving district to satisfy debt obligations of the dissolved district under section 12 of the revised school code, MCL 380.12, ad valorem property tax revenue captured under tax increment financing acts do not include ad valorem property tax revenue captured within the geographic boundaries of the dissolved district under tax increment financing acts.

(3) Beginning in 2003-2004, for pupils in membership in a qualifying public school academy, there is allocated under this section to the authorizing body that is the fiscal agent for the qualifying public school academy for forwarding to the qualifying public school academy an amount equal to the 1994-95 per pupil payment to the qualifying public school academy under section 20.

(4) A district or qualifying public school academy may use funds allocated under this section in conjunction with any federal funds for which the district or qualifying public school academy otherwise would be eligible.

(5) Except as otherwise provided in this subsection, for a district that is formed or reconfigured after June 1, 2000 by consolidation of 2 or more districts or by annexation, the resulting district's 1994-95 foundation allowance under this section beginning after the effective date of the consolidation or annexation shall be the average of the 1994-95 foundation allowances of each of the original or affected districts, calculated as provided in this section, weighted as to the percentage of pupils in total membership in the resulting district in the state fiscal year in which the consolidation takes place who reside in the geographic area of each of the original districts. If an affected district's 1994-95 foundation allowance is less than the 1994-95 basic foundation allowance, the amount of that district's 1994-95 foundation allowance shall be considered for the purpose of calculations under this subsection to be equal to the amount of the 1994-95 basic foundation allowance. This subsection does not apply to a receiving district unless there is a subsequent consolidation or annexation that affects the district.

(6) PAYMENTS UNDER THIS SECTION ARE SUBJECT TO SECTION 25F.

(7) ~~(6)~~ As used in this section:

(a) "1994-95 foundation allowance" means a district's 1994-95 foundation allowance calculated and certified by the department of treasury or the superintendent under former section 20a as enacted in 1993 PA 336 and as amended by 1994 PA 283.

(b) "Certified mills" means the lesser of 18 mills or the number of mills of school operating taxes levied by the district in 1993-94.

(c) "Current state fiscal year" means the state fiscal year for which a particular calculation is made.

(d) "Current year hold harmless school operating taxes per pupil" means the per pupil revenue generated by multiplying a district's 1994-95 hold harmless millage by the district's current year taxable value per membership pupil. For a receiving district, if school operating taxes are to be levied on behalf of a dissolved district that has been attached in whole or in part to the receiving district to satisfy debt obligations of the dissolved district under section 12 of the revised school code, MCL 380.12, taxable value per membership pupil does not include the taxable value of property within the geographic area of the dissolved district.

(e) "Dissolved district" means a district that loses its organization, has its territory attached to 1 or more other districts, and is dissolved as provided under section 12 of the revised school code, MCL 380.12.

(f) "Hold harmless millage" means, for a district with a 1994-95 foundation allowance greater than \$6,500.00, the number of mills by which the exemption from the levy of school operating taxes on a homestead, qualified agricultural property, qualified forest property, supportive housing property, industrial personal property, and commercial personal property could be reduced as provided in section 1211 of the revised school code, MCL 380.1211, and the number of mills of school operating taxes that could be levied on all property as provided in section 1211(2) of the revised school code, MCL 380.1211, as certified by the department of treasury for the 1994 tax year. For a receiving district, if school operating taxes are to be levied on behalf of a dissolved district that has been attached in whole or in part to the receiving district to satisfy debt obligations of the dissolved district under section 12 of the revised school code, MCL 380.12, school operating taxes do not include school operating taxes levied within the geographic area of the dissolved district.

(g) "Homestead", "qualified agricultural property", "qualified forest property", "supportive housing property", "industrial personal property", and "commercial personal property" mean those terms as defined in section 1211 of the revised school code, MCL 380.1211.

(h) "Membership" means the definition of that term under section 6 as in effect for the particular fiscal year for which a particular calculation is made.

(i) "Nonexempt property" means property that is not a principal residence, qualified agricultural property, qualified forest property, supportive housing property, industrial personal property, or commercial personal property.

(j) "Qualifying public school academy" means a public school academy that was in operation in the 1994-95 school year and is in operation in the current state fiscal year.

(k) "Receiving district" means a district to which all or part of the territory of a dissolved district is attached under section 12 of the revised school code, MCL 380.12.

(l) "School operating taxes" means local ad valorem property taxes levied under section 1211 of the revised school code, MCL 380.1211, and retained for school operating purposes as defined in section 20.

(m) "Tax increment financing acts" means 1975 PA 197, MCL 125.1651 to 125.1681, the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672, or the corridor improvement authority act, 2005 PA 280, MCL 125.2871 to 125.2899.

(n) "Taxable value per membership pupil" means each of the following divided by the district's membership:

(i) For the number of mills by which the exemption from the levy of school operating taxes on a homestead, qualified agricultural property, qualified forest property, supportive housing property, industrial personal property, and commercial personal property may be reduced as provided in section 1211 of the revised school code, MCL 380.1211, the taxable value of homestead, qualified agricultural property, qualified forest property, supportive housing property, industrial personal property, and commercial personal property for the calendar year ending in the current state fiscal year. For a receiving district, if school

operating taxes are to be levied on behalf of a dissolved district that has been attached in whole or in part to the receiving district to satisfy debt obligations of the dissolved district under section 12 of the revised school code, MCL 380.12, mills do not include mills within the geographic area of the dissolved district.

(ii) For the number of mills of school operating taxes that may be levied on all property as provided in section 1211(2) of the revised school code, MCL 380.1211, the taxable value of all property for the calendar year ending in the current state fiscal year. For a receiving district, if school operating taxes are to be levied on behalf of a dissolved district that has been attached in whole or in part to the receiving district to satisfy debt obligations of the dissolved district under section 12 of the revised school code, MCL 380.12, school operating taxes do not include school operating taxes levied within the geographic area of the dissolved district.

Sec. 22b. (1) From the appropriation in section 11, there is allocated an amount not to exceed ~~\$3,335,000,000.00~~ **\$3,492,000,000.00** for ~~2013-2014~~ **2014-2015** for discretionary nonmandated payments to districts under this section. Funds allocated under this section that are not expended in the state fiscal year for which they were allocated, as determined by the department, may be used to supplement the allocations under sections 22a and 51c in order to fully fund those calculated allocations for the same fiscal year.

(2) Subject to subsection (3) and section 296, the allocation to a district under this section shall be an amount equal to the sum of the amounts calculated under sections 20, 51a(2), 51a(3), and 51a(11), minus the sum of the allocations to the district under sections 22a and 51c.

(3) In order to receive an allocation under subsection (1), each district shall do all of the following:

- (a) Comply with section 1280b of the revised school code, MCL 380.1280b.
- (b) Comply with sections 1278a and 1278b of the revised school code, MCL 380.1278a and 380.1278b.
- (c) Furnish data and other information required by state and federal law to the center and the department in the form and manner specified by the center or the department, as applicable.
- (d) Comply with section 1230g of the revised school code, MCL 380.1230g.
- (e) Comply with section 21f.

(4) Districts are encouraged to use funds allocated under this section for the purchase and support of payroll, human resources, and other business function software that is compatible with that of the intermediate district in which the district is located and with other districts located within that intermediate district.

(5) From the allocation in subsection (1), the department shall pay up to \$1,000,000.00 in litigation costs incurred by this state related to commercial or industrial property tax appeals, including, but not limited to, appeals of classification, that impact revenues dedicated to the state school aid fund.

(6) From the allocation in subsection (1), the department shall pay up to \$1,000,000.00 in litigation costs incurred by this state associated with lawsuits filed by 1 or more districts or intermediate districts against this state. If the allocation under this section is insufficient to fully fund all payments required under this section, the payments under this subsection shall be made in full before any proration of remaining payments under this section.

(7) It is the intent of the legislature that all constitutional obligations of this state have been fully funded under sections 22a, 31d, 51a, 51c, and 152a. If a claim is made by an entity receiving funds under this article that challenges the legislative determination of the adequacy of this funding or alleges that there exists an unfunded constitutional requirement, the state budget director may escrow or allocate from the discretionary funds for nonmandated payments under this section the amount as may be necessary to satisfy the claim before making any payments to districts under subsection (2). If funds are escrowed, the escrowed funds are a work project appropriation and the funds are carried forward into the following fiscal year. The purpose of the work project is to provide for any payments that may be awarded to districts as a result of litigation. The work project shall be completed upon resolution of the litigation.

(8) If the local claims review board or a court of competent jurisdiction makes a final determination that this state is in violation of section 29 of article IX of the state constitution of 1963 regarding state payments to districts, the state budget director shall use work project funds under subsection (7) or allocate from the discretionary funds for nonmandated payments under this section the amount as may be necessary to satisfy the amount owed to districts before making any payments to districts under subsection (2).

(9) If a claim is made in court that challenges the legislative determination of the adequacy of funding for this state's constitutional obligations or alleges that there exists an unfunded constitutional requirement, any interested party may seek an expedited review of the claim by the local claims review board. If the claim exceeds \$10,000,000.00, this state may remove the action to the court of appeals, and the court of appeals shall have and shall exercise jurisdiction over the claim.

(10) If payments resulting from a final determination by the local claims review board or a court of competent jurisdiction that there has been a violation of section 29 of article IX of the state constitution of 1963 exceed the amount allocated for discretionary nonmandated payments under this section, the legislature shall provide for adequate funding for this state's constitutional obligations at its next legislative session.

(11) If a lawsuit challenging payments made to districts related to costs reimbursed by federal title XIX medicaid funds is filed against this state, then, for the purpose of addressing potential liability under such a lawsuit, the state budget director may place funds allocated under this section in escrow or allocate money from the funds otherwise allocated under this section, up to a maximum of 50% of the amount allocated in subsection (1). If funds are placed in escrow under this subsection, those

funds are a work project appropriation and the funds are carried forward into the following fiscal year. The purpose of the work project is to provide for any payments that may be awarded to districts as a result of the litigation. The work project shall be completed upon resolution of the litigation. In addition, this state reserves the right to terminate future federal title XIX medicaid reimbursement payments to districts if the amount or allocation of reimbursed funds is challenged in the lawsuit. As used in this subsection, "title XIX" means title XIX of the social security act, 42 USC 1396 to 1396v.

(12) PAYMENTS UNDER THIS SECTION ARE SUBJECT TO SECTION 25F.

Sec. 22c. From the appropriation in section 11, there is allocated for ~~2013-2014~~ **2014-2015** an amount not to exceed ~~\$36,000,000.00~~ **\$103,000,000.00** to make equity payments to districts that have a foundation allowance or per pupil payment as calculated under section 20 for ~~2013-2014~~ **2014-2015** of less than ~~\$7,076.00~~ **\$7,251.00**. The equity payment for a district shall be an amount per membership pupil equal to the lesser of ~~\$50.00~~ **\$125.00** or the difference between ~~\$7,076.00~~ **\$7,251.00** and the district's ~~2013-2014~~ **2014-2015** foundation allowance or per pupil payment as calculated under section 20.

Sec. 22d. (1) From the appropriation in section 11, an amount not to exceed \$2,584,600.00 is allocated for ~~2013-2014~~ **2014-2015** for supplemental payments to rural districts under this section.

(2) From the allocation under subsection (1), there is allocated for ~~2013-2014~~ **2014-2015** an amount not to exceed \$957,300.00 for payments under this subsection to districts that meet all of the following:

- (a) Operates grades K to 12.
- (b) Has fewer than 250 pupils in membership.
- (c) Each school building operated by the district meets at least 1 of the following:
 - (i) Is located in the Upper Peninsula at least 30 miles from any other public school building.
 - (ii) Is located on an island that is not accessible by bridge.

(3) The amount of the additional funding to each eligible district under subsection (2) shall be determined under a spending plan developed as provided in this subsection and approved by the superintendent of public instruction. The spending plan shall be developed cooperatively by the intermediate superintendents of each intermediate district in which an eligible district is located. The intermediate superintendents shall review the financial situation of each eligible district, determine the minimum essential financial needs of each eligible district, and develop and agree on a spending plan that distributes the available funding under subsection (2) to the eligible districts based on those financial needs. The intermediate superintendents shall submit the spending plan to the superintendent of public instruction for approval. Upon approval by the superintendent of public instruction, the amounts specified for each eligible district under the spending plan are allocated under subsection (2) and shall be paid to the eligible districts in the same manner as payments under section 22b.

(4) Subject to subsection (6), from the allocation in subsection (1), there is allocated for ~~2013-2014~~ **2014-2015** an amount not to exceed \$1,627,300.00 for payments under this subsection to districts that meet all of the following:

- (a) The district has 5.0 or fewer pupils per square mile as determined by the department.
- (b) The district has a total square mileage greater than 200.0 or is 1 of 2 districts that have consolidated transportation services and have a combined total square mileage greater than 200.0.
- (5) The funds allocated under subsection (4) shall be allocated on an equal per pupil basis.
- (6) A district receiving funds allocated under subsection (2) is not eligible for funding allocated under subsection (4).

Sec. 22f. (1) From the appropriation in section 11, there is allocated for ~~2013-2014~~ **2014-2015** an amount not to exceed ~~\$80,000,000.00~~ **\$75,000,000.00** to provide incentive payments to districts that meet best practices under this section. Payments received under this section may be used for any purpose for which payments under sections 22a and 22b may be used.

(2) The amount of the incentive payment under this section is an amount equal to ~~\$52.00~~ **\$50.00** per pupil. A district shall receive an incentive payment under this section if the district satisfies at least 7 of the following requirements not later than June 1, ~~2014~~ **2015**:

(a) If a district provides medical, pharmacy, dental, vision, disability, long-term care, or any other type of benefit that would constitute a health care services benefit, to employees and their dependents, the district is the policyholder for each of its insurance policies that covers 1 or more of these benefits. A district that does not directly employ its staff or a district with a voluntary employee beneficiary association that pays no more than the maximum per employee contribution amount and that contributes no more than the maximum employer contribution percentage of total annual costs for the medical benefit plans as described in sections 3 and 4 of the publicly funded health insurance contribution act, 2011 PA 152, MCL 15.563 and 15.564, is considered to have satisfied this requirement.

(b) The district has obtained competitive bids on the provision of pupil transportation, food service, custodial, or 1 or more other noninstructional services for ~~2013-2014~~ **2014-2015**. In comparing competitive bids to the current costs of providing 1 or more of these services, a district shall exclude the unfunded accrued liability costs for retirement and other benefits from the district's current costs.

(c) The district accepts applications for enrollment by nonresident applicants under section 105 or 105c. A public school academy is considered to have met this requirement.

(d) ~~The district monitors individual pupil academic growth in each subject area at least twice during the school year using competency-based online assessments and reports those results to the pupil and his or her parent or guardian, or provides the department with a plan and is able to show progress toward developing the technology infrastructure necessary for the implementation of pupil academic growth assessments by 2014-2015.~~

(e) The district supports opportunities for pupils to receive postsecondary credit while attending secondary school, by doing at least 1 of the following, and makes all eligible pupils and their parents or guardians aware of these opportunities:

(i) Supports attendance of district pupils under the postsecondary enrollment options act, MCL 388.511 to 388.524, or under the career and technical preparation act, MCL 388.1901 to 388.1913, consistent with provisions under section 21b.

(ii) Offers college-level equivalent courses, as defined in section 1471 of the revised school code, MCL 380.1471.

(iii) Participates in a middle college. For the purposes of this subparagraph, "middle college" means a series of courses and other requirements and conditions that allow a pupil to graduate with a high school diploma and a certificate or degree from a community college or state public university.

(iv) Provides other opportunities to pupils that allow those pupils to graduate with a high school diploma and also complete coursework that a postsecondary institution normally applies toward satisfaction of degree requirements.

(v) If a district does not offer any high school grades, the district informs all pupils and parents of the opportunities that are available for postsecondary options during high school.

(D) (f) The district offers online courses or blended learning opportunities to all eligible pupils. In order to satisfy this requirement, a district must make all eligible pupils and their parents or guardians aware of these opportunities and must publish an online course syllabus as described in section 21f for each online course that the district offers. For the purposes of this subdivision:

(i) "Blended learning" means a hybrid instructional delivery model where pupils are provided content, instruction, and assessment in part at a supervised educational facility away from home where the pupil and a teacher with a valid Michigan teaching certificate are in the same physical location and in part through internet-connected learning environments with some degree of pupil control over time, location, and pace of instruction.

(ii) "Online course" means a course of study that is capable of generating a credit or a grade, that is provided in an interactive internet-connected learning environment, in which pupils are separated from their teachers by time or location, or both, and in which a teacher with a valid Michigan teaching certificate is responsible for determining appropriate instructional methods for each pupil, diagnosing learning needs, assessing pupil learning, prescribing intervention strategies, reporting outcomes, and evaluating the effects of instruction and support strategies.

(E) (g) The district provides to parents and community members a dashboard or report card demonstrating the district's efforts to manage its finances responsibly. The dashboard or report card shall include revenue and expenditure projections for the district for fiscal year 2013-2014 and fiscal year 2014-2015 **AND FISCAL YEAR 2015-2016**, a listing of all debt service obligations, detailed by project, including anticipated fiscal year ~~2013-2014~~ **2014-2015** payment for each project, a listing of total outstanding debt, and at least all of the following for the 3 most recent school years for which the data are available:

(i) Graduation and dropout rates.

(ii) Average class size in grades kindergarten to 3.

(iii) College readiness as measured by Michigan merit examination test scores.

(iv) Elementary and middle school MEAP scores.

(v) Teacher, principal, and superintendent salary information including at least minimum, average, and maximum pay levels.

(vi) General fund balance.

(vii) The total number of days of instruction provided.

(h) ~~The district provides physical education or provides health education.~~

(F) THE DISTRICT COMPLIES WITH A METHOD OF COMPENSATION FOR TEACHERS AND SCHOOL ADMINISTRATORS THAT INCLUDES JOB PERFORMANCE AND ACCOMPLISHMENTS AS A SIGNIFICANT FACTOR IN DETERMINING COMPENSATION, AS REQUIRED UNDER SECTION 1250 OF THE REVISED SCHOOL CODE, MCL 380.1250.

(G) THE DISTRICT'S COLLECTIVE BARGAINING AGREEMENTS, INCLUDING, BUT NOT LIMITED TO, APPENDICES, ADDENDA, LETTERS OF AGREEMENT, OR ANY OTHER DOCUMENTS REFLECTING AGREEMENTS WITH COLLECTIVE BARGAINING REPRESENTATIVES, DO NOT CONTAIN ANY PROVISIONS PERTAINING TO, RELATING TO, OR THAT ARE OTHERWISE CONTRARY TO THE PROHIBITED SUBJECTS OF BARGAINING ENUMERATED IN SECTION 15(3) OF 1947 PA 336, MCL 423.215.

(H) THE DISTRICT IMPLEMENTS A COMPREHENSIVE GUIDANCE AND COUNSELING PROGRAM.

(I) THE DISTRICT OFFERS PUPILS IN GRADES K TO 8 THE OPPORTUNITY TO COMPLETE COURSEWORK OR OTHER LEARNING EXPERIENCES THAT ARE SUBSTANTIALLY EQUIVALENT TO 1 CREDIT IN A LANGUAGE OTHER THAN ENGLISH.

(3) If the department determines that a district has intentionally submitted false information in order to qualify for an incentive payment under this section, the district forfeits an amount equal to the amount it received under this section from its total state school aid for ~~2014-2015~~ **2015-2016**.

(4) If the department determines that funds allocated under this section will remain unexpended after the initial allocation of ~~\$52.00~~ **\$50.00** per pupil to eligible districts under subsection (2), the remaining unexpended amount is allocated on an equal per pupil basis to districts that meet the requirements of subsection (2) and that have a foundation allowance, as calculated under section 20, in an amount that is less than the basic foundation allowance under that section.

Sec. 22g. (1) From the funds appropriated in section 11, there is allocated for ~~2013-2014~~ **2014-2015** only an amount not to exceed ~~\$5,000,000.00~~ **\$2,000,000.00** for competitive assistance grants to districts and intermediate districts.

(2) Funds received under this section may be used for reimbursement of transition costs associated with the consolidation of operations or services between 2 or more districts, intermediate districts, or other local units of government, **THE CONSOLIDATION OR SHARING OF TECHNOLOGY AND DATA OPERATIONS OR SERVICES BETWEEN 50 OR MORE DISTRICTS OR 5 OR MORE INTERMEDIATE DISTRICTS**, or the consolidation of districts or intermediate districts. Grant funding shall be available for consolidations that occur on or after June 1, ~~2013-~~**2014**. The department shall develop an application process and method of grant distribution. **THE DEPARTMENT SHALL GIVE PRIORITY TO APPLICANTS THAT PROPOSE INCLUDING AT LEAST 1 OF THE FOLLOWING STATEWIDE ACTIVITIES:**

(A) A COMPREHENSIVE, RESEARCH-BASED ACADEMIC EARLY WARNING INDICATOR AND DROPOUT PREVENTION SOLUTION.

(B) A DATA-DRIVEN SYSTEM FOR IDENTIFYING EARLY READING CHALLENGES AND ESTABLISHING INDIVIDUAL READING DEVELOPMENT PLANS FOR EVERY STUDENT BY THE END OF GRADE 3.

Sec. 22i. (1) From the ~~state school aid fund money~~ **FUNDS** appropriated in section 11, there is allocated for 2013-2014 an amount not to exceed \$45,000,000.00 **AND THERE IS ALLOCATED FOR 2014-2015 AN AMOUNT NOT TO EXCEED \$41,500,000.00** for the technology infrastructure grant program for districts or intermediate districts on behalf of their constituent districts. Funds received under this subsection shall be used for the development or improvement of a district's technology infrastructure, the shared services consolidation of technology and data, and hardware in preparation for the planned implementation in 2014-2015 of online ~~growth~~ assessments.

(2) The department shall develop a competitive application process and method of grant distribution to eligible districts and intermediate districts that demonstrate need for grants under subsection (1). The department may consult with the department of technology, management, and budget during the grant process and grant distribution. Grants to districts shall not exceed \$2,000,000.00 per district. A grant to an intermediate district on behalf of its constituent districts shall not exceed \$2,000,000.00 per constituent district. To receive a grant under subsection (1), an intermediate district shall demonstrate that a grant awarded to the intermediate district on behalf of its constituent districts would provide savings compared to providing grants to individual districts.

(3) From the general fund money appropriated in section 11, there is allocated an amount not to exceed \$5,000,000.00 for 2013-2014 to be awarded through a competitive bid process to a single provider of whole-school technology as described in this subsection. The department shall issue a single request for proposal with application rules written and administered by the department, and with a focus on economic and geographic diversity. To be eligible to receive the grant under this section, a provider shall meet all of the following:

(a) Agrees to submit evaluation criteria in a form and manner determined by the department.

(b) Provides at least all of the following:

(i) One-to-one mobile devices.

(ii) Laptop or desktop computers for each classroom.

(iii) On- and off-campus filtering.

(iv) Wireless networks and peripherals.

(v) Wireless audio equipment.

(vi) Operating software.

(vii) Instructional software.

(viii) Repairs and replacements.

(ix) Professional development.

(x) Ongoing support.

(4) THE FUNDS ALLOCATED UNDER SUBSECTION (1) ARE A WORK PROJECT APPROPRIATION. ANY UNEXPENDED FUNDS FOR 2013-2014 ARE CARRIED FORWARD INTO 2014-2015 AND ANY UNEXPECTED FUNDS FOR 2014-2015 ARE CARRIED FORWARD INTO 2015-2016. THE PURPOSE OF THE WORK PROJECT IS TO CONTINUE TO IMPLEMENT THE PROJECTS DESCRIBED UNDER THIS SECTION. THE ESTIMATED COMPLETION DATE OF THE WORK PROJECT IS SEPTEMBER 30, 2016.

Sec. 22j. (1) From the appropriation in section 11, there is allocated for ~~2013-2014~~ **2014-2015** an amount not to exceed ~~\$46,400,000.00~~ **\$51,100,000.00** to provide separate incentive payments to districts that meet student academic performance funding goals under subsections (2) to (5). Payments received under this section may be used for any purpose for which payments under sections 22a and 22b may be used.

(2) The maximum amount of the incentive payment for student academic performance is an amount equal to \$100.00 per pupil. Payments calculated and awarded to qualifying districts under subsections (3) to (5) shall be calculated and awarded separately, and a district may receive a payment under any or all of subsections (3) to (5).

(3) An amount not to exceed 30% of the maximum per pupil amount allocated under subsection (2) shall be used to make performance incentive payments to qualifying districts under this subsection based on pupil performance on state assessments in mathematics in grades 3 to 8. The amount of a payment under this subsection is an amount equal to \$30.00 per pupil for all

pupils in membership in a qualifying district. The department shall determine the qualifying districts under this subsection as follows:

(a) Using a model determined by the department that incorporates the most recent cut scores adopted for the Michigan educational assessment program for each pupil in grades 3 to 8 in the ~~2011-2012~~ **2012-2013** school year, the department shall calculate a point score using a metric that assigns points to each of those pupils as follows:

(i) For each pupil who began the school year not performing proficiently in mathematics and who declines in proficiency, as determined by the department, over the school year, 0 points.

(ii) For each pupil who began the school year performing proficiently in mathematics and declines in proficiency, as determined by the department, over the school year, 0 points.

(iii) For each pupil who began the school year not performing proficiently in mathematics and who maintains his or her level of proficiency, as determined by the department, over the school year, 1 point.

(iv) For each pupil who began the school year performing proficiently in mathematics and who maintains his or her level of proficiency, as determined by the department, over the school year, 2 points.

(v) For each pupil who began the school year not performing proficiently in mathematics and who improves in proficiency, as determined by the department, over the school year, 3 points.

(vi) For each pupil who began the school year performing proficiently in mathematics and who improves in proficiency, as determined by the department, over the school year, 2 points.

(b) The department shall then calculate a district average for this metric for the ~~2011-2012~~ **2012-2013** school year by totaling the number of points for all pupils in grades 3 to 8 under subdivision (a) and dividing that total by the number of those pupils.

(c) A district is a qualifying district for the payment under this subsection if the district average for the ~~2011-2012~~ **2012-2013** school year under subdivision (b) is at least equal to a factor of 1.5, and the district tested at least 95% of its pupils in mathematics, and the district had at least 30 full academic year pupils in grades 3 to 8 with a performance level change designation in mathematics.

(4) An amount not to exceed 30% of the maximum per pupil amount allocated under subsection (2) shall be used to make performance incentive payments to qualifying districts under this subsection based on pupil performance on state assessments in reading in grades 3 to 8. The amount of a payment under this subsection is an amount equal to \$30.00 per pupil for all pupils in membership in the district. The department shall determine the qualifying districts under this subsection as follows:

(a) Using a model determined by the department that incorporates the most recent cut scores adopted for the Michigan educational assessment program for each pupil in grades 3 to 8 in the ~~2011-2012~~ **2012-2013** school year, the department shall calculate a point score using a metric that assigns points to each of those pupils as follows:

(i) For each pupil who began the school year not performing proficiently in reading and who declines in proficiency, as determined by the department, over the school year, 0 points.

(ii) For each pupil who began the school year performing proficiently in reading and declines in proficiency, as determined by the department, over the school year, 0 points.

(iii) For each pupil who began the school year not performing proficiently in reading and who maintains proficiency, as determined by the department, over the school year, 1 point.

(iv) For each pupil who began the school year performing proficiently in reading and who maintains proficiency, as determined by the department, over the school year, 2 points.

(v) For each pupil who began the school year not performing proficiently in reading and who improves in proficiency, as determined by the department, over the school year, 3 points.

(vi) For each pupil who began the school year performing proficiently in reading and who improves in proficiency, as determined by the department, over the school year, 2 points.

(b) The department shall then calculate a district average for this metric for the ~~2011-2012~~ **2012-2013** school year by totaling the number of points for all pupils in grades 3 to 8 under subdivision (a) and dividing that total by the number of those pupils.

(c) A district is a qualifying district for the payment under this subsection if the district average for the ~~2011-2012~~ **2012-2013** school year under subdivision (b) is at least equal to a factor of 1.5, and the district tested at least 95% of its pupils in reading, and the district had at least 30 full academic year pupils in grades 3 to 8 reading with a performance level change designation in reading.

(5) An amount not to exceed 40% of the maximum per pupil amount allocated under subsection (2) shall be used to make performance incentive payments to qualifying districts under this subsection for high school improvement using a metric based on the positive trend over a 4-year period in the percentage of high school pupils in the district testing as proficient in all tested subject areas on the state assessments of high school pupils. The amount of a payment under this subsection is an amount equal to \$40.00 per pupil for all pupils in membership in the district. The department shall determine the qualifying districts under this subsection as follows:

(a) Calculate a linear regression of the percentage of high school pupils in the district testing as proficient in all tested subject areas on state assessments of high school pupils on school year over the 4-year period ending with the ~~2011-2012~~ **2012-2013** school year as adjusted for changes in cut scores most recently adopted for the Michigan merit examination.

(b) Calculate a statewide average for all districts operating a high school of the linear regression of the percentage of high school pupils testing as proficient in all tested subject areas on state assessments of high school pupils on school year over the 4-year period ending with the ~~2011-2012~~ **2012-2013** school year, as adjusted for changes in cut scores most recently adopted for the Michigan merit examination as the base year for all comparisons.

(c) A district is a qualifying district for the payment under this subsection if the district's linear regression over the 4-year period ending with the ~~2011-2012~~ **2012-2013** school year under subdivision (a) is at least equal to the statewide average linear regression over the 4-year period ending with the base year under subdivision (b), and the district's linear regression over the 4-year period ending with the ~~2011-2012~~ **2012-2013** school year under subdivision (a) is positive, and the district tested 95% of high school pupils in each tested subject on state assessments, and the district had at least 20 full academic year pupils take all tested subjects on state assessments of high school pupils over each of the most recent 4 years.

(6) If the allocation under subsection (1) is insufficient to fully fund payments as otherwise calculated under this section, the department shall prorate payments under this section on an equal percentage basis.

Sec. 24. (1) From the appropriation in section 11, there is allocated for ~~2013-2014~~ **2014-2015** an amount not to exceed \$8,000,000.00 for payments to the educating district or intermediate district for educating pupils assigned by a court or the department of human services to reside in or to attend a juvenile detention facility or child caring institution licensed by the department of human services and approved by the department to provide an on-grounds education program. The amount of the payment under this section to a district or intermediate district shall be calculated as prescribed under subsection (2).

(2) The total amount allocated under this section shall be allocated by paying to the educating district or intermediate district an amount equal to the lesser of the district's or intermediate district's added cost or the department's approved per pupil allocation for the district or intermediate district. For the purposes of this subsection:

(a) "Added cost" means 100% of the added cost each fiscal year for educating all pupils assigned by a court or the department of human services to reside in or to attend a juvenile detention facility or child caring institution licensed by the department of human services or the department of licensing and regulatory affairs and approved by the department to provide an on-grounds education program. Added cost shall be computed by deducting all other revenue received under this article for pupils described in this section from total costs, as approved by the department, in whole or in part, for educating those pupils in the on-grounds education program or in a program approved by the department that is located on property adjacent to a juvenile detention facility or child caring institution. Costs reimbursed by federal funds are not included.

(b) "Department's approved per pupil allocation" for a district or intermediate district shall be determined by dividing the total amount allocated under this section for a fiscal year by the full-time equated membership total for all pupils approved by the department to be funded under this section for that fiscal year for the district or intermediate district.

(3) A district or intermediate district educating pupils described in this section at a residential child caring institution may operate, and receive funding under this section for, a department-approved on-grounds educational program for those pupils that is longer than 181 days, but not longer than 233 days, if the child caring institution was licensed as a child caring institution and offered in 1991-92 an on-grounds educational program that was longer than 181 days but not longer than 233 days and that was operated by a district or intermediate district.

(4) Special education pupils funded under section 53a shall not be funded under this section.

Sec. 24a. From the appropriation in section 11, there is allocated an amount not to exceed ~~\$2,167,500.00~~ **\$2,195,500.00** for ~~2013-2014~~ **2014-2015** for payments to intermediate districts for pupils who are placed in juvenile justice service facilities operated by the department of human services. Each intermediate district shall receive an amount equal to the state share of those costs that are clearly and directly attributable to the educational programs for pupils placed in facilities described in this section that are located within the intermediate district's boundaries. The intermediate districts receiving payments under this section shall cooperate with the department of human services to ensure that all funding allocated under this section is utilized by the intermediate district and department of human services for educational programs for pupils described in this section. Pupils described in this section are not eligible to be funded under section 24. However, a program responsibility or other fiscal responsibility associated with these pupils shall not be transferred from the department of human services to a district or intermediate district unless the district or intermediate district consents to the transfer.

Sec. 24c. From the appropriation in section 11, there is allocated an amount not to exceed \$1,500,000.00 for ~~2013-2014~~ **2014-2015** for payments to districts for pupils who are enrolled in a nationally administered community-based education and youth mentoring program, known as the youth challenge program, that is administered by the department of military and veterans affairs. Both of the following apply to a district receiving payments under this section:

(a) The district shall contract with the department of military and veterans affairs to ensure that all funding allocated under this section is utilized by the district and the department of military and veterans affairs for the youth challenge program.

(b) The district may retain for its administrative expenses an amount not to exceed 3% of the amount of the payment the district receives under this section.

Sec. 25e. (1) ~~The center shall work with the department, districts, and intermediate districts to develop a~~ **THE** pupil membership transfer application and a pupil transfer process **ADMINISTERED BY THE CENTER** under this section **SHALL BE USED FOR PROCESSING PUPIL TRANSFERS**. ~~The center shall complete development of this pupil membership transfer application not later than November 1, 2013.~~

(2) If a pupil counted in membership for the pupil membership count day transfers from a district or intermediate district to enroll in another district or intermediate district after the pupil membership count day and before the supplemental count day and, due to the pupil's enrollment and attendance status as of the pupil membership count day, the pupil was not counted in membership in the educating district or intermediate district, the educating district or intermediate district may report the enrollment and attendance information to the center through the pupil transfer process within 30 days after the transfer or within 30 days after the ~~sixth Wednesday after the pupil membership count day~~, **CERTIFICATION DATE**, whichever is later. Pupil transfers may be submitted no earlier than the first day after the certification deadline for the pupil membership count day and before the supplemental count day. Upon receipt of the transfer information under this subsection indicating that a pupil has enrolled and is in attendance in an educating district or intermediate district as described in this subsection, the pupil transfer process shall do the following:

(a) Notify the district in which the pupil was previously enrolled.

(b) Notify both the pupil auditing staff of the intermediate district in which the educating district is located and the pupil auditing staff of the intermediate district in which the district that previously enrolled the pupil is located. The pupil auditing staff shall ~~approve or~~ **INVESTIGATE A REPRESENTATIVE SAMPLE BASED ON REQUIRED AUDIT SAMPLE SIZES IN THE PUPIL AUDITING MANUAL AND MAY** deny the pupil membership transfer.

(c) Aggregate the districtwide changes and notify the department for use in adjusting the state aid payment system.

(3) The department shall do all of the following:

(a) Adjust the membership calculation for each district or intermediate district in which the pupil was previously counted in membership or that previously received an adjustment in its membership calculation under this section due to a change in the pupil's enrollment and attendance so that the district's or intermediate district's membership is prorated to allow the district or intermediate district to receive for each school day, as determined by the financial calendar furnished by the center, in which the pupil was enrolled and in attendance in the district or intermediate district an amount equal to 1/105 of a full-time equated membership claimed in the fall pupil membership count. The district or intermediate district shall receive a prorated foundation allowance in an amount equal to the product of the adjustment under this subdivision for the district or intermediate district multiplied by the foundation allowance or per pupil payment as calculated under section 20 for the district or intermediate district. 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).

(b) Adjust the membership calculation for the educating district or intermediate district in which the pupil is enrolled and is in attendance so that the district's or intermediate district's membership is increased to allow the district or intermediate district to receive an amount equal to the difference between the full-time equated membership claimed in the fall pupil membership count and the sum of the adjustments calculated under subdivision (a) for each district or intermediate district in which the pupil was previously enrolled and in attendance. The educating district or intermediate district shall receive a prorated foundation allowance in an amount equal to the product of the adjustment under this subdivision for the educating district or intermediate district multiplied by the foundation allowance or per pupil payment as calculated under section 20 for the educating district or intermediate district. 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).

(4) The changes in calculation of state school aid required under subsection (3) shall take effect as of the date that the pupil becomes enrolled and in attendance in the educating district or intermediate district, and the department shall base all subsequent payments under this article for the fiscal year to the affected districts or intermediate districts on this recalculation of state school aid.

(5) If a pupil enrolls in an educating district or intermediate district as described in subsection (2), the district or intermediate district in which the pupil is counted in membership or another educating district or intermediate district that received an adjustment in its membership calculation under subsection (3), if any, and the educating district or intermediate district shall provide to the center and the department all information they require to comply with this section.

(6) NOT LATER THAN DECEMBER 1, 2014, THE CENTER IN CONJUNCTION WITH THE DEPARTMENT SHALL REPORT TO THE LEGISLATURE DATA RELATED TO THE IMPLEMENTATION OF THIS SECTION, INCLUDING, BUT NOT LIMITED TO, THE NUMBER OF TRANSFER TRANSACTIONS AND THE NET CHANGE IN PUPIL MEMBERSHIPS IN 2013-2014 BY DISTRICT AND INTERMEDIATE DISTRICT.

(7) THE PORTION OF THE FULL-TIME EQUATED PUPIL MEMBERSHIP FOR WHICH A PUPIL IS ENROLLED IN 1 OR MORE ONLINE COURSES UNDER SECTION 21F SHALL NOT BE COUNTED OR TRANSFERRED UNDER THE PUPIL TRANSFER PROCESS UNDER THIS SECTION.

(8) (6) As used in this section: ,“educating-

(A) EDUCATING district or intermediate district” means the district or intermediate district in which a pupil enrolls after the pupil membership count day or after an adjustment was made in another district's or intermediate district's membership calculation under this section due to the pupil's enrollment and attendance.

(B) “PUPIL” MEANS THAT TERM AS DEFINED UNDER SECTION 6 AND ALSO CHILDREN RECEIVING EARLY CHILDHOOD SPECIAL EDUCATION PROGRAMS AND SERVICES.

Sec. 25f. (1) From the state school aid fund money appropriated in section 11, there is allocated an amount not to exceed \$2,000,000.00 for ~~2013-2014~~ **2014-2015** for payments to strict discipline academies established under sections 1311b to 1311m of the revised school code, MCL 380.1311b to 380.1311m, as provided under this section **AND FOR THE PURPOSES DESCRIBED IN SUBSECTION (5)**.

(2) In order to receive funding under this section, a strict discipline academy shall first comply with section 25e and use the pupil transfer process under that section for changes in enrollment as prescribed under that section.

(3) Not later than June 30, ~~2014~~, **2015**, a strict discipline academy shall report to the center and to the department, in a manner prescribed by the center and the department, the following information for ~~2013-2014~~: **2014-2015**:

(a) The number of pupils enrolled and in attendance at the strict discipline academy.

(b) The number of days each pupil enrolled was in attendance at the strict discipline academy, not to exceed 180.

(4) The amount of the payment to a strict discipline academy under this section shall be an amount equal to the difference between the product of 1/180 of the per-pupil payment as calculated under section 20 for the strict discipline academy multiplied by the number of days of pupil attendance reported under subsection (3)(b) minus the product of the per-pupil payment as calculated under section 20 for the strict discipline academy multiplied by the pupils in membership at the strict discipline academy as calculated under section 6 and as adjusted by section 25e.

(5) IF THE OPERATION OF THE SPECIAL MEMBERSHIP COUNTING PROVISIONS UNDER SECTION 6(4)(DD) AND THE OTHER MEMBERSHIP COUNTING PROVISIONS UNDER SECTION 6(4) RESULT IN A PUPIL BEING COUNTED AS MORE THAN 1.0 FTE IN A FISCAL YEAR, THEN THE PAYMENT MADE FOR THE PUPIL UNDER SECTIONS 22A AND 22B SHALL NOT BE BASED ON MORE THAN 1.0 FTE FOR THAT PUPIL, AND THAT PORTION OF THE FTE THAT EXCEEDS 1.0 SHALL BE PAID UNDER THIS SECTION IN AN AMOUNT EQUAL TO THAT PORTION MULTIPLIED BY THE EDUCATING DISTRICT'S FOUNDATION ALLOWANCE OR PER PUPIL PAYMENT CALCULATED UNDER SECTION 20.

~~(6) (5) If the funds allocated under this section are insufficient to fully fund the adjustments under subsection~~ **SUBSECTIONS (4) AND (5), payments to eligible strict discipline academies UNDER THIS SECTION shall be prorated on an equal per-pupil basis.**

(7) PAYMENTS TO DISTRICTS UNDER THIS SECTION SHALL BE MADE ACCORDING TO THE PAYMENT SCHEDULE UNDER SECTION 17B.

Sec. 26a. ~~(1) From the state school aid fund appropriation FUNDS APPROPRIATED in section 11, there is allocated an amount not to exceed \$26,300,000.00 for 2013-2014~~ **2014-2015** to reimburse districts and intermediate districts pursuant to section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692, for taxes levied in ~~2013~~. **2014**. The allocations shall be made not later than 60 days after the department of treasury certifies to the department and to the state budget director that the department of treasury has received all necessary information to properly determine the amounts due to each eligible recipient.

~~(2) In addition to the allocation under subsection (1), from the general fund money appropriated under section 11, there is allocated an amount not to exceed \$3,200,000.00 for 2013-2014 to reimburse public libraries pursuant to section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692, for taxes levied in 2013. The allocations shall be made not later than 60 days after the department of treasury certifies to the department and to the state budget director that the department of treasury has received all necessary information to properly determine the amounts due to each eligible recipient.~~

Sec. 26b. (1) From the appropriation in section 11, there is allocated for ~~2013-2014~~ **2014-2015** an amount not to exceed ~~\$4,009,500.00~~ **\$4,210,000.00** for payments to districts, intermediate districts, and community college districts for the portion of the payment in lieu of taxes obligation that is attributable to districts, intermediate districts, and community college districts pursuant to section 2154 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.2154.

(2) If the amount appropriated under this section is not sufficient to fully pay obligations under this section, payments shall be prorated on an equal basis among all eligible districts, intermediate districts, and community college districts.

Sec. 26c. (1) From the appropriation in section 11, there is allocated an amount not to exceed ~~\$209,400.00 for 2012-2013 and an amount not to exceed \$266,200.00 for 2013-2014~~ **\$293,100.00 FOR 2014-2015** to the promise zone fund created in subsection (3).

(2) Funds allocated to the promise zone fund under this section shall be used solely for payments to eligible districts and intermediate districts that have a promise zone development plan approved by the department of treasury under section 7 of the Michigan promise zone authority act, 2008 PA 549, MCL 390.1667.

(3) The promise zone fund is created as a separate account within the state school aid fund to be used solely for the purposes of the Michigan promise zone authority act, 2008 PA 549, MCL 390.1661 to 390.1679. All of the following apply to the promise zone fund:

(a) The state treasurer shall direct the investment of the promise zone fund. The state treasurer shall credit to the promise zone fund interest and earnings from fund investments.

(b) Money in the promise zone fund at the close of a fiscal year shall remain in the promise zone fund and shall not lapse to the general fund.

(4) Subject to subsection (2), the state treasurer may make payments from the promise zone fund to eligible districts and intermediate districts pursuant to the Michigan promise zone authority act, 2008 PA 549, MCL 390.1661 to 390.1679, to be used for the purposes of a promise zone authority created under that act.

Sec. 31a. (1) From the state school aid fund money appropriated in section 11, there is allocated for ~~2013-2014~~ **2014-2015** an amount not to exceed \$317,695,500.00 for payments to eligible districts, eligible public school academies, and the education achievement system under this section. Subject to subsection (14), the amount of the additional allowance under this section, other than funding under subsection (6) or (7), shall be based on the number of actual pupils in membership in the district or public school academy or the education achievement system who met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding state fiscal year, as determined under the Richard B. Russell national school lunch act, 42 USC 1751 to 1769i, and reported to the department not later than the fifth Wednesday after the pupil membership count day of the immediately preceding fiscal year and adjusted not later than December 31 of the immediately preceding fiscal year in the form and manner prescribed by the center. However, for a public school academy that began operations as a public school academy, or for an achievement school that began operations as an achievement school, after the pupil membership count day of the immediately preceding school year, the basis for the additional allowance under this section shall be the number of actual pupils in membership in the public school academy or the education achievement system who met the income eligibility criteria for free breakfast, lunch, or milk in the current state fiscal year, as determined under the Richard B. Russell national school lunch act and reported to the department not later than the fifth Wednesday after the pupil membership count day. **FOR THE PURPOSES OF ENSURING THAT PUPILS ARE PROFICIENT IN READING BY THE END OF GRADE 3 AND THAT HIGH SCHOOL GRADUATES ARE CAREER AND COLLEGE READY AND FOR THE PURPOSES UNDER SUBSECTIONS (6) AND (7).**

(2) ~~To~~ **FOR A DISTRICT OR PUBLIC SCHOOL ACADEMY, OR THE EDUCATION ACHIEVEMENT SYSTEM,** TO be eligible to receive funding under this section, other than funding under subsection (6) or (7), a ~~district or public school academy that has not been previously determined to be eligible or the education achievement system shall apply to the department, in a form and manner prescribed by the department, and a district or public school academy or the education achievement system must meet all of the following:~~

(a) ~~The~~ **THE** sum of the district's or public school academy's or the education achievement system's combined state and local revenue per membership pupil in the current state fiscal year, as calculated under section 20, is **MUST BE** less than or equal to the basic foundation allowance under section 20 for the current state fiscal year.

(b) ~~The district or public school academy or the education achievement system agrees to use the funding only for purposes allowed under this section and to comply with the program and accountability requirements under this section:~~

(3) Except as otherwise provided in this subsection, an eligible district or eligible public school academy or the education achievement system shall receive under this section for each membership pupil in the district or public school academy or the education achievement system who met the income eligibility criteria for free breakfast, lunch, or milk, as determined under the Richard B. Russell national school lunch act, **42 USC 1751 TO 1769**, and as reported to the department **IN THE FORM AND MANNER PRESCRIBED BY THE DEPARTMENT** not later than the fifth Wednesday after the pupil membership count day of the immediately preceding fiscal year and adjusted not later than December 31 of the immediately preceding fiscal year, an amount per pupil equal to 11.5% of the sum of the district's foundation allowance or the public school academy's or the education achievement system's per pupil amount calculated under section 20, not to exceed the basic foundation allowance under section 20 for the current state fiscal year, or of the public school academy's or the education achievement system's per membership pupil amount calculated under section 20 for the current state fiscal year. ~~A~~ **HOWEVER, A** public school academy that began operations as a public school academy, or an achievement school that began operations as an achievement school, after the pupil membership count day of the immediately preceding school year shall receive under this section for each membership pupil in the public school academy or in the education achievement system who met the income eligibility criteria for free breakfast, lunch, or milk, as determined under the Richard B. Russell national school lunch act and as reported to the department not later than the fifth Wednesday after the pupil membership count day of the current fiscal year and adjusted not later than December 31 of the current fiscal year, an amount per pupil equal to 11.5% of the public school academy's or the education achievement system's per membership pupil amount calculated under section 20 for the current state fiscal year.

(4) Except as otherwise provided in this section, a district or public school academy, or the education achievement system, receiving funding under this section shall use that money only to provide instructional programs and direct noninstructional services, including, but not limited to, medical, **MENTAL HEALTH**, or counseling services, for at-risk pupils; for school health clinics; and for the purposes of subsection (5), (6), ~~or~~ (7), **OR (10)**. In addition, a district that is a school district of the first class or a district or public school academy in which at least 50% of the pupils in membership met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding state fiscal year, as determined and reported as described in subsection ~~(4)~~, **(3)**, or the education achievement system if it meets this requirement, may use not more than 20% of the funds it receives under this section for school security. A district, the public school academy, or the education achievement system shall not use any of that money for administrative costs, ~~or to supplant another program or other funds, except for funds allocated to the district or public school academy or the education achievement system under this section in the immediately preceding year and already being used by the district or public school academy or the education achievement system for at-risk pupils.~~ The instruction or direct noninstructional services provided under this section may be conducted before or after regular

school hours or by adding extra school days to the school year, ~~and may include, but are not limited to, tutorial services, early childhood programs to serve children age 0 to 5, and reading programs as described in former section 32f as in effect for 2001-2002.~~ A tutorial method may be conducted with paraprofessionals working under the supervision of a certificated teacher. The ratio of pupils to paraprofessionals shall be between 10:1 and 15:1. Only 1 certificated teacher is required to supervise instruction using a tutorial method. As used in this subsection, “to supplant another program” means to take the place of a previously existing instructional program or direct noninstructional services funded from a funding source other than funding under this section.

(5) ~~Except as otherwise provided in subsection (12),~~ a district or public school academy that receives funds under this section and that operates a school breakfast program under section 1272a of the revised school code, MCL 380.1272a, or the education achievement system if it operates a school breakfast program, shall use from the funds received under this section an amount, not to exceed \$10.00 per pupil for whom the district or public school academy or the education achievement system receives funds under this section, necessary to pay for costs associated with the operation of the school breakfast program.

(6) From the funds allocated under subsection (1), there is allocated for ~~2013-2014~~ **2014-2015** an amount not to exceed \$3,557,300.00 to support child and adolescent health centers. These grants shall be awarded for 5 consecutive years beginning with 2003-2004 in a form and manner approved jointly by the department and the department of community health. Each grant recipient shall remain in compliance with the terms of the grant award or shall forfeit the grant award for the duration of the 5-year period after the noncompliance. To continue to receive funding for a child and adolescent health center under this section a grant recipient shall ensure that the child and adolescent health center has an advisory committee and that at least one-third of the members of the advisory committee are parents or legal guardians of school-aged children. A child and adolescent health center program shall recognize the role of a child’s parents or legal guardian in the physical and emotional well-being of the child. Funding under this subsection shall be used to support child and adolescent health center services provided to children up to age 21. If any funds allocated under this subsection are not used for the purposes of this subsection for the fiscal year in which they are allocated, those unused funds shall be used that fiscal year to avoid or minimize any proration that would otherwise be required under subsection (14) for that fiscal year.

(7) From the funds allocated under subsection (1), there is allocated for ~~2013-2014~~ **2014-2015** an amount not to exceed \$5,150,000.00 for the state portion of the hearing and vision screenings as described in section 9301 of the public health code, 1978 PA 368, MCL 333.9301. A local public health department shall pay at least 50% of the total cost of the screenings. The frequency of the screenings shall be as required under R 325.13091 to R 325.13096 and R 325.3271 to R 325.3276 of the Michigan administrative code. Funds shall be awarded in a form and manner approved jointly by the department and the department of community health. Notwithstanding section 17b, payments to eligible entities under this subsection shall be paid on a schedule determined by the department.

(8) Each district or public school academy receiving funds under this section and the education achievement system shall submit to the department by July 15 of each fiscal year a report, not to exceed 10 pages, on the usage by the district or public school academy or the education achievement system of funds under this section, which report shall include ~~at least a brief description of each program conducted~~ **OR SERVICES PERFORMED** by the district or public school academy or the education achievement system using funds under this section, the amount of funds under this section allocated to each of those programs, ~~the number of at-risk pupils eligible for free or reduced-price school lunch who were served by each of those programs, and~~ **OR SERVICES**, the total number of at-risk pupils served by each of those programs **OR SERVICES, AND THE DATA NECESSARY FOR THE DEPARTMENT AND THE DEPARTMENT OF HUMAN SERVICES TO VERIFY MATCHING FUNDS FOR THE TEMPORARY ASSISTANCE FOR NEEDY FAMILIES PROGRAM.** If a district or public school academy or the education achievement system does not comply with this subsection, the department shall withhold an amount equal to the August payment due under this section until the district or public school academy or the education achievement system complies with this subsection. If the district or public school academy or the education achievement system does not comply with this subsection by the end of the state fiscal year, the withheld funds shall be forfeited to the school aid fund.

(9) In order to receive funds under this section, a district or public school academy or the education achievement system shall allow access for the department or the department’s designee to audit all records related to the program for which it receives those funds. The district or public school academy or the education achievement system shall reimburse the state for all disallowances found in the audit.

(10) Subject to subsections (5), (6), **AND (7),** ~~(12), and (13),~~ a district may use up to 100% of the funds it receives under this section ~~to reduce the ratio of pupils to teachers in grades K-12, or any combination of those grades, in school buildings in which the percentage of pupils described in subsection (1) exceeds the district’s aggregate percentage of those pupils.~~ Subject to subsections (5), (6), (7), ~~(12), and (13),~~ a district may use up to 100% of the funds it receives under this section to reduce the ratio of pupils to teachers in grades K-12, or any combination of those grades, in school buildings in which the percentage of pupils described in subsection (1) is at least 60% of the district’s aggregate percentage of those pupils and at least 30% of the total number of pupils enrolled in the school building: **TO IMPLEMENT SCHOOLWIDE REFORM IN SCHOOLS WITH 40% OR MORE OF THEIR PUPILS IDENTIFIED AS AT-RISK PUPILS BY PROVIDING SUPPLEMENTAL INSTRUCTIONAL OR NONINSTRUCTIONAL SERVICES CONSISTENT WITH THE SCHOOL IMPROVEMENT PLAN.**

(11) A district or public school academy or the education achievement system may use funds received under this section for adult high school completion, general educational development (G.E.D.) test preparation, adult English as a second language, or adult basic education programs described in section 107.

(12) For an individual school or schools operated by a district or public school academy receiving funds under this section or the education achievement system that have been determined by the department to meet the adequate yearly progress standards of the no child left behind act of 2001, Public Law 107-110, in both mathematics and English language arts at all applicable grade levels for all applicable subgroups, the district or public school academy or the education achievement system may use not more than 20% of the funds it receives under this section for specific alternative purposes identified by the district or public school academy or the education achievement system that are designed to benefit at-risk pupils in the school, but that may be different from the purposes otherwise allowable under this section. If a district or public school academy or the education achievement system uses funds for alternative purposes allowed under the flexibility provisions under this subsection, the district or public school academy or the education achievement system shall maintain documentation of the amounts used for those alternative purposes and shall make that information available to the department upon request.

(13) A district or public school academy that receives funds under this section or the education achievement system may use funds it receives under this section to implement and operate an early intervening program for pupils in grades K to 3 that meets either or both of the following:

(a) Monitors individual pupil learning and provides specific support or learning strategies to pupils as early as possible in order to reduce the need for special education placement. The program shall include literacy and numeracy supports, sensory motor skill development, behavior supports, instructional consultation for teachers, and the development of a parent/school learning plan. Specific support or learning strategies may include support in or out of the general classroom in areas including reading, writing, math, visual memory, motor skill development, behavior, or language development. These would be provided based on an understanding of the individual child's learning needs.

(b) Provides early intervening strategies using school-wide systems of academic and behavioral supports and is scientifically research-based. The strategies to be provided shall include at least pupil performance indicators based upon response to intervention, instructional consultation for teachers, and ongoing progress monitoring. A school-wide system of academic and behavioral support should be based on a support team available to the classroom teachers. The members of this team could include the principal, special education staff, reading teachers, and other appropriate personnel who would be available to systematically study the needs of the individual child and work with the teacher to match instruction to the needs of the individual child.

(11) (14) If necessary, and before any proration required under section 296, the department shall prorate payments under this section by reducing the amount of the per pupil payment under this section by a dollar amount calculated by determining the amount by which the amount necessary to fully fund the requirements of this section exceeds the maximum amount allocated under this section and then dividing that amount by the total statewide number of pupils who met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding fiscal year, as described in subsection (4)(3).

(12) (15) If a district is formed by consolidation after June 1, 1995, and if 1 or more of the original districts was not eligible before the consolidation for an additional allowance under this section, the amount of the additional allowance under this section for the consolidated district shall be based on the number of pupils described in subsection (1) enrolled in the consolidated district who reside in the territory of an original district that was eligible before the consolidation for an additional allowance under this section. **IN ADDITION, IF A DISTRICT IS DISSOLVED PURSUANT TO SECTION 12 OF THE REVISED SCHOOL CODE, MCL 380.12, THE INTERMEDIATE DISTRICT TO WHICH THE DISSOLVED SCHOOL DISTRICT WAS CONSTITUENT SHALL DETERMINE THE ESTIMATED NUMBER OF PUPILS THAT MEET THE INCOME ELIGIBILITY CRITERIA FOR FREE BREAKFAST, LUNCH, OR MILK, AS DESCRIBED UNDER SUBSECTION (3), ENROLLED IN EACH OF THE OTHER DISTRICTS WITHIN THE INTERMEDIATE DISTRICT AND PROVIDE THAT ESTIMATE TO THE DEPARTMENT FOR THE PURPOSES OF DISTRIBUTING FUNDS UNDER THIS SECTION WITHIN 60 DAYS AFTER THE SCHOOL DISTRICT IS DECLARED DISSOLVED.**

(13) (16) As used in this section, "at-risk pupil" means a pupil for whom the district has documentation that the pupil meets at least 2 ANY of the following criteria: is-

(A) IS a victim of child abuse or neglect. ; is below grade level in English language arts or mathematics; is-

(B) IS a pregnant teenager or teenage parent. ; is eligible for a federal free or reduced-price lunch subsidy; has atypical behavior or attendance patterns; or has-

(C) HAS a family history of school failure, incarceration, or substance abuse. At-risk pupil also includes all pupils in a priority school as defined in the elementary and secondary education act of 2001 flexibility request approved by the United States department of education. For pupils for whom the results of at least the applicable Michigan education assessment program (MEAP) test have been received, at-risk pupil also includes a pupil who does not meet the other criteria under this subsection but who did not achieve at least a score of level 2 on the most recent MEAP English language arts, mathematics, science test, or social studies for which results for the pupil have been received.

(D) For pupils for whom the results of the Michigan merit examination have been received, at-risk pupil also includes IS a pupil who does not meet the other criteria under this subsection but who did not achieve proficiency on the reading, writing, mathematics, science, or social studies components of the most recent Michigan merit examination for which results for the pupil have been received.

(E) For pupils in grades K-3, ~~at-risk pupil also includes~~ IS a pupil who is at risk of not meeting the district's core academic curricular objectives in English language arts or mathematics.

(F) THE PUPIL IS ENROLLED IN A PRIORITY OR PRIORITY-SUCCESSOR SCHOOL, AS DEFINED IN THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 2001 FLEXIBILITY WAIVER APPROVED BY THE UNITED STATES DEPARTMENT OF EDUCATION.

(G) THE PUPIL DID NOT ACHIEVE A SCORE OF AT LEAST PROFICIENT ON 2 OR MORE STATE-ADMINISTERED ASSESSMENTS FOR ENGLISH LANGUAGE ARTS, MATHEMATICS, SCIENCE, OR SOCIAL STUDIES.

(H) FOR HIGH SCHOOL PUPILS IN GRADES NOT ASSESSED BY THE STATE, THE PUPIL DID NOT RECEIVE A SATISFACTORY SCORE ON 2 OR MORE END-OF-COURSE EXAMINATIONS THAT ARE ALIGNED WITH STATE STANDARDS IN ENGLISH LANGUAGE ARTS, MATHEMATICS, SCIENCE, OR SOCIAL STUDIES. FOR MIDDLE SCHOOL PUPILS IN GRADES NOT ASSESSED BY THE STATE, THE PUPIL DID NOT RECEIVE A SATISFACTORY SCORE ON 2 OR MORE END-OF-SEMESTER OR END-OF-TRIMESTER EXAMINATIONS THAT ARE ALIGNED WITH STATE STANDARDS IN SCIENCE OR SOCIAL STUDIES. FOR PUPILS IN THE ELEMENTARY GRADES IN GRADES AND SUBJECTS NOT ASSESSED BY THE STATE, THE PUPIL DID NOT RECEIVE A SATISFACTORY SCORE OR DID NOT HAVE A SATISFACTORY OUTCOME ON 2 OR MORE INTERIM ASSESSMENTS IN ENGLISH LANGUAGE ARTS, MATHEMATICS, SCIENCE, OR SOCIAL STUDIES.

(I) IN THE ABSENCE OF STATE OR LOCAL ASSESSMENT DATA, THE PUPIL MEETS AT LEAST 2 OF THE FOLLOWING CRITERIA, AS DOCUMENTED IN A FORM AND MANNER APPROVED BY THE DEPARTMENT:

(i) THE PUPIL IS ELIGIBLE FOR FREE BREAKFAST, LUNCH, OR MILK.

(ii) THE PUPIL IS ABSENT MORE THAN 10% OF ENROLLED DAYS OR 10 SCHOOL DAYS DURING THE SCHOOL YEAR.

(iii) THE PUPIL IS HOMELESS.

(iv) THE PUPIL IS A MIGRANT.

(v) THE PUPIL IS AN ENGLISH LANGUAGE LEARNER.

(vi) THE PUPIL IS AN IMMIGRANT WHO HAS IMMIGRATED WITHIN THE IMMEDIATELY PRECEDING 3 YEARS.

(vii) THE PUPIL DID NOT COMPLETE HIGH SCHOOL IN 4 YEARS AND IS STILL CONTINUING IN SCHOOL AS IDENTIFIED IN THE MICHIGAN COHORT GRADUATION AND DROPOUT REPORT.

(14) BEGINNING IN 2014-2015, IF A DISTRICT, PUBLIC SCHOOL ACADEMY, OR THE EDUCATION ACHIEVEMENT SYSTEM DOES NOT DEMONSTRATE TO THE SATISFACTION OF THE DEPARTMENT THAT AT LEAST 50% OF AT-RISK PUPILS ARE READING AT GRADE LEVEL BY THE END OF GRADE 3 AS MEASURED BY THE STATE ASSESSMENT AND DEMONSTRATE TO THE SATISFACTION OF THE DEPARTMENT IMPROVEMENT OVER 3 CONSECUTIVE YEARS IN THE PERCENTAGE OF AT-RISK PUPILS THAT ARE CAREER- AND COLLEGE-READY AS MEASURED BY THE PUPIL'S SCORE ON EACH OF THE INDIVIDUAL SUBJECT AREAS ON THE COLLEGE ENTRANCE EXAMINATION PORTION OF THE MICHIGAN MERIT EXAMINATION UNDER SECTION 1279G(2)(A) OF THE REVISED SCHOOL CODE, MCL 380.1279G, THE DISTRICT, PUBLIC SCHOOL ACADEMY, OR EDUCATION ACHIEVEMENT SYSTEM SHALL ENSURE ALL OF THE FOLLOWING:

(A) THE DISTRICT, PUBLIC SCHOOL ACADEMY, OR THE EDUCATION ACHIEVEMENT SYSTEM SHALL DETERMINE THE PROPORTION OF TOTAL AT RISK PUPILS THAT REPRESENTS THE NUMBER OF PUPILS IN GRADE 3 THAT ARE NOT READING AT GRADE LEVEL BY THE END OF GRADE 3, AND THE DISTRICT, PUBLIC SCHOOL ACADEMY, OR THE EDUCATION ACHIEVEMENT SYSTEM SHALL EXPEND THAT SAME PROPORTION MULTIPLIED BY 1/2 OF ITS TOTAL AT RISK FUNDS UNDER THIS SECTION ON TUTORING AND OTHER METHODS OF IMPROVING GRADE 3 READING LEVELS.

(B) THE DISTRICT, PUBLIC SCHOOL ACADEMY, OR THE EDUCATION ACHIEVEMENT SYSTEM SHALL DETERMINE THE PROPORTION OF TOTAL AT RISK PUPILS THAT REPRESENT THE NUMBER OF PUPILS IN GRADE 11 THAT ARE NOT CAREER- AND COLLEGE-READY AS MEASURED BY THE STUDENT'S SCORE ON EACH OF THE INDIVIDUAL SUBJECT AREAS ON THE COLLEGE ENTRANCE EXAMINATION PORTION OF THE MICHIGAN MERIT EXAMINATION UNDER SECTION 1279G(2)(A) OF THE REVISED SCHOOL CODE, MCL 380.1279G, AND THE DISTRICT, PUBLIC SCHOOL ACADEMY, OR THE EDUCATION ACHIEVEMENT SYSTEM SHALL EXPEND THAT SAME PROPORTION MULTIPLIED BY 1/2 OF ITS TOTAL AT RISK FUNDS UNDER THIS SECTION ON TUTORING AND OTHER ACTIVITIES TO IMPROVE SCORES ON THE COLLEGE ENTRANCE EXAMINATION PORTION OF THE MICHIGAN MERIT EXAMINATION.

(15) AS USED IN SUBSECTION (14), "TOTAL AT RISK PUPILS" MEANS THE SUM OF THE NUMBER OF PUPILS IN GRADE 3 THAT ARE NOT READING AT GRADE LEVEL BY THE END OF THIRD GRADE AND THE NUMBER OF PUPILS IN GRADE 11 THAT ARE NOT CAREER- AND COLLEGE-READY AS MEASURED BY

THE STUDENT'S SCORE ON EACH OF THE INDIVIDUAL SUBJECT AREAS ON THE COLLEGE ENTRANCE EXAMINATION PORTION OF THE MICHIGAN MERIT EXAMINATION UNDER SECTION 1279G(2)(A) OF THE REVISED SCHOOL CODE, MCL 380.1279G.

(16) (17)-A district or public school academy that receives funds under this section or the education achievement system may use funds received under this section to provide an anti-bullying or crisis intervention program.

Sec. 31d. (1) From the appropriations in section 11, there is allocated an amount not to exceed \$22,495,100.00 for ~~2013-2014~~ **2014-2015** for the purpose of making payments to districts and other eligible entities under this section.

(2) The amounts allocated from state sources under this section shall be used to pay the amount necessary to reimburse districts for 6.0127% of the necessary costs of the state mandated portion of the school lunch programs provided by those districts. The amount due to each district under this section shall be computed by the department using the methods of calculation adopted by the Michigan supreme court in the consolidated cases known as Durant v State of Michigan, Michigan supreme court docket no. 104458-104492.

(3) The payments made under this section include all state payments made to districts so that each district receives at least 6.0127% of the necessary costs of operating the state mandated portion of the school lunch program in a fiscal year.

(4) The payments made under this section to districts and other eligible entities that are not required under section 1272a of the revised school code, MCL 380.1272a, to provide a school lunch program shall be in an amount not to exceed \$10.00 per eligible pupil plus 5 cents for each free lunch and 2 cents for each reduced price lunch provided, as determined by the department.

(5) From the federal funds appropriated in section 11, there is allocated for ~~2013-2014~~ **2014-2015** all available federal funding, estimated at ~~\$460,000,000.00~~ **\$510,000,000.00** for the national school lunch program and all available federal funding, estimated at \$3,200,000.00 for the emergency food assistance program.

(6) Notwithstanding section 17b, payments to eligible entities other than districts under this section shall be paid on a schedule determined by the department.

(7) In purchasing food for a school lunch program funded under this section, preference shall be given to food that is grown or produced by Michigan businesses if it is competitively priced and of comparable quality.

Sec. 31f. (1) From the appropriations in section 11, there is allocated an amount not to exceed \$5,625,000.00 for ~~2013-2014~~ **2014-2015** for the purpose of making payments to districts to reimburse for the cost of providing breakfast.

(2) The funds allocated under this section for school breakfast programs shall be made available to all eligible applicant districts that meet all of the following criteria:

(a) The district participates in the federal school breakfast program and meets all standards as prescribed by 7 CFR parts 220 and 245.

(b) Each breakfast eligible for payment meets the federal standards described in subdivision (a).

(3) The payment for a district under this section is at a per meal rate equal to the lesser of the district's actual cost or 100% of the statewide average cost of a breakfast served, as determined and approved by the department, less federal reimbursement, participant payments, and other state reimbursement. The statewide average cost shall be determined by the department using costs as reported in a manner approved by the department for the preceding school year.

(4) Notwithstanding section 17b, payments under this section may be made pursuant to an agreement with the department.

(5) In purchasing food for a school breakfast program funded under this section, preference shall be given to food that is grown or produced by Michigan businesses if it is competitively priced and of comparable quality.

SEC. 31G. (1) FROM THE GENERAL FUND MONEY APPROPRIATED IN SECTION 11, THERE IS ALLOCATED TO THE DEPARTMENT FOR 2014-2015 THE AMOUNT OF \$1,200,000.00 FOR A CONTRACT WITH A SINGLE PROVIDER TO PROVIDE AN ONLINE, RESEARCH-BASED, SECURE, PERSONAL USER HEALTH AND NUTRITION EDUCATION SOFTWARE PLATFORM IN A REPRESENTATIVE SAMPLE OF PILOT SCHOOLS IN THIS STATE, TO INCLUDE SCHOOLS OPERATED BY DISTRICTS, PUBLIC SCHOOL ACADEMIES, AND INTERMEDIATE DISTRICTS, FOR 2 SCHOOL YEARS. THE CONTRACT SHALL INCLUDE PLATFORM AND CONTENT DEVELOPMENT AND EVALUATION. THE DEPARTMENT SHALL OVERSEE A COMPETITIVE REQUEST FOR PROPOSALS PROCESS FOR THE CONTRACT, AND THE REQUEST FOR PROPOSALS SHALL INCLUDE, BUT NOT BE LIMITED TO, ALL OF THE FOLLOWING REQUIREMENTS:

(A) A MICHIGAN-BASED, PLATFORM-NEUTRAL, TECHNOLOGY-DRIVEN ONLINE PLATFORM THAT DOES NOT REQUIRE ADDITIONAL INFORMATION TECHNOLOGY RESOURCES BEYOND INTERNET ACCESS.

(B) A SUSTAINABLE, INTERACTIVE HEALTH AND NUTRITION EDUCATION PLATFORM AND PERSONAL RESPONSIBILITY HEALTH BEHAVIOR RECORD THAT IS COST-NEUTRAL TO ALL PARTICIPANTS, INCLUDING PUPILS, PARENTS, GUARDIANS, AND SCHOOLS, AND THAT REQUIRES AN OPT-IN FROM THE PARENT OR LEGAL GUARDIAN OF EACH PUPIL PARTICIPANT.

(C) PERSONAL USE HEALTH BEHAVIOR DATA THAT ARE CUMULATIVE AND ACCESSIBLE IN REAL TIME ONLY TO THE USER AND THOSE AUTHORIZED BY THE USER THROUGH A SECURE ONLINE DASHBOARD THAT MEETS ALL FEDERAL, STATE, AND LOCAL HEALTH INFORMATION AND CHILD ONLINE PRIVACY REQUIREMENTS, INCLUDING, BUT NOT LIMITED TO, BEING IN COMPLIANCE WITH

THE CHILDREN'S ONLINE PRIVACY PROTECTION ACT OF 1998, 5 USC 6501 TO 6505, AND THE KIDSAFE SEAL PROGRAM.

(D) A PROGRAM THAT PROVIDES FOR AGE- AND DEVELOPMENTALLY APPROPRIATE SELF-MONITORING THROUGH THE RECORDING OF HEALTH HABITS, INCLUDING, BUT NOT LIMITED TO, DIETARY INTAKE AND PHYSICAL ACTIVITY, THAT IS CONSISTENT WITH CURRENT, ESTABLISHED STANDARDS FOR WELL-CHILD PREVENTIVE HEALTH CARE, AND THAT PROVIDES A PERSONAL RESPONSIBILITY HEALTH RECORD.

(E) A PROGRAM THAT PROMOTES A HEALTHY LIFESTYLE AND REINFORCES POSITIVE HEALTH OUTCOMES WHILE ALIGNING WITH CURRENTLY ESTABLISHED SCHOOL HEALTH CURRICULA, PHYSICAL EDUCATION AND PHYSICAL ACTIVITY CURRICULA, FEDERAL SCHOOL MEAL PROGRAMS, SCHOOL-BASED HEALTH PROGRAMS, CURRENT UNITED STATES DIETARY GUIDELINES FOR AMERICANS, AND ESTABLISHED STATE-FUNDED AND FEDERALLY FUNDED FOOD, NUTRITION, AND HEALTH PROMOTION PROGRAMS. THE OVERALL GOAL OF THE PROGRAM SHALL BE IMPROVED DIETARY INTAKE AND INCREASED PHYSICAL ACTIVITY.

(2) THE FUNDS APPROPRIATED UNDER THIS SECTION ARE TO BE SPENT OVER 2 YEARS AND SHALL BE CONSIDERED A WORK PROJECT APPROPRIATION. ANY UNEXPENDED FUNDS FOR 2014-2015 ARE CARRIED FORWARD INTO 2015-2016. THE PURPOSE OF THE WORK PROJECT IS AS DESCRIBED UNDER SUBSECTION (1). THE TOTAL ESTIMATED COST OF THESE PROJECTS IS \$1,200,000.00. THE TENTATIVE ESTIMATED COMPLETION DATE OF THE WORK PROJECT IS SEPTEMBER 30, 2017.

(3) THE CONTRACT UNDER SUBSECTION (1) SHALL REQUIRE THE PROVIDER TO SUBMIT A PROGRESS REPORT TO THE LEGISLATURE BY SEPTEMBER 30, 2017. THE REPORT SHALL PROVIDE DETAILS ON THE PROGRAM'S PROGRESS AND IMPACT, INCLUDING, BUT NOT LIMITED TO, ALL OF THE FOLLOWING:

(A) INCREASE IN THE NUMBER OF ACTIVE REGISTRANTS IN THE PROGRAM AND IN THE LENGTH OF PARTICIPATION BY REGISTRANTS IN THE PROGRAM.

(B) IMPROVEMENT AND INCREASE IN THE NUMBER OF HEALTHY OPTIONS SERVED TO PUPILS BY SCHOOL LUNCH PROGRAMS.

(C) INCREASE IN PARTICIPATION BY PUPILS IN SCHOOL ATHLETIC AND PHYSICAL ACTIVITIES.

(D) CONTINUED ALIGNMENT WITH THE DEPARTMENT OF COMMUNITY HEALTH'S MICHIGAN HEALTH AND WELLNESS 4X4 PLAN.

(4) NOT LATER THAN 1 YEAR AFTER THE COMPLETION OF THE WORK PROJECT UNDER THIS SECTION, THE AUDITOR GENERAL SHALL PERFORM A PERFORMANCE POST-AUDIT OF THE PILOT PROJECT AND SUBMIT A REPORT TO THE LEGISLATURE ON THE EFFECTIVENESS OF THE PROGRAM IN ACHIEVING IMPROVEMENTS IN CHILD HEALTH.

Sec. 32d. (1) From the funds appropriated in section 11, there is allocated to eligible intermediate districts and consortia of intermediate districts for great start readiness programs an amount not to exceed ~~\$149,275,000.00~~ **\$214,275,000.00** for ~~2013-2014.~~ **2014-2015**. In addition, from the funds appropriated in section 11, there is allocated to the great start readiness reserve fund created under subsection ~~(14)~~ **(19)** an amount not to exceed \$25,000,000.00 for ~~2013-2014.~~ **2014-2015**. Funds allocated under this section for great start readiness programs shall be used to provide part-day, school-day, or GSRP/head start blended comprehensive free compensatory classroom programs designed to improve the readiness and subsequent achievement of educationally disadvantaged children who meet the participant eligibility and prioritization guidelines as defined by the department. ~~Beginning in 2013-2014,~~ **FOR** a child to be eligible to participate in a program under this section, the child shall be at least 4, but less than 5, years of age as of the date specified for determining a child's eligibility to attend school under section 1147 of the revised school code, MCL 380.1147.

(2) Funds allocated under subsection (1) shall be allocated to intermediate districts or consortia of intermediate districts based on the formula in section 39. An intermediate district or consortium of intermediate districts receiving funding under this section shall act as the fiduciary for the great start readiness programs. In order to be eligible to receive funds allocated under this subsection from an intermediate district or consortium of intermediate districts, a district, a consortium of districts, or a public or private for-profit or nonprofit legal entity or agency shall comply with this section and section 39.

(3) In addition to the allocation under subsection (1), from the general fund money appropriated under section 11, there is allocated an amount not to exceed \$300,000.00 for ~~2013-2014.~~ **2014-2015** for a competitive grant to continue a longitudinal evaluation of children who have participated in great start readiness programs.

(4) To be eligible for funding under this section, a program shall prepare children for success in school through comprehensive part-day, school-day, or GSRP/head start blended programs that contain all of the following program components, as determined by the department:

(a) Participation in a collaborative recruitment and enrollment process to assure that each child is enrolled in the program most appropriate to his or her needs and to maximize the use of federal, state, and local funds.

(b) An age-appropriate educational curriculum that is in compliance with the early childhood standards of quality for prekindergarten children adopted by the state board.

(c) Nutritional services for all program participants supported by federal, state, and local resources as applicable.

- (d) ~~Health~~ **PHYSICAL AND DENTAL HEALTH** and developmental screening services for all program participants.
- (e) Referral services for families of program participants to community social service agencies, **INCLUDING MENTAL HEALTH SERVICES**, as appropriate.
- (f) Active and continuous involvement of the parents or guardians of the program participants.
- (g) A plan to conduct and report annual great start readiness program evaluations and continuous improvement plans using criteria approved by the department.
- (h) Participation in a ~~multidistrict, multiagency~~, school readiness advisory committee convened as a workgroup of the great start collaborative that provides for the involvement of classroom teachers, parents or guardians of program participants, and community, volunteer, and social service agencies and organizations, as appropriate. The advisory committee annually shall review **AND MAKE RECOMMENDATIONS REGARDING** the program components listed in this subsection, ~~and make recommendations for changes to the great start readiness program for which it is an advisory committee.~~ **THE ADVISORY COMMITTEE ALSO SHALL MAKE RECOMMENDATIONS TO THE GREAT START COLLABORATIVE REGARDING OTHER COMMUNITY SERVICES DESIGNED TO IMPROVE ALL CHILDREN'S SCHOOL READINESS.**
- (i) The ongoing articulation of the kindergarten and first grade programs offered by the program provider.
- (j) Participation in this state's great start to quality process with a rating of at least 3 stars.
- (5) An application for funding under this section shall provide for the following, in a form and manner determined by the department:
- (a) Ensure compliance with all program components described in subsection (4).
- (b) ~~Ensure~~ **EXCEPT AS OTHERWISE PROVIDED IN THIS SUBDIVISION, ENSURE** that at least 90% of the children participating in an eligible great start readiness program for whom the ~~provider~~ **INTERMEDIATE DISTRICT** is receiving funds under this section are children who live with families with a household income that is equal to or less than 250% of the federal poverty level. **IF THE INTERMEDIATE DISTRICT DETERMINES THAT ALL ELIGIBLE CHILDREN ARE BEING SERVED AND THAT THERE ARE NO CHILDREN ON THE WAITING LIST UNDER SECTION 39(1)(D) WHO LIVE WITH FAMILIES WITH A HOUSEHOLD INCOME THAT IS EQUAL TO OR LESS THAN 250% OF THE FEDERAL POVERTY LEVEL, THE INTERMEDIATE DISTRICT MAY THEN ENROLL CHILDREN WHO LIVE WITH FAMILIES WITH A HOUSEHOLD INCOME THAT IS EQUAL TO OR LESS THAN 300% OF THE FEDERAL POVERTY LEVEL. THE ENROLLMENT PROCESS SHALL CONSIDER INCOME AND RISK FACTORS, SUCH THAT CHILDREN DETERMINED WITH HIGHER NEED ARE ENROLLED BEFORE CHILDREN WITH LESSER NEED. FOR PURPOSES OF THIS SUBDIVISION, ALL AGE-ELIGIBLE CHILDREN SERVED IN FOSTER CARE OR WHO ARE EXPERIENCING HOMELESSNESS OR WHO HAVE INDIVIDUALIZED EDUCATION PLANS RECOMMENDING PLACEMENT IN AN INCLUSIVE PRESCHOOL SETTING SHALL BE CONSIDERED TO LIVE WITH FAMILIES WITH HOUSEHOLD INCOME EQUAL TO OR LESS THAN 250% OF THE FEDERAL POVERTY LEVEL REGARDLESS OF ACTUAL FAMILY INCOME.**
- (c) Ensure that the applicant only uses qualified personnel for this program, as follows:
- (i) Teachers possessing proper training. ~~For programs managed directly by a district or intermediate district, A LEAD TEACHER MUST HAVE a valid teaching certificate and WITH an early childhood (ZA or ZS) endorsement are required. This provision does not apply to an eligible child development program. In that situation, a teacher must have a valid Michigan teaching certificate with an early childhood (ZA or ZS) endorsement, a valid Michigan elementary teaching certificate with a child development associate credential, or a bachelor's degree in child development~~ **OR EARLY CHILD DEVELOPMENT** with specialization in preschool teaching. However, if an applicant demonstrates to the department that it is unable to fully comply with this subparagraph after making reasonable efforts to comply, teachers who have significant but incomplete training in early childhood education or child development may be used if the applicant provides to the department, and the department approves, a plan for each teacher to come into compliance with the standards in this subparagraph. A teacher's compliance plan must be completed within 2 years of the date of employment. Progress toward completion of the compliance plan shall consist of at least 2 courses per calendar year.
- (ii) Paraprofessionals possessing proper training in early childhood development, including an associate's degree in early childhood education or child development or the equivalent, or a child development associate (CDA) credential. However, if an applicant demonstrates to the department that it is unable to fully comply with this subparagraph after making reasonable efforts to comply, the applicant may use paraprofessionals who have completed at least 1 course that earns college credit in early childhood education or child development if the applicant provides to the department, and the department approves, a plan for each paraprofessional to come into compliance with the standards in this subparagraph. A paraprofessional's compliance plan must be completed within 2 years of the date of employment. Progress toward completion of the compliance plan shall consist of at least 2 courses or 60 clock hours of training per calendar year.
- (d) Include a program budget that contains only those costs that are not reimbursed or reimbursable by federal funding, that are clearly and directly attributable to the great start readiness program, and that would not be incurred if the program were not being offered. Eligible costs include transportation costs. The program budget shall indicate the extent to which these funds

will supplement other federal, state, local, or private funds. Funds received under this section shall not be used to supplant any federal funds received by the applicant to serve children eligible for a federally funded preschool program that has the capacity to serve those children.

(6) For a grant recipient that enrolls pupils in a school-day program funded under this section, each child enrolled in the school-day program shall be counted as 2 children served by the program for purposes of determining the number of children to be served and for determining the amount of the grant award. A grant award shall not be increased solely on the basis of providing a school-day program.

(7) For a grant recipient that enrolls pupils in a GSRP/head start blended program, the grant recipient shall ensure that all head start and GSRP policies and regulations are applied to the blended slots, with adherence to the highest standard from either program, to the extent allowable under federal law.

(8) An intermediate district or consortium of intermediate districts receiving a grant under this section **SHALL DESIGNATE AN EARLY CHILDHOOD COORDINATOR, AND** may provide services directly or may contract with 1 or more districts or public or private for-profit or nonprofit providers that meet all requirements of subsection (4). ~~and retain for administrative services an amount equal to not more than 7% of the grant amount. In addition, an~~

(9) FUNDS RECEIVED UNDER THIS SECTION MAY BE RETAINED FOR ADMINISTRATIVE SERVICES AS FOLLOWS:

(A) FOR THE PORTION OF THE TOTAL GRANT AMOUNT FOR WHICH SERVICES ARE PROVIDED DIRECTLY BY AN INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS, THE INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS MAY RETAIN AN AMOUNT EQUAL TO NOT MORE THAN 7% OF THAT PORTION OF THE GRANT AMOUNT.

(B) FOR THE PORTION OF THE TOTAL GRANT AMOUNT FOR WHICH SERVICES ARE CONTRACTED, THE INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS RECEIVING THE GRANT MAY RETAIN AN AMOUNT EQUAL TO NOT MORE THAN 2% OF THAT PORTION OF THE GRANT AMOUNT AND THE SUBRECIPIENTS ENGAGED BY THE INTERMEDIATE DISTRICT TO PROVIDE PROGRAM SERVICES MAY RETAIN FOR ADMINISTRATIVE SERVICES AN AMOUNT EQUAL TO NOT MORE THAN 5% OF THAT PORTION OF THE GRANT AMOUNT.

(10) AN intermediate district or consortium of intermediate districts may expend not more than 2% of the total grant amount for **OUTREACH**, recruiting, and public awareness of the program.

(11) (9) Each grant recipient shall enroll children identified under subsection (5)(b) according to how far the child's household income is below 250% of the federal poverty level by ranking each applicant child's household income from lowest to highest and dividing the applicant children into quintiles based on how far the child's household income is below 250% of the federal poverty level, and then enrolling children in the quintile with the lowest household income before enrolling children in the quintile with the next lowest household income until slots are completely filled. **IF THE GRANT RECIPIENT DETERMINES THAT ALL ELIGIBLE CHILDREN ARE BEING SERVED AND THAT THERE ARE NO CHILDREN ON THE WAITING LIST UNDER SECTION 39(1)(D) WHO LIVE WITH FAMILIES WITH A HOUSEHOLD INCOME THAT IS EQUAL TO OR LESS THAN 250% OF THE FEDERAL POVERTY LEVEL, THE GRANT RECIPIENT MAY THEN ENROLL CHILDREN WHO LIVE WITH FAMILIES WITH A HOUSEHOLD INCOME THAT IS EQUAL TO OR LESS THAN 300% OF THE FEDERAL POVERTY LEVEL. THE ENROLLMENT PROCESS SHALL CONSIDER INCOME AND RISK FACTORS, SUCH THAT CHILDREN DETERMINED WITH HIGHER NEED ARE ENROLLED BEFORE CHILDREN WITH LESSER NEED. FOR PURPOSES OF THIS SUBDIVISION, ALL AGE-ELIGIBLE CHILDREN SERVED IN FOSTER CARE OR WHO ARE EXPERIENCING HOMELESSNESS OR WHO HAVE INDIVIDUALIZED EDUCATION PLANS RECOMMENDING PLACEMENT IN AN INCLUSIVE PRESCHOOL SETTING SHALL BE CONSIDERED TO LIVE WITH FAMILIES WITH HOUSEHOLD INCOME EQUAL TO OR LESS THAN 250% OF THE FEDERAL POVERTY LEVEL REGARDLESS OF ACTUAL FAMILY INCOME.**

(12) AN INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS RECEIVING A GRANT UNDER THIS SECTION SHALL ALLOW PARENTS OF ELIGIBLE CHILDREN WHO ARE RESIDENTS OF THE INTERMEDIATE DISTRICT OR WITHIN THE CONSORTIUM TO CHOOSE A PROGRAM OPERATED BY OR CONTRACTED WITH ANOTHER INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS AND SHALL PAY TO THE EDUCATING INTERMEDIATE DISTRICT OR CONSORTIUM THE PER-CHILD AMOUNT ATTRIBUTABLE TO EACH CHILD ENROLLED PURSUANT TO THIS SENTENCE, AS DETERMINED UNDER SECTION 39.

(13) (10) An intermediate district or consortium of intermediate districts receiving a grant under this section shall conduct a local process to contract with interested and eligible public and private for-profit and nonprofit community-based providers that meet all requirements of subsection (4) for at least 30% of its total slot allocation. **THE INTERMEDIATE DISTRICT OR CONSORTIUM SHALL REPORT TO THE DEPARTMENT, IN A MANNER PRESCRIBED BY THE DEPARTMENT, A DETAILED LIST OF COMMUNITY-BASED PROVIDERS BY PROVIDER TYPE, INCLUDING PRIVATE FOR-PROFIT, PRIVATE NONPROFIT, COMMUNITY COLLEGE OR UNIVERSITY, HEAD START GRANTEE OR DELEGATE, AND DISTRICT OR INTERMEDIATE DISTRICT, AND THE NUMBER AND PROPORTION**

OF ITS TOTAL SLOT ALLOCATION ALLOCATED TO EACH PROVIDER AS SUBRECIPIENT. If the intermediate district or consortium is not able to contract for at least 30% of its total slot allocation, the grant recipient shall notify the department and, if the department verifies that the intermediate district or consortium attempted to contract for at least 30% of its total slot allocation and was not able to do so, then the intermediate district or consortium may retain and use all of its allocated slots as provided under this section. **TO BE ABLE TO USE THIS EXEMPTION, THE INTERMEDIATE DISTRICT OR CONSORTIUM SHALL DEMONSTRATE TO THE DEPARTMENT THAT THE INTERMEDIATE DISTRICT OR CONSORTIUM INCREASED THE PERCENTAGE OF ITS TOTAL SLOT ALLOCATION FOR WHICH IT CONTRACTS WITH A COMMUNITY-BASED PROVIDER AND THE INTERMEDIATE DISTRICT OR CONSORTIUM SHALL SUBMIT EVIDENCE SATISFACTORY TO THE DEPARTMENT, AND THE DEPARTMENT MUST BE ABLE TO VERIFY THIS EVIDENCE, DEMONSTRATING THAT THE INTERMEDIATE DISTRICT OR CONSORTIUM TOOK MEASURES TO CONTRACT FOR AT LEAST 30% OF ITS TOTAL SLOT ALLOCATION AS REQUIRED UNDER THIS SUBSECTION, INCLUDING, BUT NOT LIMITED TO, AT LEAST ALL OF THE FOLLOWING MEASURES:**

(A) THE INTERMEDIATE DISTRICT OR CONSORTIUM NOTIFIED EACH LICENSED CHILD CARE CENTER LOCATED IN THE SERVICE AREA OF THE INTERMEDIATE DISTRICT OR CONSORTIUM AT LEAST TWICE REGARDING THE CENTER'S ELIGIBILITY TO PARTICIPATE. ONE OF THESE NOTIFICATIONS MAY BE MADE ELECTRONICALLY, BUT AT LEAST 1 OF THESE NOTIFICATIONS SHALL BE MADE VIA HARD COPY THROUGH THE UNITED STATES MAIL. AT LEAST 1 OF THESE NOTIFICATIONS SHALL BE MADE WITHIN 7 DAYS AFTER THE INTERMEDIATE DISTRICT OR CONSORTIUM RECEIVES NOTICE FROM THE DEPARTMENT OF ITS SLOT ALLOCATIONS.

(B) THE INTERMEDIATE DISTRICT OR CONSORTIUM PROVIDED TO EACH LICENSED CHILD CARE CENTER LOCATED IN THE SERVICE AREA OF THE INTERMEDIATE DISTRICT OR CONSORTIUM INFORMATION REGARDING GREAT START READINESS PROGRAM REQUIREMENTS AND A DESCRIPTION OF THE APPLICATION AND SELECTION PROCESS FOR COMMUNITY-BASED PROVIDERS.

(C) THE INTERMEDIATE DISTRICT OR CONSORTIUM PROVIDED TO THE PUBLIC AND TO PARTICIPATING FAMILIES A LIST OF COMMUNITY-BASED GREAT START READINESS PROGRAM SUBRECIPIENTS WITH A GREAT START TO QUALITY RATING OF AT LEAST 3 STARS.

(14) IF AN INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS RECEIVING A GRANT UNDER THIS SECTION FAILS TO SUBMIT SATISFACTORY EVIDENCE TO DEMONSTRATE ITS EFFORT TO CONTRACT FOR AT LEAST 30% OF ITS TOTAL SLOT ALLOCATION, AS REQUIRED UNDER SUBSECTION (1), THE DEPARTMENT SHALL REDUCE THE SLOTS ALLOCATED TO THE INTERMEDIATE DISTRICT OR CONSORTIUM BY A PERCENTAGE EQUAL TO THE DIFFERENCE BETWEEN THE PERCENTAGE OF AN INTERMEDIATE DISTRICT'S OR CONSORTIUM'S TOTAL SLOT ALLOCATION AWARDED TO COMMUNITY-BASED PROVIDERS AND 30% OF ITS TOTAL SLOT ALLOCATION.

(15) IN ORDER TO ASSIST INTERMEDIATE DISTRICTS AND CONSORTIA IN COMPLYING WITH THE REQUIREMENT TO CONTRACT WITH COMMUNITY-BASED PROVIDERS FOR AT LEAST 30% OF THEIR TOTAL SLOT ALLOCATION, THE DEPARTMENT SHALL DO ALL OF THE FOLLOWING:

(A) ENSURE THAT A GREAT START RESOURCE CENTER OR THE DEPARTMENT PROVIDES EACH INTERMEDIATE DISTRICT OR CONSORTIUM RECEIVING A GRANT UNDER THIS SECTION WITH THE CONTACT INFORMATION FOR EACH LICENSED CHILD CARE CENTER LOCATED IN THE SERVICE AREA OF THE INTERMEDIATE DISTRICT OR CONSORTIUM BY MARCH 1 OF EACH YEAR.

(B) PROVIDE, OR ENSURE THAT AN ORGANIZATION WITH WHICH THE DEPARTMENT CONTRACTS PROVIDES, A COMMUNITY-BASED PROVIDER WITH A VALIDATED GREAT START TO QUALITY RATING WITHIN 90 DAYS OF THE PROVIDER'S HAVING SUBMITTED A REQUEST AND SELF-ASSESSMENT.

(C) ENSURE THAT ALL INTERMEDIATE DISTRICT, DISTRICT, COMMUNITY COLLEGE OR UNIVERSITY, HEAD START GRANTEE OR DELEGATE, PRIVATE FOR-PROFIT, AND PRIVATE NONPROFIT PROVIDERS ARE SUBJECT TO A SINGLE GREAT START TO QUALITY RATING SYSTEM. THE RATING SYSTEM SHALL ENSURE THAT REGULATORS PROCESS ALL PROSPECTIVE PROVIDERS AT THE SAME PACE ON A FIRST-COME, FIRST-SERVED BASIS AND SHALL NOT ALLOW 1 TYPE OF PROVIDER TO RECEIVE A GREAT START TO QUALITY RATING AHEAD OF ANY OTHER TYPE OF PROVIDER.

(D) NOT LATER THAN NOVEMBER 1 OF EACH YEAR, COMPILER THE RESULTS OF THE INFORMATION REPORTED BY EACH INTERMEDIATE DISTRICT OR CONSORTIUM UNDER SUBSECTION (10) AND REPORT TO THE LEGISLATURE A LIST BY INTERMEDIATE DISTRICT OR CONSORTIUM WITH THE NUMBER AND PERCENTAGE OF EACH INTERMEDIATE DISTRICT'S OR CONSORTIUM'S TOTAL SLOT ALLOCATION ALLOCATED TO COMMUNITY-BASED PROVIDERS BY PROVIDER TYPE, INCLUDING PRIVATE FOR-PROFIT, PRIVATE NONPROFIT, COMMUNITY COLLEGE OR UNIVERSITY, HEAD START GRANTEE OR DELEGATE, AND DISTRICT OR INTERMEDIATE DISTRICT.

(16) (H)-A recipient of funds under this section shall report to the department in a form and manner prescribed by the department the number of children participating in the program who meet the income eligibility criteria under subsection (5)(b) and the

total number of children participating in the program. For children participating in the program who meet the income eligibility criteria specified under subsection (5)(b), a recipient shall also report whether or not a parent is available to provide care based on employment status. For the purposes of this subsection, "employment status" shall be defined by the department of human services in a manner consistent with maximizing the amount of spending that may be claimed for temporary assistance for needy families maintenance of effort purposes.

(17) ~~(12)~~ As used in this section:

(a) "GSRP/head start blended program" means a part-day program funded under this section and a head start program, which are combined for a school-day program.

(b) "Part-day program" means a program that operates at least 4 days per week, 30 weeks per year, for at least 3 hours of teacher-child contact time per day but for fewer hours of teacher-child contact time per day than a school-day program.

(c) "School-day program" means a program that operates for at least the same length of day as a district's first grade program for a minimum of 4 days per week, 30 weeks per year. A classroom that offers a school-day program must enroll all children for the school day to be considered a school-day program.

(18) ~~(13)~~ An intermediate district or consortium of intermediate districts receiving funds under this section shall establish a sliding scale of tuition rates based upon household income for children participating in an eligible great start readiness program who live with families with a household income that is more than 250% of the federal poverty level to be used by all of its providers, as approved by the department. A grant recipient shall charge tuition according to that sliding scale of tuition rates on a uniform basis for any child who does not meet the income eligibility requirements under this section.

(19) ~~(14)~~ The great start readiness reserve fund is created as a separate account within the state school aid fund established by section 11 of article IX of the state constitution of 1963. Money available in the great start readiness reserve fund may not be expended for ~~2013-2014~~ **2014-2015** unless transferred by the legislature not later than ~~January 31,~~ **DECEMBER 15, 2014** to the allocation under subsection (1) for great start readiness programs. Money in the great start readiness reserve fund shall be expended only for purposes for which state school aid fund money may be expended. The state treasurer shall direct the investment of the great start readiness reserve fund. The state treasurer shall credit to the great start readiness reserve fund interest and earnings from fund investments. Money in the great start readiness reserve fund at the close of a fiscal year shall remain in the great start readiness reserve fund and shall not lapse to the unreserved school aid fund balance or the general fund.

(20) FROM THE AMOUNT APPROPRIATED IN SUBSECTION (1), THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$10,000,000.00 FOR REIMBURSEMENT OF TRANSPORTATION COSTS FOR CHILDREN ATTENDING GREAT START READINESS PROGRAMS FUNDED UNDER THIS SECTION. TO RECEIVE REIMBURSEMENT UNDER THIS SUBSECTION, NOT LATER THAN NOVEMBER 1, 2014, A PROGRAM FUNDED UNDER THIS SECTION THAT PROVIDES TRANSPORTATION SHALL SUBMIT TO THE INTERMEDIATE DISTRICT THAT IS THE FISCAL AGENT FOR THE PROGRAM A PROJECTED TRANSPORTATION BUDGET. THE AMOUNT OF THE REIMBURSEMENT FOR TRANSPORTATION UNDER THIS SUBSECTION SHALL BE THE LESSER OF THE PROJECTED TRANSPORTATION BUDGET OR \$150.00 MULTIPLIED BY THE NUMBER OF SLOTS FUNDED FOR THE PROGRAM UNDER THIS SECTION. IF THE AMOUNT ALLOCATED UNDER THIS SUBSECTION IS INSUFFICIENT TO FULLY REIMBURSE THE TRANSPORTATION COSTS FOR ALL PROGRAMS THAT PROVIDE TRANSPORTATION AND SUBMIT THE REQUIRED INFORMATION, THE REIMBURSEMENT SHALL BE PRORATED IN AN EQUAL AMOUNT PER SLOT FUNDED. PAYMENTS SHALL BE MADE TO THE INTERMEDIATE DISTRICT THAT IS THE FISCAL AGENT FOR EACH PROGRAM, AND THE INTERMEDIATE DISTRICT SHALL THEN REIMBURSE THE PROGRAM PROVIDER FOR TRANSPORTATION COSTS AS PRESCRIBED UNDER THIS SUBSECTION.

Sec. 32p. (1) From the school aid fund appropriation in section 11, there is allocated an amount not to exceed \$10,900,000.00 to intermediate districts for ~~2013-2014~~ **2014-2015** for the purpose of providing early childhood funding to intermediate school districts in block grants, supporting the activities under subsection (2), and providing early childhood programs for children from birth through age 8. ~~Beginning in 2013-2014, the~~ **THE** funding provided to each intermediate district under this section shall be determined by the distribution formula established by the department's office of great start to provide equitable funding statewide. In order to receive funding under this section, each intermediate district shall provide an application to the office of great start not later than September 15 of the immediately preceding fiscal year indicating the activities planned to be provided.

(2) Each intermediate district or consortium of intermediate districts that receives funding under this section shall convene a local great start collaborative and a parent coalition. The goal of each great start collaborative and parent coalition shall be to ensure the coordination and expansion of local early childhood infrastructure and programs that allow every child in the community to achieve the following outcomes:

(a) Children born healthy.

(b) Children healthy, thriving, and developmentally on track from birth to third grade.

(c) Children developmentally ready to succeed in school at the time of school entry.

(d) Children prepared to succeed in fourth grade and beyond by reading proficiently by the end of third grade.

(3) Each local great start collaborative and parent coalition shall convene a ~~workgroup to serve as a school readiness advisory committee as required under section 32d and shall~~ **WORKGROUPS TO MAKE RECOMMENDATIONS ABOUT**

COMMUNITY SERVICES DESIGNED TO ACHIEVE THE OUTCOMES DESCRIBED IN SUBSECTION (2) AND TO ensure that its local great start system includes the following supports for children from birth through age 8:

- (a) Physical health.
- (b) Social-emotional health.
- (c) Family supports and basic needs.
- (d) Parent education and child advocacy.
- (e) Early education and care.

(4) Not later than December 1 of each year, each intermediate district shall provide a report to the department detailing the activities actually provided during the immediately preceding school year and the families and children actually served. The department shall compile and summarize these reports and submit its summary to the house and senate appropriations subcommittees on school aid and to the house and senate fiscal agencies **NOT LATER THAN FEBRUARY 15 OF EACH YEAR**. ~~The block grants allocated under this section implement legislative intent language for this purpose enacted in 2011 PA 62.~~

(5) An intermediate district or consortium of intermediate districts that receives funding under this section may carry over any unexpended funds received under this section into the next fiscal year and may expend those unused funds ~~in~~ **THROUGH JUNE 30 OF** the next fiscal year. A recipient of a grant shall return any unexpended grant funds to the department in the manner prescribed by the department not later than September 30 of the next fiscal year after the fiscal year in which the funds are received.

Sec. 39. (1) An eligible applicant receiving funds under section 32d shall submit ~~a preapplication~~, **AN APPLICATION**, in a form and manner prescribed by the department, by a date specified by the department in the immediately preceding state fiscal year. The ~~preapplication~~ **APPLICATION** shall include a comprehensive needs assessment using aggregated data from the applicant's entire service area and a community collaboration plan that is endorsed by the local great start collaborative and is part of the community's great start strategic plan that includes, but is not limited to, great start readiness program and head start providers, and shall identify all of the following:

- (a) The estimated total number of children in the community who meet the criteria of section 32d and how that calculation was made.
- (b) The estimated number of children in the community who meet the criteria of section 32d and are being served by other early childhood development programs operating in the community, and how that calculation was made.
- (c) The number of children the applicant will be able to serve who meet the criteria of section 32d including a verification of physical facility and staff resources capacity.
- (d) The estimated number of children who meet the criteria of section 32d who will remain unserved after the applicant and community early childhood programs have met their funded enrollments. The applicant shall maintain a waiting list of identified unserved eligible children who would be served when openings are available.

(2) ~~An~~ **AFTER NOTIFICATION OF FUNDING ALLOCATIONS, AN** applicant receiving funds under section 32d shall also submit ~~a final application~~ **AN IMPLEMENTATION PLAN** for approval, in a form and manner prescribed by the department, by a date specified by the department, that details how the applicant complies with the program components established by the department pursuant to section 32d.

(3) The number of prekindergarten children construed to be in need of special readiness assistance under section 32d shall be calculated for each applicant in the following manner: 1/2 of the percentage of the applicant's pupils in grades 1 to 5 in all districts served by the applicant who are eligible for free lunch, as determined using the district's pupil membership count as of the pupil membership count day in the school year prior to the fiscal year for which the calculation is made, under the Richard B. Russell national school lunch act, 42 USC 1751 to 1769i, shall be multiplied by the average kindergarten enrollment of the districts served by the applicant on the pupil membership count day of the 2 immediately preceding fiscal years.

(4) The initial allocation for each fiscal year to each eligible applicant under section 32d shall be determined by multiplying the number of children determined by the formula under subsection (3) or the number of children the applicant indicates it will be able to serve under subsection (1)(c), whichever is less, by \$3,625.00 and shall be distributed among applicants in decreasing order of concentration of eligible children as determined by the formula under subsection (3). If the number of children an applicant indicates it will be able to serve under subsection (1)(c) includes children able to be served in a school-day program, then the number able to be served in a school-day program shall be doubled for the purposes of making this calculation of the lesser of the number of children determined by the formula under subsection (3) and the number of children the applicant indicates it will be able to serve under subsection (1)(c) and determining the amount of the initial allocation to the applicant under section 32d. A district may contract with a head start agency to serve children enrolled in head start with a school-day program by blending head start funds with a part-day great start readiness program allocation. All head start and great start readiness program policies and regulations apply to the blended program.

(5) If funds allocated for eligible applicants or to the great start readiness reserve fund under section 32d remain after the initial allocation under subsection (4), the allocation under this subsection shall be distributed to each eligible applicant under section 32d in decreasing order of concentration of eligible children as determined by the formula under subsection (3). The allocation shall be determined by multiplying the number of children each district within the applicant's service area served in the immediately preceding fiscal year or the number of children the applicant indicates it will be able to serve under subsection (1)(c), whichever is less, minus the number of children for which the applicant received funding in subsection (4) by \$3,625.00.

(6) If funds allocated for eligible applicants or to the great start readiness reserve fund under section 32d remain after the allocations under subsections (4) and (5), remaining funds shall be distributed to each eligible applicant under section 32d in decreasing order of concentration of eligible children as determined by the formula under subsection (3). If the number of children the applicant indicates it will be able to serve under subsection (1)(c) exceeds the number of children for which funds have been received under subsections (4) and (5), the allocation under this subsection shall be determined by multiplying the number of children the applicant indicates it will be able to serve under subsection (1)(c) less the number of children for which funds have been received under subsections (4) and (5) by \$3,625.00 until the funds allocated for eligible applicants in section 32d are distributed.

(7) An applicant that offers supplementary child care funded by funds other than those received under section 32d and therefore offers full-day programs as part of its early childhood development program shall receive priority in the allocation of funds under section 32d over other eligible applicants. As used in this subsection, "full-day program" means a program that provides supplementary child care that totals at least 10 hours of programming per day.

(8) If, taking into account the total amount to be allocated to the applicant as calculated under this section, an applicant determines that it is able to include additional eligible children in the great start readiness program without additional funds under section 32d, the applicant may include additional eligible children but shall not receive additional funding under section 32d for those children.

Sec. 39a. (1) From the federal funds appropriated in section 11, there is allocated for ~~2013-2014~~ **2014-2015** to districts, intermediate districts, and other eligible entities all available federal funding, estimated at ~~\$811,828,500.00~~, **\$807,969,900.00** for the federal programs under the no child left behind act of 2001, Public Law 107-110. These funds are allocated as follows:

(a) An amount estimated at ~~\$10,808,600.00~~ **\$8,000,000.00** to provide students with drug- and violence-prevention programs and to implement strategies to improve school safety, funded from DED-OESE, drug-free schools and communities funds.

(b) An amount estimated at \$111,111,900.00 for the purpose of preparing, training, and recruiting high-quality teachers and class size reduction, funded from DED-OESE, improving teacher quality funds.

(c) An amount estimated at \$12,200,000.00 for programs to teach English to limited English proficient (LEP) children, funded from DED-OESE, language acquisition state grant funds.

(d) An amount estimated at \$10,286,500.00 for the Michigan charter school subgrant program, funded from DED-OESE, charter school funds.

(e) An amount estimated at \$2,393,500.00 for rural and low income schools, funded from DED-OESE, rural and low income school funds.

(f) An amount estimated at \$591,500,000.00 to provide supplemental programs to enable educationally disadvantaged children to meet challenging academic standards, funded from DED-OESE, title I, disadvantaged children funds.

(g) An amount estimated at \$8,878,000.00 for the purpose of identifying and serving migrant children, funded from DED-OESE, title I, migrant education funds.

(h) An amount estimated at ~~\$40,050,000.00~~ **\$39,000,000.00** for the purpose of providing high-quality extended learning opportunities, after school and during the summer, for children in low-performing schools, funded from DED-OESE, twenty-first century community learning center funds.

(i) An amount estimated at \$24,600,000.00 to help support local school improvement efforts, funded from DED-OESE, title I, local school improvement grants.

(2) From the federal funds appropriated in section 11, there is allocated for ~~2013-2014~~ **2014-2015** to districts, intermediate districts, and other eligible entities all available federal funding, estimated at ~~\$31,700,000.00~~ **\$31,300,000.00** for the following programs that are funded by federal grants:

(a) An amount estimated at ~~\$600,000.00~~ **\$200,000.00** for acquired immunodeficiency syndrome education grants, funded from HHS – center for disease control, AIDS funding.

(b) An amount estimated at \$2,600,000.00 to provide services to homeless children and youth, funded from DED-OVAE, homeless children and youth funds.

(c) An amount estimated at \$28,500,000.00 for providing career and technical education services to pupils, funded from DED-OVAE, basic grants to states.

~~(3) To the extent allowed under federal law, the funds allocated under subsection (1)(f) and (i) may be used for 1 or more reading improvement programs that meet at least 1 of the following:~~

~~(a) A research-based, validated, structured reading program that aligns learning resources to state standards and includes continuous assessment of pupils and individualized education plans for pupils.~~

~~(b) A mentoring program that is a research-based, validated program or a statewide 1-to-1 mentoring program and is designed to enhance the independence and life quality of pupils who are mentally impaired by providing opportunities for mentoring and integrated employment.~~

~~(c) A cognitive development program that is a research-based, validated educational service program focused on assessing and building essential cognitive and perceptual learning abilities to strengthen pupil concentration and learning.~~

~~(d) A structured mentoring-tutorial reading program for pupils in preschool to grade 4 that is a research-based, validated program that develops individualized educational plans based on each pupil's age, assessed needs, reading level, interests, and learning style.~~

(3) ~~(4)~~-All federal funds allocated under this section shall be distributed in accordance with federal law and with flexibility provisions outlined in Public Law 107-116, and in the education flexibility partnership act of 1999, Public Law 106-25. Notwithstanding section 17b, payments of federal funds to districts, intermediate districts, and other eligible entities under this section shall be paid on a schedule determined by the department.

(4) ~~(5)~~-For the purposes of applying for federal grants appropriated under this article, the department shall allow an intermediate district to submit a consortium application on behalf of 2 or more districts with the agreement of those districts as appropriate according to federal rules and guidelines.

(5) ~~(6)~~-As used in this section:

- (a) "DED" means the United States department of education.
- (b) "DED-OESE" means the DED office of elementary and secondary education.
- (c) "DED-OVAE" means the DED office of vocational and adult education.
- (d) "HHS" means the United States department of health and human services.
- (e) "HHS-ACF" means the HHS administration for children and families.

Sec. 41. ~~(1)~~From the appropriation in section 11, there is allocated an amount not to exceed \$1,200,000.00 **EACH FISCAL YEAR** for 2013-2014 **AND FOR 2014-2015** to applicant districts and intermediate districts offering programs of instruction for pupils of limited English-speaking ability under section 1153 of the revised school code, MCL 380.1153. ~~Subject to subsection (2), reimbursement~~ **REIMBURSEMENT** shall be on a per-pupil basis and shall be based on the number of pupils of limited English-speaking ability in membership on the pupil membership count day. Funds allocated under this section shall be used solely for instruction in speaking, reading, writing, or comprehension of English. A pupil shall not be counted under this section or instructed in a program under this section for more than 3 years.

~~(2) A district or intermediate district shall not receive funds under this section if it allows pupils to participate in the program of instruction who are not residing in the United States legally.~~

SEC. 43. FROM THE GENERAL FUND MONEY APPROPRIATED IN SECTION 11, THERE IS ALLOCATED TO THE DEPARTMENT FOR 2014-2015 AN AMOUNT NOT TO EXCEED \$1,800,000.00 FOR UPDATING TEACHER CERTIFICATION TESTS. THE DEPARTMENT SHALL USE THESE FUNDS TO UPDATE THE SET OF TEACHER CERTIFICATION TESTS, INCLUDING CONTENT-SPECIFIC AND SUBJECT-RELEVANT TESTS, TO REFLECT CURRENT EDUCATION STANDARDS BY NOT LATER THAN SEPTEMBER 30, 2016.

Sec. 51a. (1) From the appropriation in section 11, there is allocated an amount not to exceed ~~\$919,846,100.00~~ **\$938,946,100.00** for ~~2013-2014-2014-2015~~ from state sources and all available federal funding under sections 611 to 619 of part B of the individuals with disabilities education act, 20 USC 1411 to 1419, estimated at \$370,000,000.00 for ~~2013-2014,~~ **2014-2015**, plus any carryover federal funds from previous year appropriations. The allocations under this subsection are for the purpose of reimbursing districts and intermediate districts for special education programs, services, and special education personnel as prescribed in article 3 of the revised school code, MCL 380.1701 to 380.1766; net tuition payments made by intermediate districts to the Michigan schools for the deaf and blind; and special education programs and services for pupils who are eligible for special education programs and services according to statute or rule. For meeting the costs of special education programs and services not reimbursed under this article, a district or intermediate district may use money in general funds or special education funds, not otherwise restricted, or contributions from districts to intermediate districts, tuition payments, gifts and contributions from individuals or other entities, or federal funds that may be available for this purpose, as determined by the intermediate district plan prepared pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766. ~~All federal funds allocated under this section in excess of those allocated under this section for 2002-2003 may be distributed in accordance with the flexible funding provisions of the individuals with disabilities education act, Public Law 108-446, including, but not limited to, 34 CFR 300.206 and 300.208.~~ Notwithstanding section 17b, payments of federal funds to districts, intermediate districts, and other eligible entities under this section shall be paid on a schedule determined by the department.

(2) From the funds allocated under subsection (1), there is allocated the amount necessary, estimated at ~~\$247,000,000.00~~ **\$252,000,000.00** for ~~2013-2014,~~ **2014-2015**, for payments toward reimbursing districts and intermediate districts for 28.6138% of total approved costs of special education, excluding costs reimbursed under section 53a, and 70.4165% of total approved costs of special education transportation. Allocations under this subsection shall be made as follows:

(a) The initial amount allocated to a district under this subsection toward fulfilling the specified percentages shall be calculated by multiplying the district's special education pupil membership, excluding pupils described in subsection (11), times the foundation allowance under section 20 of the pupil's district of residence, not to exceed the basic foundation allowance under section 20 for the current fiscal year, or, for a special education pupil in membership in a district that is a public school academy, times an amount equal to the amount per membership pupil calculated under section 20(6) or, for a pupil described in this subsection who is counted in membership in the education achievement system, times an amount equal to the amount per membership pupil under section 20(7). For an intermediate district, the amount allocated under this subdivision toward fulfilling the specified percentages shall be an amount per special education membership pupil, excluding pupils described in subsection (11), and shall be calculated in the same manner as for a district, using the foundation allowance under section 20 of the pupil's district of residence, not to exceed the basic foundation allowance under section 20 for the current fiscal year.

(b) After the allocations under subdivision (a), districts and intermediate districts for which the payments calculated under subdivision (a) do not fulfill the specified percentages shall be paid the amount necessary to achieve the specified percentages for the district or intermediate district.

(3) From the funds allocated under subsection (1), there is allocated for ~~2013-2014~~ **2014-2015** an amount not to exceed \$1,000,000.00 to make payments to districts and intermediate districts under this subsection. If the amount allocated to a district or intermediate district for a fiscal year under subsection (2)(b) is less than the sum of the amounts allocated to the district or intermediate district for 1996-97 under sections 52 and 58, there is allocated to the district or intermediate district for the fiscal year an amount equal to that difference, adjusted by applying the same proration factor that was used in the distribution of funds under section 52 in 1996-97 as adjusted to the district's or intermediate district's necessary costs of special education used in calculations for the fiscal year. This adjustment is to reflect reductions in special education program operations or services between 1996-97 and subsequent fiscal years. Adjustments for reductions in special education program operations or services shall be made in a manner determined by the department and shall include adjustments for program or service shifts.

(4) If the department determines that the sum of the amounts allocated for a fiscal year to a district or intermediate district under subsection (2)(a) and (b) is not sufficient to fulfill the specified percentages in subsection (2), then the shortfall shall be paid to the district or intermediate district during the fiscal year beginning on the October 1 following the determination and payments under subsection (3) shall be adjusted as necessary. If the department determines that the sum of the amounts allocated for a fiscal year to a district or intermediate district under subsection (2)(a) and (b) exceeds the sum of the amount necessary to fulfill the specified percentages in subsection (2), then the department shall deduct the amount of the excess from the district's or intermediate district's payments under this article for the fiscal year beginning on the October 1 following the determination and payments under subsection (3) shall be adjusted as necessary. However, if the amount allocated under subsection (2)(a) in itself exceeds the amount necessary to fulfill the specified percentages in subsection (2), there shall be no deduction under this subsection.

(5) State funds shall be allocated on a total approved cost basis. Federal funds shall be allocated under applicable federal requirements, except that an amount not to exceed \$3,500,000.00 may be allocated by the department for ~~2013-2014~~ **2014-2015** to districts, intermediate districts, or other eligible entities on a competitive grant basis for programs, equipment, and services that the department determines to be designed to benefit or improve special education on a statewide scale.

(6) From the amount allocated in subsection (1), there is allocated an amount not to exceed \$2,200,000.00 for ~~2013-2014~~ **2014-2015** to reimburse 100% of the net increase in necessary costs incurred by a district or intermediate district in implementing the revisions in the administrative rules for special education that became effective on July 1, 1987. As used in this subsection, "net increase in necessary costs" means the necessary additional costs incurred solely because of new or revised requirements in the administrative rules minus cost savings permitted in implementing the revised rules. Net increase in necessary costs shall be determined in a manner specified by the department.

(7) For purposes of sections 51a to 58, all of the following apply:

(a) "Total approved costs of special education" shall be determined in a manner specified by the department and may include indirect costs, but shall not exceed 115% of approved direct costs for section 52 and section 53a programs. The total approved costs include salary and other compensation for all approved special education personnel for the program, including payments for social security and medicare and public school employee retirement system contributions. The total approved costs do not include salaries or other compensation paid to administrative personnel who are not special education personnel as defined in section 6 of the revised school code, MCL 380.6. Costs reimbursed by federal funds, other than those federal funds included in the allocation made under this article, are not included. Special education approved personnel not utilized full time in the evaluation of students or in the delivery of special education programs, ancillary, and other related services shall be reimbursed under this section only for that portion of time actually spent providing these programs and services, with the exception of special education programs and services provided to youth placed in child caring institutions or juvenile detention programs approved by the department to provide an on-grounds education program.

(b) Beginning with the 2004-2005 fiscal year, a district or intermediate district that employed special education support services staff to provide special education support services in 2003-2004 or in a subsequent fiscal year and that in a fiscal year after 2003-2004 receives the same type of support services from another district or intermediate district shall report the cost of those support services for special education reimbursement purposes under this article. This subdivision does not prohibit the transfer of special education classroom teachers and special education classroom aides if the pupils counted in membership associated with those special education classroom teachers and special education classroom aides are transferred and counted in membership in the other district or intermediate district in conjunction with the transfer of those teachers and aides.

(c) If the department determines before bookclosing for a fiscal year that the amounts allocated for that fiscal year under subsections (2), (3), (6), and (11) and sections 53a, 54, and 56 will exceed expenditures for that fiscal year under subsections (2), (3), (6), and (11) and sections 53a, 54, and 56, then for a district or intermediate district whose reimbursement for that fiscal year would otherwise be affected by subdivision (b), subdivision (b) does not apply to the calculation of the reimbursement for that district or intermediate district and reimbursement for that district or intermediate district shall be calculated in the same manner as it was for 2003-2004. If the amount of the excess allocations under subsections (2), (3), (6), and (11) and sections 53a, 54, and 56 is not sufficient to fully fund the calculation of reimbursement to those districts and intermediate districts under this subdivision, then the calculations and resulting reimbursement under this subdivision shall be prorated on an equal percentage basis. This reimbursement shall not be made after 2014-2015.

(d) Reimbursement for ancillary and other related services, as defined by R 340.1701c of the Michigan administrative code, shall not be provided when those services are covered by and available through private group health insurance carriers or federal reimbursed program sources unless the department and district or intermediate district agree otherwise and that agreement is approved by the state budget director. Expenses, other than the incidental expense of filing, shall not be borne by the parent. In addition, the filing of claims shall not delay the education of a pupil. A district or intermediate district shall be responsible for payment of a deductible amount and for an advance payment required until the time a claim is paid.

(e) Beginning with calculations for 2004-2005, if an intermediate district purchases a special education pupil transportation service from a constituent district that was previously purchased from a private entity; if the purchase from the constituent district is at a lower cost, adjusted for changes in fuel costs; and if the cost shift from the intermediate district to the constituent district does not result in any net change in the revenue the constituent district receives from payments under sections 22b and 51c, then upon application by the intermediate district, the department shall direct the intermediate district to continue to report the cost associated with the specific identified special education pupil transportation service and shall adjust the costs reported by the constituent district to remove the cost associated with that specific service.

(8) A pupil who is enrolled in a full-time special education program conducted or administered by an intermediate district or a pupil who is enrolled in the Michigan schools for the deaf and blind shall not be included in the membership count of a district, but shall be counted in membership in the intermediate district of residence.

(9) Special education personnel transferred from 1 district to another to implement the revised school code shall be entitled to the rights, benefits, and tenure to which the person would otherwise be entitled had that person been employed by the receiving district originally.

(10) If a district or intermediate district uses money received under this section for a purpose other than the purpose or purposes for which the money is allocated, the department may require the district or intermediate district to refund the amount of money received. Money that is refunded shall be deposited in the state treasury to the credit of the state school aid fund.

(11) From the funds allocated in subsection (1), there is allocated the amount necessary, estimated at ~~\$3,500,000.00~~ **\$3,300,000.00** for ~~2013-2014, 2014-2015~~, to pay the foundation allowances for pupils described in this subsection. The allocation to a district under this subsection shall be calculated by multiplying the number of pupils described in this subsection who are counted in membership in the district times the foundation allowance under section 20 of the pupil's district of residence, not to exceed the basic foundation allowance under section 20 for the current fiscal year, or, for a pupil described in this subsection who is counted in membership in a district that is a public school academy, times an amount equal to the amount per membership pupil under section 20(6) or, for a pupil described in this subsection who is counted in membership in the education achievement system, times an amount equal to the amount per membership pupil under section 20(7). The allocation to an intermediate district under this subsection shall be calculated in the same manner as for a district, using the foundation allowance under section 20 of the pupil's district of residence, not to exceed the basic foundation allowance under section 20 for the current fiscal year. This subsection applies to all of the following pupils:

(a) Pupils described in section 53a.

(b) Pupils counted in membership in an intermediate district who are not special education pupils and are served by the intermediate district in a juvenile detention or child caring facility.

(c) Pupils with an emotional impairment counted in membership by an intermediate district and provided educational services by the department of community health.

(12) If it is determined that funds allocated under subsection (2) or (11) or under section 51c will not be expended, funds up to the amount necessary and available may be used to supplement the allocations under subsection (2) or (11) or under section 51c in order to fully fund those allocations. After payments under subsections (2) and (11) and section 51c, the remaining expenditures from the allocation in subsection (1) shall be made in the following order:

(a) 100% of the reimbursement required under section 53a.

(b) 100% of the reimbursement required under subsection (6).

(c) 100% of the payment required under section 54.

(d) 100% of the payment required under subsection (3).

(e) 100% of the payments under section 56.

(13) The allocations under subsections (2), (3), and (11) shall be allocations to intermediate districts only and shall not be allocations to districts, but instead shall be calculations used only to determine the state payments under section 22b.

(14) If a public school academy enrolls pursuant to this section a pupil who resides outside of the intermediate district in which the public school academy is located and who is eligible for special education programs and services according to statute or rule, or who is a child with disabilities, as defined under the individuals with disabilities education act, Public Law 108-446, the provision of special education programs and services and the payment of the added costs of special education programs and services for the pupil are the responsibility of the district and intermediate district in which the pupil resides unless the enrolling district or intermediate district has a written agreement with the district or intermediate district in which the pupil resides or the public school academy for the purpose of providing the pupil with a free appropriate public education and the written agreement includes at least an agreement on the responsibility for the payment of the added costs of special education programs and services for the pupil.

Sec. 51c. As required by the court in the consolidated cases known as Durant v State of Michigan, Michigan supreme court docket no. 104458-104492, from the allocation under section 51a(1), there is allocated for ~~2013-2014~~**2014-2015** the amount necessary, estimated at ~~\$613,200,000.00~~, **\$630,500,000.00**, for payments to reimburse districts for 28.6138% of total approved costs of special education excluding costs reimbursed under section 53a, and 70.4165% of total approved costs of special education transportation. Funds allocated under this section that are not expended in the state fiscal year for which they were allocated, as determined by the department, may be used to supplement the allocations under sections 22a and 22b in order to fully fund those calculated allocations for the same fiscal year.

Sec. 51d. (1) From the federal funds appropriated in section 11, there is allocated for ~~2013-2014~~**2014-2015**, all available federal funding, estimated at \$74,000,000.00, for special education programs **AND SERVICES** that are funded by federal grants. All federal funds allocated under this section shall be distributed in accordance with federal law. Notwithstanding section 17b, payments of federal funds to districts, intermediate districts, and other eligible entities under this section shall be paid on a schedule determined by the department.

(2) From the federal funds allocated under subsection (1), the following amounts are allocated for ~~2013-2014~~**2014-2015**:

(a) An amount estimated at \$15,000,000.00 for handicapped infants and toddlers, funded from DED-OSERS, handicapped infants and toddlers funds.

(b) An amount estimated at \$14,000,000.00 for preschool grants (Public Law 94-142), funded from DED-OSERS, handicapped preschool incentive funds.

(c) An amount estimated at \$45,000,000.00 for special education programs funded by DED-OSERS, handicapped program, individuals with disabilities act funds.

(3) As used in this section, "DED-OSERS" means the United States department of education office of special education and rehabilitative services.

Sec. 53a. (1) For districts, reimbursement for pupils described in subsection (2) shall be 100% of the total approved costs of operating special education programs and services approved by the department and included in the intermediate district plan adopted pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766, minus the district's foundation allowance calculated under section 20. For intermediate districts, reimbursement for pupils described in subsection (2) shall be calculated in the same manner as for a district, using the foundation allowance under section 20 of the pupil's district of residence, not to exceed the basic foundation allowance under section 20 for the current fiscal year.

(2) Reimbursement under subsection (1) is for the following special education pupils:

(a) Pupils assigned to a district or intermediate district through the community placement program of the courts or a state agency, if the pupil was a resident of another intermediate district at the time the pupil came under the jurisdiction of the court or a state agency.

(b) Pupils who are residents of institutions operated by the department of community health.

(c) Pupils who are former residents of department of community health institutions for the developmentally disabled who are placed in community settings other than the pupil's home.

(d) Pupils enrolled in a department-approved on-grounds educational program longer than 180 days, but not longer than 233 days, at a residential child care institution, if the child care institution offered in 1991-92 an on-grounds educational program longer than 180 days but not longer than 233 days.

(e) Pupils placed in a district by a parent for the purpose of seeking a suitable home, if the parent does not reside in the same intermediate district as the district in which the pupil is placed.

(3) Only those costs that are clearly and directly attributable to educational programs for pupils described in subsection (2), and that would not have been incurred if the pupils were not being educated in a district or intermediate district, are reimbursable under this section.

(4) The costs of transportation shall be funded under this section and shall not be reimbursed under section 58.

(5) Not more than ~~\$13,500,000.00~~ **\$10,500,000.00** of the allocation for ~~2013-2014~~**2014-2015** in section 51a(1) shall be allocated under this section.

Sec. 54. Each intermediate district shall receive an amount per pupil for each pupil in attendance at the Michigan schools for the deaf and blind. The amount shall be proportionate to the total instructional cost at each school. Not more than \$1,688,000.00 of the allocation for ~~2013-2014~~**2014-2015** in section 51a(1) shall be allocated under this section.

Sec. 56. (1) For the purposes of this section:

(a) "Membership" means for a particular fiscal year the total membership for the immediately preceding fiscal year of the intermediate district and the districts constituent to the intermediate district.

(b) "Millage levied" means the millage levied for special education pursuant to part 30 of the revised school code, MCL 380.1711 to 380.1743, including a levy for debt service obligations.

(c) "Taxable value" means the total taxable value of the districts constituent to an intermediate district, except that if a district has elected not to come under part 30 of the revised school code, MCL 380.1711 to 380.1743, membership and taxable value of the district shall not be included in the membership and taxable value of the intermediate district.

(2) From the allocation under section 51a(1), there is allocated an amount not to exceed \$37,758,100.00 for ~~2013-2014~~**2014-2015** to reimburse intermediate districts levying millages for special education pursuant to part 30 of the revised school code, MCL 380.1711 to 380.1743. The purpose, use, and expenditure of the reimbursement shall be limited as if the funds were

generated by these millages and governed by the intermediate district plan adopted pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766. As a condition of receiving funds under this section, an intermediate district distributing any portion of special education millage funds to its constituent districts shall submit for departmental approval and implement a distribution plan.

(3) Reimbursement for those millages levied in ~~2012-2013~~ **2013-2014** shall be made in ~~2013-2014~~ **2014-2015** at an amount per ~~2012-2013~~ **2013-2014** membership pupil computed by subtracting from ~~\$169,900.00~~ **\$172,200.00** the ~~2012-2013~~ **2013-2014** taxable value behind each membership pupil and multiplying the resulting difference by the ~~2012-2013~~ **2013-2014** millage levied.

(4) The amount paid to a single intermediate district under this section shall not exceed 62.9% of the total amount allocated under subsection (2).

(5) The amount paid to a single intermediate district under this section shall not be less than 75% of the amount allocated to the intermediate district under this section for the immediately preceding fiscal year.

Sec. 61a. (1) From the appropriation in section 11, there is allocated an amount not to exceed \$26,611,300.00 for ~~2013-2014~~ **2014-2015** to reimburse on an added cost basis districts, except for a district that served as the fiscal agent for a vocational education consortium in the 1993-94 school year, and secondary area vocational-technical education centers for secondary-level career and technical education programs according to rules approved by the superintendent. Applications for participation in the programs shall be submitted in the form prescribed by the department. The department shall determine the added cost for each career and technical education program area. The allocation of added cost funds shall be based on the type of career and technical education programs provided, the number of pupils enrolled, and the length of the training period provided, and shall not exceed 75% of the added cost of any program. With the approval of the department, the board of a district maintaining a secondary career and technical education program may offer the program for the period from the close of the school year until September 1. The program shall use existing facilities and shall be operated as prescribed by rules promulgated by the superintendent.

(2) Except for a district that served as the fiscal agent for a vocational education consortium in the 1993-94 school year, districts and intermediate districts shall be reimbursed for local career and technical education administration, shared time career and technical education administration, and career education planning district career and technical education administration. The definition of what constitutes administration and reimbursement shall be pursuant to guidelines adopted by the superintendent. Not more than \$800,000.00 of the allocation in subsection (1) shall be distributed under this subsection.

(3) In addition to the funds allocated in subsection (1), from the appropriation in section 11, there is allocated an amount not to exceed \$1,000,000.00 for ~~2013-2014~~ **2014-2015** to districts or intermediate districts for area career and technical education centers for the purpose of integrating the Michigan merit curriculum content standards under sections 1278a and 1278b of the revised school code, MCL 380.1278a and 380.1278b, into state-approved career and technical education instructional programs for the purpose of awarding academic credit. The department shall determine the allocation to each career and technical education center in a manner that provides for maximum integration of Michigan merit curriculum content standards statewide.

Sec. 62. (1) For the purposes of this section:

(a) "Membership" means for a particular fiscal year the total membership for the immediately preceding fiscal year of the intermediate district and the districts constituent to the intermediate district or the total membership for the immediately preceding fiscal year of the area vocational-technical program.

(b) "Millage levied" means the millage levied for area vocational-technical education pursuant to sections 681 to 690 of the revised school code, MCL 380.681 to 380.690, including a levy for debt service obligations incurred as the result of borrowing for capital outlay projects and in meeting capital projects fund requirements of area vocational-technical education.

(c) "Taxable value" means the total taxable value of the districts constituent to an intermediate district or area vocational-technical education program, except that if a district has elected not to come under sections 681 to 690 of the revised school code, MCL 380.681 to 380.690, the membership and taxable value of that district shall not be included in the membership and taxable value of the intermediate district. However, the membership and taxable value of a district that has elected not to come under sections 681 to 690 of the revised school code, MCL 380.681 to 380.690, shall be included in the membership and taxable value of the intermediate district if the district meets both of the following:

(i) The district operates the area vocational-technical education program pursuant to a contract with the intermediate district.

(ii) The district contributes an annual amount to the operation of the program that is commensurate with the revenue that would have been raised for operation of the program if millage were levied in the district for the program under sections 681 to 690 of the revised school code, MCL 380.681 to 380.690.

(2) From the appropriation in section 11, there is allocated an amount not to exceed \$9,190,000.00 for ~~2013-2014~~ **2014-2015** to reimburse intermediate districts and area vocational-technical education programs established under section 690(3) of the revised school code, MCL 380.690, levying millages for area vocational-technical education pursuant to sections 681 to 690 of the revised school code, MCL 380.681 to 380.690. The purpose, use, and expenditure of the reimbursement shall be limited as if the funds were generated by those millages.

(3) Reimbursement for the millages levied in ~~2012-2013~~ **2013-2014** shall be made in ~~2013-2014~~ **2014-2015** at an amount per ~~2012-2013~~ **2013-2014** membership pupil computed by subtracting from ~~\$186,500.00~~ **\$188,100.00** the ~~2012-2013~~ **2013-2014** taxable value behind each membership pupil and multiplying the resulting difference by the ~~2012-2013~~ **2013-2014** millage levied.

(4) The amount paid to a single intermediate district under this section shall not exceed 38.4% of the total amount allocated under subsection (2).

(5) The amount paid to a single intermediate district under this section shall not be less than 75% of the amount allocated to the intermediate district under this section for the immediately preceding fiscal year.

SEC. 64B. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$1,750,000.00 FOR 2014-2015 FOR SUPPLEMENTAL PAYMENTS TO DISTRICTS THAT SUPPORT THE ATTENDANCE OF DISTRICT PUPILS IN GRADES 9 TO 12 UNDER THE POSTSECONDARY ENROLLMENT OPTIONS ACT, 1996 PA 160, MCL 388.511 TO 388.524, OR UNDER THE CAREER AND TECHNICAL PREPARATION ACT, 2000 PA 258, MCL 388.1901 TO 388.1913, CONSISTENT WITH SECTION 21B, OR THAT SUPPORT THE ATTENDANCE OF DISTRICT PUPILS IN A CONCURRENT ENROLLMENT PROGRAM IF THE DISTRICT MEETS THE REQUIREMENTS UNDER SUBSECTION (3).

(2) TO BE ELIGIBLE FOR PAYMENTS UNDER THIS SECTION FOR SUPPORTING THE ATTENDANCE OF DISTRICT PUPILS UNDER THE POSTSECONDARY ENROLLMENT OPTIONS ACT, 1996 PA 160, MCL 388.511 TO 388.524, OR UNDER THE CAREER AND TECHNICAL PREPARATION ACT, 2000 PA 258, MCL 388.1901 TO 388.1913, A DISTRICT SHALL DO ALL OF THE FOLLOWING:

(A) PROVIDE INFORMATION TO ALL HIGH SCHOOL PUPILS ON POSTSECONDARY ENROLLMENT OPTIONS, INCLUDING ENROLLMENT ELIGIBILITY, THE INSTITUTIONS AND TYPES OF COURSES THAT ARE ELIGIBLE FOR PARTICIPATION, THE DECISION-MAKING PROCESS FOR GRANTING ACADEMIC CREDIT, AND AN EXPLANATION OF ELIGIBLE CHARGES THAT WILL BE PAID BY THE DISTRICT.

(B) ENTER INTO A WRITTEN AGREEMENT WITH A POSTSECONDARY INSTITUTION BEFORE THE ENROLLMENT OF DISTRICT PUPILS.

(C) AGREE TO PAY ALL ELIGIBLE CHARGES PURSUANT TO SECTION 21B.

(D) AWARD HIGH SCHOOL CREDIT FOR THE POSTSECONDARY COURSE IF THE PUPIL SUCCESSFULLY COMPLETES THE COURSE.

(3) TO BE ELIGIBLE FOR PAYMENTS UNDER THIS SECTION FOR PUPILS ENROLLED IN A CONCURRENT ENROLLMENT PROGRAM, A DISTRICT SHALL DO ALL OF THE FOLLOWING:

(A) PROVIDE INFORMATION TO ALL HIGH SCHOOL PUPILS ON POSTSECONDARY ENROLLMENT OPTIONS, INCLUDING ENROLLMENT ELIGIBILITY, THE INSTITUTIONS AND TYPES OF COURSES THAT ARE ELIGIBLE FOR PARTICIPATION, THE DECISION-MAKING PROCESS FOR GRANTING ACADEMIC CREDIT, AND AN EXPLANATION OF ELIGIBLE CHARGES THAT WILL BE PAID BY THE DISTRICT.

(B) ENTER INTO A WRITTEN AGREEMENT WITH A POSTSECONDARY INSTITUTION ESTABLISHING THE CONCURRENT ENROLLMENT PROGRAM BEFORE THE ENROLLMENT OF DISTRICT PUPILS IN A POSTSECONDARY COURSE THROUGH THE POSTSECONDARY INSTITUTION.

(C) ENSURE THAT THE COURSE IS TAUGHT BY EITHER A HIGH SCHOOL TEACHER OR POSTSECONDARY FACULTY PURSUANT TO STANDARDS ESTABLISHED BY THE POSTSECONDARY INSTITUTION WITH WHICH THE DISTRICT HAS ENTERED INTO A WRITTEN AGREEMENT TO OPERATE THE CONCURRENT ENROLLMENT PROGRAM.

(D) ENSURE THAT THE WRITTEN AGREEMENT PROVIDES THAT THE POSTSECONDARY INSTITUTION AGREES NOT TO CHARGE THE PUPIL FOR ANY COST OF THE PROGRAM.

(E) ENSURE THAT THE COURSE IS TAUGHT IN THE LOCAL DISTRICT OR INTERMEDIATE DISTRICT.

(F) ENSURE THAT THE PUPIL IS AWARDED BOTH HIGH SCHOOL AND COLLEGE CREDIT UPON SUCCESSFUL COMPLETION OF THE COURSE AS OUTLINED IN THE AGREEMENT WITH THE POSTSECONDARY INSTITUTION.

(4) FUNDS SHALL BE AWARDED TO ELIGIBLE DISTRICTS UNDER THIS SECTION IN THE FOLLOWING MANNER:

(A) A PAYMENT OF \$10.00 PER CREDIT, FOR UP TO 3 CREDITS, FOR A CREDIT-BEARING COURSE IN WHICH A PUPIL ENROLLS DURING THE 2014-2015 SCHOOL YEAR AS DESCRIBED UNDER EITHER SUBSECTION (2) OR (3).

(B) AN ADDITIONAL PAYMENT OF \$30.00 PER PUPIL PER COURSE IDENTIFIED IN SUBDIVISION (A), IF THE PUPIL SUCCESSFULLY COMPLETES, AND IS AWARDED BOTH HIGH SCHOOL AND POSTSECONDARY CREDIT FOR, THE COURSE DURING THE 2014-2015 SCHOOL YEAR.

(5) A DISTRICT REQUESTING PAYMENT UNDER THIS SECTION SHALL SUBMIT AN APPLICATION TO THE DEPARTMENT IN THE FORM AND MANNER PRESCRIBED BY THE DEPARTMENT. NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER THIS SECTION SHALL BE MADE ON A SCHEDULE DETERMINED BY THE DEPARTMENT.

SEC. 64C. (1) FROM THE GENERAL FUND MONEY APPROPRIATED IN SECTION 11, THERE IS ALLOCATED TO THE DEPARTMENT FOR 2014-2015 AN AMOUNT NOT TO EXCEED \$250,000.00 FOR A STUDY UNDER THIS SECTION. THE DEPARTMENT SHALL COMMISSION AN INDEPENDENT THIRD PARTY TO CONDUCT A STUDY AND PREPARE A REPORT ANALYZING THE STATE'S CURRENT CAREER READINESS EDUCATION SYSTEM.

(2) THE PURPOSE OF THE STUDY UNDER THIS SECTION SHALL BE TO RESEARCH CURRENT HIGH SCHOOL AND POSTSECONDARY CURRICULA AND FACILITIES AND DEVELOP RECOMMENDATIONS FOR THE IMPLEMENTATION OF A STATEWIDE SYSTEM TO SUPPORT CAREER PATHWAYS THAT LEAD TO EDUCATION AND TRAINING OPPORTUNITIES TO LESSEN THE EXISTING TALENT GAP IN THE STATE.

(3) THE STUDY UNDER THIS SECTION SHALL, AT A MINIMUM, INCLUDE RECOMMENDATIONS THAT ADDRESS AT LEAST ALL OF THE FOLLOWING:

(A) IDENTIFICATION OF REDUNDANCY OF ROLES, PROGRAMS, AND CAPITAL INFRASTRUCTURE AMONG PUBLIC SCHOOLS, INTERMEDIATE DISTRICTS, COMMUNITY COLLEGES, AND UNIVERSITIES IN PROVIDING HIGH-SKILLED DEGREES AND CREDENTIALS AND MAKE RECOMMENDATIONS TO BETTER COORDINATE THOSE ROLES, PROGRAMS, AND FACILITIES.

(B) DEVELOPMENT OF A STATEWIDE STRATEGY AND RELATED POLICIES THAT WILL RESULT IN MORE COORDINATED AND EXPEDITED PATHWAYS FOR STUDENTS TO OBTAIN HIGH-SKILLED COLLEGE DEGREES AND CREDENTIALS, REGARDLESS OF POINT OF ENTRY.

(C) PROPOSED METRICS THAT CAN BE USED TO MEASURE THIS STATE'S SUCCESS TOWARDS ACHIEVING THE DESIRED OUTCOMES.

(D) IDENTIFICATION OF SPECIFIC BARRIERS FOR STUDENTS AND POTENTIAL WAYS TO ADDRESS THOSE BARRIERS.

(4) THE DEPARTMENT SHALL ENSURE THAT EDUCATORS AND THE BUSINESS COMMUNITY ARE SOLICITED FOR THEIR INPUT AS PART OF THE STUDY.

(5) THE REPORT SUMMARIZING THE RESULTS OF THE STUDY UNDER THIS SECTION SHALL BE PRESENTED TO THE DEPARTMENT NO LATER THAN SEPTEMBER 30, 2015.

Sec. 74. (1) From the amount appropriated in section 11, there is allocated an amount not to exceed ~~\$3,299,000.00 for 2013-2014~~ **\$3,316,500.00 FOR 2014-2015** for the purposes of this section.

(2) From the allocation in subsection (1), there is allocated for each fiscal year the amount necessary for payments to state supported colleges or universities and intermediate districts providing school bus driver safety instruction pursuant to section 51 of the pupil transportation act, 1990 PA 187, MCL 257.1851. The payments shall be in an amount determined by the department not to exceed the actual cost of instruction and driver compensation for each public or nonpublic school bus driver attending a course of instruction. For the purpose of computing compensation, the hourly rate allowed each school bus driver shall not exceed the hourly rate received for driving a school bus. Reimbursement compensating the driver during the course of instruction shall be made by the department to the college or university or intermediate district providing the course of instruction.

(3) From the allocation in subsection (1), there is allocated ~~each fiscal year~~ **FOR 2014-2015** the amount necessary to pay the reasonable costs of nonspecial education auxiliary services transportation provided pursuant to section 1323 of the revised school code, MCL 380.1323. Districts funded under this subsection shall not receive funding under any other section of this article for nonspecial education auxiliary services transportation.

(4) From the funds allocated in subsection (1), there is allocated an amount not to exceed ~~\$1,674,000.00 for 2013-2014~~ **\$1,691,500.00 FOR 2014-2015** for reimbursement to districts and intermediate districts for costs associated with the inspection of school buses and pupil transportation vehicles by the department of state police as required under section 715a of the Michigan vehicle code, 1949 PA 300, MCL 257.715a, and section 39 of the pupil transportation act, 1990 PA 187, MCL 257.1839. The department of state police shall prepare a statement of costs attributable to each district for which bus inspections are provided and submit it to the department and to an intermediate district serving as fiduciary in a time and manner determined jointly by the department and the department of state police. Upon review and approval of the statement of cost, the department shall forward to the designated intermediate district serving as fiduciary the amount of the reimbursement on behalf of each district and intermediate district for costs detailed on the statement within 45 days after receipt of the statement. The designated intermediate district shall make payment in the amount specified on the statement to the department of state police within 45 days after receipt of the statement. The total reimbursement of costs under this subsection shall not exceed the amount allocated under this subsection. Notwithstanding section 17b, payments to eligible entities under this subsection shall be paid on a schedule prescribed by the department.

SEC. 74A. FROM THE SCHOOL AID FUND MONEY APPROPRIATED IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$3,000,000.00 FOR 2014-2015 FOR A PILOT PROJECT PROVIDING GRANTS TO DISTRICTS TO CONVERT BUSES FROM DIESEL FUEL TO NATURAL GAS. IN ORDER TO BE ELIGIBLE FOR A GRANT, A DISTRICT SHALL PROVIDE THE DEPARTMENT WITH INFORMATION ON THE COST OF FUEL FOR THE CONVERTED BUSES, EXPRESSED IN DOLLARS PER MILE DRIVEN. GRANTS TO

ELIGIBLE DISTRICTS SHALL NOT EXCEED \$8,000.00 PER BUS CONVERTED, WITH A MAXIMUM GRANT PER DISTRICT NOT TO EXCEED \$30,000.00. DISTRICTS SEEKING GRANTS UNDER THIS SECTION SHALL APPLY TO THE DEPARTMENT NOT LATER THAN NOVEMBER 1, 2014. THE DEPARTMENT SHALL RANK ORDER ALL DISTRICTS THAT APPLY FOR GRANTS BASED ON MILES DRIVEN IN THE PREVIOUS SCHOOL YEAR, AND SHALL AWARD GRANTS TO DISTRICTS WITH THE HIGHEST NUMBER OF MILES DRIVEN, UNTIL ALL FUNDING IS AWARDED.

Sec. 81. (1) Except as otherwise provided in this section, from the appropriation in section 11, there is allocated each fiscal year for 2012-2013 and for 2013-2014 **FOR 2014-2015** to the intermediate districts the sum necessary, but not to exceed \$64,115,100.00 each fiscal year, **\$67,115,000.00** to provide state aid to intermediate districts under this section.

(2) From the allocation in subsection (1), there is allocated **FOR 2014-2015** an amount not to exceed \$62,108,000.00 **\$65,108,000.00** for allocations to each intermediate district for 2012-2013 in an amount equal to 100% of the amount allocated to the intermediate district under this subsection for 2011-2012. From the allocation in subsection (1), there is allocated an amount not to exceed \$62,108,000.00 for allocations to each intermediate district for 2013-2014 in an amount equal to 100.0% **104.8%** of the amount allocated to the intermediate district under this subsection for 2012-2013. **2013-2014**. Funding provided under this section shall be used to comply with requirements of this article and the revised school code that are applicable to intermediate districts, and for which funding is not provided elsewhere in this article, and to provide technical assistance to districts as authorized by the intermediate school board.

(3) Intermediate districts receiving funds under subsection (2) shall collaborate with the department to develop expanded professional development opportunities for teachers to update and expand their knowledge and skills needed to support the Michigan merit curriculum.

(4) From the allocation in subsection (1), there is allocated to an intermediate district, formed by the consolidation or annexation of 2 or more intermediate districts or the attachment of a total intermediate district to another intermediate school district or the annexation of all of the constituent K-12 districts of a previously existing intermediate school district which has disorganized, an additional allotment of \$3,500.00 each fiscal year for each intermediate district included in the new intermediate district for 3 years following consolidation, annexation, or attachment. From the allocation in subsection (1), there is allocated \$7,000.00 for purposes of this subsection for 2012-2013, for 2013-2014, and for 2014-2015, after which the payment under this subsection will cease.

(5) In order to receive funding under subsection (2), an intermediate district shall do all of the following:

(a) Demonstrate to the satisfaction of the department that the intermediate district employs at least 1 person who is trained in pupil accounting and auditing procedures, rules, and regulations.

(b) Demonstrate to the satisfaction of the department that the intermediate district employs at least 1 person who is trained in rules, regulations, and district reporting procedures for the individual-level student data that serves as the basis for the calculation of the district and high school graduation and dropout rates.

(c) Comply with sections 1278a and 1278b of the revised school code, MCL 380.1278a and 380.1278b.

(d) Furnish data and other information required by state and federal law to the center and the department in the form and manner specified by the center or the department, as applicable.

(e) Comply with section 1230g of the revised school code, MCL 380.1230g.

(f) Comply with section 761 of the revised school code, MCL 380.761.

(6) From the allocation in subsection (1), there is allocated an amount not to exceed \$2,000,000.00 for 2012-2013 for an incentive payment to each intermediate district that meets best practices as determined by the department under this subsection. The amount of the incentive payment is an amount equal to 3.2% of the amount allocated to the intermediate district under subsection (2). An intermediate district is eligible for an incentive payment under this subsection if the intermediate district satisfies at least 4 of the following requirements not later than June 1, 2013:

(a) The intermediate district enters into an agreement with the department to do all of the following:

(i) Develop a service consolidation plan in 2012-2013 to reduce operating costs that is in compliance with guidelines that were developed by the department for former section 11d as that section was in effect for 2010-2011.

(ii) Implement the service consolidation plan in 2013-2014 and report to the department not later than February 1, 2014 on the intermediate district's progress in implementing the service consolidation plan.

(b) The intermediate district has obtained competitive bids on the provision of 1 or more noninstructional services for the intermediate district or its constituent districts with a value of at least \$50,000.00.

(c) The intermediate district develops a technology plan in accordance with department policy on behalf of all constituent districts within the intermediate district that integrates technology into the classroom and prepares teachers to use digital technologies as part of the instructional program of each of its constituent districts.

(d) The intermediate district provides to parents and community members a dashboard or report card demonstrating the intermediate district's efforts to manage its finances responsibly. The dashboard or report card shall include at least all of the following for the 3 most recent school years for which the data are available:

(i) A list of services offered by the intermediate district that are shared by other local or intermediate districts and a list of the districts or intermediate districts that participate.

(ii) The total cost savings to local or other intermediate districts that share services with the intermediate district.

~~(iii) The number and percentage of teachers in the intermediate district service area that are trained to integrate technology into the classroom.~~

~~(iv) The total funds received from levying special education and vocational education millages, and the number of special education and vocational education pupils served with those dollars.~~

~~(v) The number and percentage of individualized education programs developed for special education pupils that contain academic goals.~~

~~(e) The intermediate district works in a consortium with 1 or more other intermediate districts to develop information management system requirements and bid specifications that can be used as statewide models. At a minimum, these specifications shall include pupil management systems for both general and special education, learning management tools, and business services.~~

~~(6) (7) From the allocation in subsection (1), there is allocated an amount not to exceed \$2,000,000.00 for 2013-2014~~ **2014-2015** for an incentive payment to each intermediate district that meets best practices as determined by the department under this subsection. The amount of the incentive payment is an amount equal to ~~3.2%~~ **3.1%** of the amount allocated to the intermediate district under subsection (2). An intermediate district is eligible for an incentive payment under this subsection if the intermediate district satisfies at least 5 of the following requirements not later than June 1, ~~2014~~:**2015**:

(a) The intermediate district enters into an agreement with the department to comply with all of the following:

(i) If the intermediate district developed a service consolidation plan in ~~2012-2013~~, **2013-2014**, implement the service consolidation plan in ~~2013-2014~~ **2014-2015** and report to the department not later than February 1, ~~2014~~ **2015** on the intermediate district's progress in implementing the service consolidation plan.

(ii) If the intermediate district did not develop a service consolidation plan in 2012-2013 **OR 2013-2014**, develop a service consolidation plan in ~~2013-2014~~ **2014-2015** to reduce operating costs that is in compliance with guidelines that were developed by the department for former section 11d as that section was in effect for 2010-2011.

~~(iii) If the intermediate district developed a service consolidation plan in 2013-2014, implement the service consolidation plan in 2014-2015 and report to the department not later than February 1, 2015 on the intermediate district's progress in implementing the service consolidation plan.~~

~~(ii) (iv)~~ Make the intermediate district's service consolidation plan publicly available on the intermediate district's website.

(b) The intermediate district has obtained competitive bids on the provision of 1 or more noninstructional services for the intermediate district or its constituent districts with a value of at least \$50,000.00. The unfunded accrued liability costs for retirement and other benefits shall be excluded from the intermediate district's current costs for the purpose of comparing competitive bids to the current costs of providing services.

(c) The intermediate district develops a technology plan in accordance with department policy on behalf of all constituent districts within the intermediate district that integrates technology into the classroom and prepares teachers to use digital technologies as part of the instructional program of each of its constituent districts. An intermediate district that developed a technology plan in 2012-2013 **OR 2013-2014** shall ~~begin implementing~~ **CONTINUE TO IMPLEMENT** that technology plan in ~~2013-2014~~.**2014-2015**.

(d) The intermediate district provides to parents and community members a dashboard or report card demonstrating the intermediate district's efforts to manage its finances responsibly. The dashboard or report card shall include revenue and expenditure projections for the intermediate district for ~~2013-2014 and~~ 2014-2015 **AND 2015-2016**, a listing of all debt service obligations, detailed by project, including anticipated ~~2013-2014~~ **2014-2015** payment for each project, a listing of total outstanding debt, and at least all of the following for the 3 most recent school years for which the data are available:

(i) A list of services offered by the intermediate district that are shared by other local or intermediate districts and a list of the districts or intermediate districts that participate.

(ii) The total cost savings to local or other intermediate districts that share services with the intermediate district.

~~(iii) The number and percentage of teachers in the intermediate district service area that are trained to integrate technology into the classroom.~~

~~(iv) The total funds received from levying special education and vocational education millages, and the number of special education and vocational education pupils served with those dollars.~~

~~(v) The number and percentage of individualized education programs developed for special education pupils that contain academic goals.~~

(e) The intermediate district works in a consortium with 1 or more other intermediate districts and the center to develop local information management system requirements and bid specifications that result in a recommended model information system that supports interoperability to ensure linkage and connectivity in a manner that facilitates the efficient exchange of data among districts, intermediate districts, and the center. At a minimum, these specifications shall include pupil management systems for both general and special education, learning management tools, and business services.

(f) If an intermediate district provides medical, pharmacy, dental, vision, disability, long-term care, or any other type of benefit that would constitute a health care services benefit, to employees and their dependents, the intermediate district is the policyholder for each of its insurance policies that covers 1 or more of these benefits. An intermediate district that does not directly employ its staff or an intermediate district with a voluntary employee beneficiary association that pays no more than the maximum per employee contribution amount and that contributes no more than the maximum employer contribution

percentage of total annual costs for the medical benefit plans as described in sections 3 and 4 of the publicly funded health insurance contribution act, 2011 PA 152, MCL 15.563 and 15.564, is considered to have satisfied this requirement.

Sec. 94. (1) From the general fund appropriation in section 11, there is allocated to the department for ~~2013-2014~~ **2014-2015** an amount not to exceed \$250,000.00 for efforts to increase the number of pupils who participate and succeed in advanced placement and international baccalaureate programs.

(2) From the funds allocated under this section, the department shall award funds to cover all or part of the costs of advanced placement test fees or international baccalaureate test fees for low-income pupils who take an advanced placement or an international baccalaureate test. Payments shall not exceed \$20.00 per test completed.

(3) The department shall only award funds under this section if the department determines that all of the following criteria are met:

(a) Each pupil for whom payment is made meets eligibility requirements of the federal advanced placement test fee program under section 1701 of the no child left behind act of 2001, Public Law 107-110.

(b) The tests are administered by the college board, the international baccalaureate organization, or another test provider approved by the department.

(c) The pupil for whom payment is made pays at least \$5.00 toward the cost of each test for which payment is made.

(4) The department shall establish procedures for awarding funds under this section.

(5) Notwithstanding section 17b, payments under this section shall be made on a schedule determined by the department.

Sec. 94a. (1) There is created within the state budget office in the department of technology, management, and budget the center for educational performance and information. The center shall do all of the following:

(a) Coordinate the collection of all data required by state and federal law from districts, intermediate districts, and postsecondary institutions.

(b) Create, maintain, and enhance this state's P-20 longitudinal data system and ensure that it meets the requirements of subsection (4).

(c) Collect data in the most efficient manner possible in order to reduce the administrative burden on reporting entities, including, but not limited to, electronic transcript services.

(d) Create, maintain, and enhance this state's web-based educational portal to provide information to school leaders, teachers, researchers, and the public in compliance with all federal and state privacy laws. Data shall include, but are not limited to, all of the following:

(i) Data sets that link teachers to student information, allowing districts to assess individual teacher impact on student performance and consider student growth factors in teacher and principal evaluation systems.

(ii) Data access or, if practical, data sets, provided for regional data warehouses that, in combination with local data, can improve teaching and learning in the classroom.

(iii) Research-ready data sets for researchers to perform research that advances this state's educational performance.

(e) Provide data in a useful manner to allow state and local policymakers to make informed policy decisions.

(f) Provide public reports to the citizens of this state to allow them to assess allocation of resources and the return on their investment in the education system of this state.

(g) Other functions as assigned by the state budget director.

(2) Each state department, officer, or agency that collects information from districts, intermediate districts, or postsecondary institutions as required under state or federal law shall make arrangements with the center to ensure that the state department, officer, or agency is in compliance with subsection (1). This subsection does not apply to information collected by the department of treasury under the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a; the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821; the school bond qualification, approval, and loan act, 2005 PA 92, MCL 388.1921 to 388.1939; or section 1351a of the revised school code, MCL 380.1351a.

(3) The center may enter into any interlocal agreements necessary to fulfill its functions.

(4) The center shall ensure that the P-20 longitudinal data system required under subsection (1)(b) meets all of the following:

(a) Includes data at the individual student level from preschool through postsecondary education and into the workforce.

(b) Supports interoperability by using standard data structures, data formats, and data definitions to ensure linkage and connectivity in a manner that facilitates the exchange of data among agencies and institutions within the state and between states.

(c) Enables the matching of individual teacher and student records so that an individual student may be matched with those teachers providing instruction to that student.

(d) Enables the matching of individual teachers with information about their certification and the institutions that prepared and recommended those teachers for state certification.

(e) Enables data to be easily generated for continuous improvement and decision-making, including timely reporting to parents, teachers, and school leaders on student achievement.

(f) Ensures the reasonable quality, validity, and reliability of data contained in the system.

(g) Provides this state with the ability to meet federal and state reporting requirements.

(h) For data elements related to preschool through grade 12 and postsecondary, meets all of the following:

(i) Contains a unique statewide student identifier that does not permit a student to be individually identified by users of the system, except as allowed by federal and state law.

- (ii) Contains student-level enrollment, demographic, and program participation information.
- (iii) Contains student-level information about the points at which students exit, transfer in, transfer out, drop out, or complete education programs.
- (iv) Has the capacity to communicate with higher education data systems.
 - (i) For data elements related to preschool through grade 12 only, meets all of the following:
 - (i) Contains yearly test records of individual students for assessments approved by DED-OESE for accountability purposes under section 1111(b) of the elementary and secondary education act of 1965, 20 USC 6311, including information on individual students not tested, by grade and subject.
 - (ii) Contains student-level transcript information, including information on courses completed and grades earned.
 - (iii) Contains student-level college readiness test scores.
 - (j) For data elements related to postsecondary education only:
 - (i) Contains data that provide information regarding the extent to which individual students transition successfully from secondary school to postsecondary education, including, but not limited to, all of the following:
 - (A) Enrollment in remedial coursework.
 - (B) Completion of 1 year's worth of college credit applicable to a degree within 2 years of enrollment.
 - (ii) Contains data that provide other information determined necessary to address alignment and adequate preparation for success in postsecondary education.

(5) From the general fund appropriation in section 11, there is allocated an amount not to exceed ~~\$9,535,100.00 for 2013-2014~~ **\$12,022,800.00 FOR 2014-2015** to the department of technology, management, and budget to support the operations of the center. In addition, from the federal funds appropriated in section 11 there is allocated for ~~2013-2014~~ **2014-2015** the amount necessary, estimated at \$193,500.00, to support the operations of the center and to establish a P-20 longitudinal data system as provided under this section in compliance with the assurance provided to the United States department of education in order to receive state fiscal stabilization funds. The center shall cooperate with the department to ensure that this state is in compliance with federal law and is maximizing opportunities for increased federal funding to improve education in this state.

(6) From the funds allocated in subsection (5), there is allocated for ~~2013-2014~~ **2014-2015** an amount not to exceed \$850,000.00 for competitive grants to support collaborative efforts on the P-20 longitudinal data system. All of the following apply to grants awarded under this subsection:

(a) The center shall award competitive grants to eligible intermediate districts or a consortium of intermediate districts based on criteria established by the center.

(b) Activities funded under the grant shall support the P-20 longitudinal data system portal and may include portal hosting, hardware and software acquisition, maintenance, enhancements, user support and related materials, and professional learning tools and activities aimed at improving the utility of the P-20 longitudinal data system.

(c) An applicant that received a grant under this subsection for the immediately preceding fiscal year shall receive priority for funding under this section. However, after 3 fiscal years of continuous funding, an applicant is required to compete openly with new applicants.

~~(7) From the funds allocated in subsection (5), there is allocated for 2013-2014 an amount not to exceed \$100,000.00 for the center to develop the pupil transfer application as required under section 25e.~~

~~(8) Funds allocated under this section that are not expended in the fiscal year in which they were allocated may be carried forward to a subsequent fiscal year and are appropriated for the purposes for which the funds were originally allocated.~~

~~(9) It is the intent of the legislature that, beginning in 2014-2015, a district shall report to the center by June 30, in a manner prescribed by the center, the number of pupils in the district who have had 10 or more unexcused absences each school year. For pupils in grades 9 to 12, the report shall include both the total number of unexcused absences in any single course and the total number of unexcused absences in all courses. Each district shall define unexcused absence. It is the intent of the legislature that a district that reports false information under this subsection shall forfeit an amount equal to 5% of its total state aid allocation under this act.~~

~~(8) (10)~~ The center may bill departments as necessary in order to fulfill reporting requirements of state and federal law. The center may also enter into agreements to supply custom data, analysis, and reporting to other principal executive departments, state agencies, local units of government, and other individuals and organizations. The center may receive and expend funds in addition to those authorized in subsection (5) to cover the costs associated with salaries, benefits, supplies, materials, and equipment necessary to provide such data, analysis, and reporting services.

~~(9) (11)~~ As used in this section:

(a) "DED-OESE" means the United States department of education office of elementary and secondary education.

(b) "State education agency" means the department.

SEC. 95A. (1) THE EDUCATOR EVALUATION RESERVE FUND IS CREATED AS A SEPARATE ACCOUNT WITHIN THE STATE SCHOOL AID FUND.

(2) THE STATE TREASURER MAY RECEIVE MONEY OR OTHER ASSETS FROM ANY SOURCE FOR DEPOSIT INTO THE EDUCATOR EVALUATION RESERVE FUND. THE STATE TREASURER SHALL DIRECT THE INVESTMENT OF THE EDUCATOR EVALUATION RESERVE FUND. THE STATE TREASURER SHALL

CREDIT TO THE EDUCATOR EVALUATION RESERVE FUND INTEREST AND EARNINGS FROM THE EDUCATOR EVALUATION RESERVE FUND.

(3) MONEY IN THE EDUCATOR EVALUATION RESERVE FUND AT THE CLOSE OF THE FISCAL YEAR SHALL REMAIN IN THE EDUCATOR EVALUATION RESERVE FUND AND SHALL NOT LAPSE TO THE STATE SCHOOL AID FUND OR TO THE GENERAL FUND. THE DEPARTMENT OF TREASURY SHALL BE THE ADMINISTRATOR OF THE EDUCATOR EVALUATION RESERVE FUND FOR AUDITING PURPOSES.

(4) FROM THE APPROPRIATIONS IN SECTION 11, THERE IS ALLOCATED TO THE EDUCATOR EVALUATION RESERVE FUND FOR 2014-2015 AN AMOUNT NOT TO EXCEED \$12,100,000.00 FROM THE STATE SCHOOL AID FUND AND AN AMOUNT NOT TO EXCEED \$2,700,000.00 FROM THE GENERAL FUND. SUBJECT TO SUBSECTIONS (5) AND (6), THE DEPARTMENT SHALL EXPEND THE MONEY IN THE EDUCATOR EVALUATION RESERVE FUND FOR IMPLEMENTING EVALUATION SYSTEMS FOR PUBLIC SCHOOL TEACHERS AND SCHOOL ADMINISTRATORS.

(5) FUNDS IN THE EDUCATOR EVALUATION RESERVE FUND SHALL NOT BE EXPENDED UNLESS HOUSE BILL NOS. 5223 AND 5224 OF THE 97TH LEGISLATURE ARE ENACTED INTO LAW.

(6) FUNDS IN THE EDUCATOR EVALUATION RESERVE FUND SHALL NOT BE EXPENDED UNLESS THE STATE BUDGET OFFICE HAS APPROVED THE DEPARTMENT'S SPENDING PLAN.

Sec. 98. (1) From the general fund money appropriated in section 11, there is allocated an amount not to exceed \$9,387,500.00 for 2013-2014 ~~\$7,387,500.00~~ **FOR 2014-2015** for the purposes described in this section.

(2) The Michigan virtual university shall operate the Michigan virtual learning research institute. The Michigan virtual learning research institute shall do all of the following:

(a) Support and accelerate innovation in education through the following activities:

(i) Test, evaluate, and recommend as appropriate new technology-based instructional tools and resources.

(ii) Research, design, and recommend digital education delivery models for use by pupils and teachers that include age-appropriate multimedia instructional content.

~~(iii) Research, design, and recommend competency-based online assessments.~~

~~(iii) (iv)~~ Research, develop, and recommend annually to the department criteria by which cyber schools and online course providers should be monitored and evaluated to ensure a quality education for their pupils.

~~(iv) (v)~~ Based on pupil completion and performance data reported to the department or the center for educational performance and information from cyber schools and other online course providers operating in this state, analyze the effectiveness of online learning delivery models in preparing pupils to be college- and career-ready and publish a report that highlights enrollment totals, completion rates, and the overall impact on pupils. The report shall be submitted to the house and senate appropriations subcommittees on state school aid, the state budget director, the house and senate fiscal agencies, and the department not later than December 1, ~~2014~~.**2015.**

~~(v) (vi)~~ Before August 31, ~~2014~~.**2015**, provide an extensive professional development program to at least 500 educational personnel, including teachers, school administrators, and school board members, that focuses on the effective integration of digital learning into curricula and instruction. Not later than December 1, ~~2014~~.**2015**, the Michigan virtual learning research institute shall submit a report to the house and senate appropriations subcommittees on state school aid, the state budget director, the house and senate fiscal agencies, and the department on the number and percentage of teachers, school administrators, and school board members who have received professional development services from the Michigan virtual university. The report shall also identify barriers and other opportunities to encourage the adoption of digital learning in the public education system.

~~(vi) (vii)~~ Identify and share best practices for planning, implementing, and evaluating online and blended education delivery models with intermediate districts, districts, and public school academies to accelerate the adoption of innovative education delivery models statewide.

(b) Provide leadership for this state's system of digital learning education by doing the following activities:

(i) Develop and report policy recommendations to the governor and the legislature that accelerate the expansion of effective online learning in this state's schools.

(ii) Provide a clearinghouse for research reports, academic studies, evaluations, and other information related to online learning.

(iii) Promote and distribute the most current instructional design standards and guidelines for online teaching.

~~(iv) In collaboration with the department and interested colleges and universities in this state, recommend to the superintendent guidelines and standards for a new teacher endorsement credential~~ **SUPPORT IMPLEMENTATION AND IMPROVEMENTS** related to effective digital learning instruction.

(v) Pursue public/private partnerships that include districts to study and implement competency-based technology-rich online learning models.

(vi) Convene focus groups and conduct annual surveys of teachers, administrators, pupils, parents, and others to identify barriers and opportunities related to online learning.

(vii) Produce an annual consumer awareness report for schools and parents about effective online education providers and education delivery models, performance data, cost structures, and research trends.

(viii) Research and establish an internet-based platform that educators can use to create student-centric learning tools and resources and facilitate a user network that assists educators in using the platform. As part of this initiative, the Michigan virtual university shall work collaboratively with districts and intermediate districts to establish a plan to make available online resources that align to Michigan's K-12 curriculum standards for use by students, educators, and parents.

(ix) Create and maintain a public statewide catalog of online learning courses being offered by all public schools in this state. The Michigan virtual learning research institute shall identify and develop a list of nationally recognized best practices for online learning and use this list to ~~provide~~ **SUPPORT** reviews of online course vendors, courses, and instructional practices. The Michigan virtual learning research institute shall also provide a mechanism for intermediate districts to use the identified best practices to review content offered by constituent districts. The Michigan virtual learning research institute shall review the online course offerings of the Michigan virtual university, and make the results from these reviews available to the public as part of the statewide catalog. The Michigan virtual learning research institute shall ensure that the statewide catalog is made available to the public on the Michigan virtual university website and ~~linked~~ **SHALL ALLOW THE ABILITY TO LINK IT** to each district's website as provided for in section 21f. Beginning in 2014-2015, the statewide catalog shall also contain all of the following:

(A) The number of ~~pupils enrolled~~ **ENROLLMENTS** in each online course in the ~~2012-2013~~ **IMMEDIATELY PRECEDING** school year.

(B) The number of ~~pupils who successfully completed~~ **ENROLLMENTS THAT EARNED 60% OR MORE OF THE TOTAL COURSE POINTS FOR** each online course in the ~~2012-2013~~ **IMMEDIATELY PRECEDING** school year.

(C) The completion rate for each online course.

(x) COLLABORATE WITH KEY STAKEHOLDERS TO EXAMINE THE NEED AND PROCESS FOR INCORPORATING REGISTRATION, PAYMENT SERVICES, AND TRANSCRIPT FUNCTIONALITY TO THE STATEWIDE CATALOG.

(xi) COLLABORATE WITH KEY STAKEHOLDERS TO EXAMINE DISTRICT LEVEL ACCOUNTABILITY AND TEACHER EFFECTIVENESS ISSUES RELATED TO ONLINE LEARNING UNDER SECTION 21F AND MAKE FINDINGS AND RECOMMENDATIONS PUBLICLY AVAILABLE.

(3) In order for the Michigan virtual university to receive any funds allocated under this section, the Michigan virtual school must maintain its accreditation status from recognized national and international accrediting entities.

(4) If the course offerings are included in the statewide catalog of online courses under subsection (2)(b)(ix), the Michigan virtual school operated by the Michigan virtual university may offer online course offerings, including, but not limited to, all of the following:

(a) Information technology courses.

(b) College level equivalent courses, as defined in section 1471 of the revised school code, MCL 380.1471.

(c) Courses and dual enrollment opportunities.

(d) Programs and services for at-risk pupils.

(e) General education development test preparation courses for adjudicated youth.

(f) Special interest courses.

(g) Professional development programs for teachers, school administrators, other school employees, and school board members.

(5) If a home-schooled or nonpublic school student is a resident of a district that subscribes to services provided by the Michigan virtual school, the student may use the services provided by the Michigan virtual school to the district without charge to the student beyond what is charged to a district pupil using the same services.

(6) Not later than December 1 of each fiscal year, the Michigan virtual university shall provide a report to the house and senate appropriations subcommittees on state school aid, the state budget director, the house and senate fiscal agencies, and the department that includes at least all of the following information related to the Michigan virtual school for the preceding state fiscal year:

(a) A list of the districts served by the Michigan virtual school.

(b) A list of online course titles available to districts.

(c) The total number of online course enrollments and information on registrations and completions by course.

(d) The overall course completion rate percentage.

(7) The governor may appoint an advisory group for the Michigan virtual learning research institute established under subsection (2). The members of the advisory group shall serve at the pleasure of the governor and shall serve without compensation. The purpose of the advisory group is to make recommendations to the governor, the legislature, and the president and board of the Michigan virtual university that will accelerate innovation in this state's education system in a manner that will prepare elementary and secondary students to be career and college ready and that will promote the goal of increasing the percentage of citizens of this state with high-quality degrees and credentials to at least 60% by 2025.

(8) Not later than November 1, ~~2013~~ **2014**, the Michigan virtual university shall submit to the house and senate appropriations subcommittees on state school aid, the state budget director, and the house and senate fiscal agencies a detailed budget for the ~~2013-2014~~ **2014-2015** fiscal year that includes a breakdown on its projected costs to deliver online educational services to districts and a summary of the anticipated fees to be paid by districts for those services. Beginning in 2013-2014, not later

than February 1, the Michigan virtual university shall submit to the house and senate appropriations subcommittees on state school aid, the state budget director, and the house and senate fiscal agencies a breakdown on its actual costs to deliver online educational services to districts and a summary of the actual fees paid by districts for those services based on audited financial statements for the immediately preceding fiscal year.

(9) As used in this section:

(a) "Blended learning" means a hybrid instructional delivery model where pupils are provided content, instruction, and assessment, in part at a supervised educational facility away from home where the pupil and a teacher with a valid Michigan teaching certificate are in the same physical location and in part through internet-connected learning environments with some degree of pupil control over time, location, and pace of instruction.

(b) "Cyber school" means a full-time instructional program of online courses for pupils that may or may not require attendance at a physical school location.

(c) "Digital learning" means instruction delivered via a web-based educational delivery system that uses various information technologies to provide a structured learning environment, including online and blended learning instructional methods.

(d) "Online course" means a course of study that is capable of generating a credit or a grade, that is provided in an interactive internet-connected learning environment, in which pupils are separated from their teachers by time or location, or both, and in which a teacher who holds a valid Michigan teaching certificate is responsible for determining appropriate instructional methods for each pupil, diagnosing learning needs, assessing pupil learning, prescribing intervention strategies, reporting outcomes, and evaluating the effects of instruction and support strategies.

Sec. 99. (1) From the funds appropriated in section 11, there is allocated for ~~2013-2014~~ **2014-2015** an amount not to exceed ~~\$2,850,000.00~~ **\$2,750,000.00** from the state school aid fund and an amount not to exceed ~~\$375,000.00~~ **\$475,000.00** from the general fund to support the activities and programs of mathematics and science centers and for other purposes as described in this section. In addition, from the federal funds appropriated in section 11, there is allocated for ~~2013-2014~~ **2014-2015** an amount estimated at \$5,249,300.00 from DED-OESE, title II, mathematics and science partnership grants.

(2) Within a service area designated locally, approved by the department, and consistent with the comprehensive master plan for mathematics and science centers developed by the department and approved by the state board, an established mathematics and science center shall provide 2 or more of the following 6 basic services, as described in the master plan, to constituent districts and communities: leadership, pupil services, curriculum support, community involvement, professional development, and resource clearinghouse services.

(3) The department shall not award a state grant under this section to more than 1 mathematics and science center located in a designated region as prescribed in the 2007 master plan unless each of the grants serves a distinct target population or provides a service that does not duplicate another program in the designated region.

(4) As part of the technical assistance process, the department shall provide minimum standard guidelines that may be used by the mathematics and science center for providing fair access for qualified pupils and professional staff as prescribed in this section.

(5) Allocations under this section to support the activities and programs of mathematics and science centers shall be continuing support grants to all 33 established mathematics and science centers. Each established mathematics and science center that was funded in the immediately preceding fiscal year shall receive state funding in an amount equal to 100% of the amount it was allocated under this subsection for the immediately preceding fiscal year. If a center declines state funding or a center closes, the remaining money available under this section shall be distributed to the remaining centers, as determined by the department.

(6) From the funds allocated in subsection (1), there is allocated for ~~2013-2014~~ **2014-2015** an amount not to exceed \$750,000.00 in a form and manner determined by the department to those centers able to provide curriculum and professional development support to assist districts in implementing the Michigan merit curriculum components for mathematics and science. Funding under this subsection is in addition to funding allocated under subsection (5).

(7) From the ~~state school aid~~ **GENERAL** fund money allocated in subsection (1), there is allocated for ~~2013-2014~~ **2014-2015** an amount not to exceed \$100,000.00 ~~in a form and manner determined by the department to a single mathematics and science center that is a participant in~~ **TO** the Michigan STEM partnership, to be used to administer the grant process under this subsection. From the general fund money allocated in subsection (1), there is allocated for ~~2013-2014~~ **2014-2015** an amount not to exceed \$375,000.00 to the Michigan STEM partnership to be used for a competitive grant process to award competitive grants to organizations conducting student-focused, project-based programs and competitions, either in the classroom or extracurricular, in science, technology, engineering, and mathematics subjects such as, but not limited to, robotics, coding, and design-build-test projects, from pre-kindergarten through college level. Funding under this subsection is in addition to funding allocated under subsection (5) and shall be used for connecting mathematics and science centers for science, technology, engineering, and mathematics purposes **AND TO SUPPORT THE GOALS OF THE MICHIGAN STEM PARTNERSHIP**. A program receiving funds under section 99h may not receive funds under this subsection.

(8) In order to receive state or federal funds under this section, a grant recipient shall allow access for the department or the department's designee to audit all records related to the program for which it receives such funds. The grant recipient shall reimburse the state for all disallowances found in the audit.

(9) Not later than September 30, ~~2013-~~ **2018**, the department shall reevaluate and update the comprehensive master plan described in subsection (1).

(10) The department shall give preference in awarding the federal grants allocated in subsection (1) to eligible existing mathematics and science centers.

(11) In order to receive state funds under this section, a grant recipient shall provide at least a 10% local match from local public or private resources for the funds received under this section.

(12) Not later than July 1 of each year, a mathematics and science center that receives funds under this section shall report to the department in a form and manner prescribed by the department on the following performance measures:

(a) Statistical change in pre- and post-assessment scores for students who enrolled in mathematics and science activities provided to districts by the mathematics and science center.

(b) Statistical change in pre- and post-assessment scores for teachers who enrolled in professional development activities provided by the mathematics and science center.

(13) As used in this section:

(a) "DED" means the United States department of education.

(b) "DED-OESE" means the DED office of elementary and secondary education.

SEC. 99B. (1) FROM THE FUNDS APPROPRIATED IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$330,000.00 FOR 2014-2015 FOR GRANTS TO DISTRICTS TO SUPPORT PROFESSIONAL DEVELOPMENT FOR TEACHERS IN A DEPARTMENT-APPROVED TRAINING PROGRAM FOR SCIENCE, TECHNOLOGY, ENGINEERING, AND MATHEMATICS (STEM) INSTRUCTION.

(2) ANY DISTRICT MAY APPLY FOR FUNDING UNDER THIS SECTION FOR 2014-2015 BY A DATE DETERMINED BY THE DEPARTMENT. BEGINNING IN 2014-2015, IN AWARDING GRANTS, THE DEPARTMENT SHALL GIVE PRIORITY, IN A FORM AND MANNER DETERMINED BY THE DEPARTMENT, TO APPLICANT DISTRICTS WITH TEACHERS WHO HAVE NOT PREVIOUSLY RECEIVED TRAINING IN PROGRAMS FUNDED UNDER THIS SECTION.

(3) FOR A TRAINING PROGRAM TO BE APPROVED BY THE DEPARTMENT FOR THE PURPOSES OF THIS SECTION, THE PROGRAM SHALL MEET ALL OF THE FOLLOWING CRITERIA:

(A) UTILIZES AN INTEGRATIVE STEM APPROACH TO CONTENT ORGANIZATION AND DELIVERY. THE INTEGRATIVE STEM APPROACH SHALL INCLUDE CONTENT DERIVED FROM SCIENCE, TECHNOLOGY, ENGINEERING, AND MATHEMATICS.

(B) OFFERS EVIDENCE THAT THE PROGRAM OUTCOMES ADDRESS MATHEMATICS, SCIENCE, AND TECHNOLOGICAL LITERACY STANDARDS IN AN EXPLORATORY MIDDLE SCHOOL OR HIGH SCHOOL OFFERING.

(C) OFFERS EVIDENCE THAT THE PROGRAM POSITIVELY INFLUENCES STUDENT CAREER CHOICES ALONG STEM CAREER PATHS AND INCREASES STUDENT ENGAGEMENT THROUGH PEER-REVIEWED RESEARCH.

(D) PRESENTS EVIDENCE OF THE PERIODIC IMPROVEMENT OF THE CURRICULUM.

(E) UTILIZES OUTCOME MEASURES FOR TEACHER PROFESSIONAL DEVELOPMENT.

(F) PROVIDES PEER-REVIEWED EVIDENCE THAT THE PROGRAM IS EFFECTIVE WITH DISADVANTAGED STUDENTS AND THOSE WITH LANGUAGE BARRIERS.

(4) THE DEPARTMENT SHALL AWARD GRANTS TO DISTRICTS IN AN AMOUNT DETERMINED BY THE DEPARTMENT, BUT NOT TO EXCEED \$3,200.00 PER PARTICIPANT.

(5) A DISTRICT RECEIVING FUNDS UNDER THIS SECTION SHALL USE THE FUNDS ONLY FOR DEPARTMENT-APPROVED TRAINING PROGRAMS UNDER THIS SECTION.

Sec. 99h. (1) From the appropriation in section 11, there is allocated an amount not to exceed ~~\$3,000,000.00~~ **\$2,000,000.00** for ~~2013-2014~~ **2014-2015** for competitive grants to districts that provide pupils in grades 7 to 12 with expanded opportunities to improve mathematics, science, and technology skills by participating in events hosted by a science and technology development program known as FIRST (for inspiration and recognition of science and technology) robotics.

(2) A district applying for a FIRST tech challenge or FIRST robotics competition program grant shall submit an application in a form and manner determined by the department. To be eligible for a grant, a district shall demonstrate in its application that the district has established a partnership for the purposes of the FIRST program with at least 1 sponsor, business entity, higher education institution, or technical school, **SHALL SUBMIT A SPENDING PLAN, AND SHALL PAY AT LEAST 25% OF THE COST OF THE FIRST ROBOTICS PROGRAM.**

(3) The department shall distribute the grant funding under this section for the following purposes:

(a) ~~Except as otherwise provided in subparagraph (iii), an amount estimated at \$1,000,000.00 for grants~~ **GRANTS** to districts to pay for stipends of \$1,500.00 for 1 coach per team, distributed as follows:

(i) Not more than 500 stipends for coaches of high school teams, including existing teams.

(ii) Not more than 100 stipends for coaches of middle school or junior high teams, including existing teams.

(iii) If the requests for stipends exceed the numbers of stipends allowed under subparagraphs (i) and (ii), and if there is funding remaining unspent under subdivisions (b) and (c), the department shall use that remaining unspent funding for grants to districts to pay for additional stipends in a manner that expands the geographical distribution of teams.

(b) ~~An amount estimated at \$1,000,000.00 for grants~~ **GRANTS** to districts for event registrations, materials, travel costs, and other expenses associated with the preparation for and attendance at FIRST tech challenge and FIRST robotics competitions. Each grant recipient shall provide a local match from other private or local funds for the funds received under this subdivision equal to at least 50% of the costs of participating in an event. The department shall set maximum grant amounts under this subdivision in a manner that maximizes the number of teams that will be able to receive funding.

(c) ~~An amount estimated at \$1,000,000.00 for grants~~ **GRANTS** to districts for awards to teams that advance to the state and world championship competitions. The department shall determine an equal amount per team for those teams that advance to the state championship and a second equal award amount to those teams that advance to the world championship.

(4) The funds allocated under this section are a work project appropriation, and any unexpended funds for ~~2013-2014~~ **2014-2015** are carried forward into ~~2014-2015-~~ **2015-2016**. The purpose of the work project is to continue to implement the projects described under subsection (1). The estimated completion date of the work project is September 30, ~~2016-~~ **2017**.

Sec. 101. (1) To be eligible to receive state aid under this article, not later than the fifth Wednesday after the pupil membership count day and not later than the fifth Wednesday after the supplemental count day, each district superintendent shall submit to the center and the intermediate superintendent, in the form and manner prescribed by the center, the number of pupils enrolled and in regular daily attendance in the district as of the pupil membership count day and as of the supplemental count day, as applicable, for the current school year. In addition, a district maintaining school during the entire year, as provided under section 1561 of the revised school code, MCL 380.1561, shall submit to the center and the intermediate superintendent, in the form and manner prescribed by the center, the number of pupils enrolled and in regular daily attendance in the district for the current school year pursuant to rules promulgated by the superintendent. Not later than the sixth Wednesday after the pupil membership count day and not later than the sixth Wednesday after the supplemental count day, the district shall certify the data in a form and manner prescribed by the center and file the certified data with the intermediate superintendent. If a district fails to submit and certify the attendance data, as required under this subsection, the center shall notify the department and state aid due to be distributed under this article shall be withheld from the defaulting district immediately, beginning with the next payment after the failure and continuing with each payment until the district complies with this subsection. If a district does not comply with this subsection by the end of the fiscal year, the district forfeits the amount withheld. A person who willfully falsifies a figure or statement in the certified and sworn copy of enrollment shall be punished in the manner prescribed by section 161.

(2) To be eligible to receive state aid under this article, not later than the twenty-fourth Wednesday after the pupil membership count day and not later than the twenty-fourth Wednesday after the supplemental count day, an intermediate district shall submit to the center, in a form and manner prescribed by the center, the audited enrollment and attendance data for the pupils of its constituent districts and of the intermediate district. If an intermediate district fails to submit the audited data as required under this subsection, state aid due to be distributed under this article shall be withheld from the defaulting intermediate district immediately, beginning with the next payment after the failure and continuing with each payment until the intermediate district complies with this subsection. If an intermediate district does not comply with this subsection by the end of the fiscal year, the intermediate district forfeits the amount withheld.

(3) Except as otherwise provided in subsections (11) and (12), all of the following apply to the provision of pupil instruction:

(a) Except as otherwise provided in this section, each district shall provide at least 1,098 hours and, beginning in 2010-2011, the required minimum number of days of pupil instruction. ~~Beginning in 2012-2013, the required minimum number of days of pupil instruction is 170.~~ Beginning in 2014-2015, the required minimum number of days of pupil instruction is 175. However, all of the following apply to these requirements:

(i) ~~Except as otherwise provided in subparagraph (ii), a district shall not provide fewer days of pupil instruction than the district provided for 2009-2010.~~

(ii) For 2013-2014 only, if a district is scheduled to provide more than 174 days of instruction, the district shall provide at least 174 days of instruction and 1,098 hours of pupil instruction.

(iii) If a collective bargaining agreement that provides for at least 170 days but less than 175 days, and at least 1,098 hours, of pupil instruction is in effect for employees of a district as of June 13, 2013, then until the school year that begins after the expiration of that collective bargaining agreement the district shall provide at least the number of days of pupil instruction identified in the collective bargaining agreement, and at least 1,098 hours of pupil instruction.

(i) IF A COLLECTIVE BARGAINING AGREEMENT THAT PROVIDES A COMPLETE SCHOOL CALENDAR WAS IN EFFECT FOR EMPLOYEES OF A DISTRICT AS OF JULY 1, 2013, AND IF THAT SCHOOL CALENDAR IS NOT IN COMPLIANCE WITH THIS SUBSECTION, THEN THIS SUBSECTION DOES NOT APPLY TO THAT DISTRICT UNTIL AFTER THE EXPIRATION OF THAT COLLECTIVE BARGAINING AGREEMENT. IF A DISTRICT ENTERED INTO A COLLECTIVE BARGAINING AGREEMENT ON OR AFTER JULY 1, 2013 AND IF THAT COLLECTIVE BARGAINING AGREEMENT DID NOT PROVIDE FOR AT LEAST 175 DAYS OF PUPIL INSTRUCTION BEGINNING IN 2014-2015, THEN THE DEPARTMENT SHALL WITHHOLD FROM THE DISTRICT'S TOTAL STATE SCHOOL AID AN AMOUNT EQUAL TO 5% OF THE FUNDING THE DISTRICT RECEIVES IN 2014-2015 UNDER SECTIONS 22A AND 22B.

(ii) ~~(iv)~~ A district may apply for a waiver under subsection (9) from the requirements of this subdivision.

(B) BEGINNING IN 2016-2017, THE REQUIRED MINIMUM NUMBER OF DAYS OF PUPIL INSTRUCTION IS 180. IF A COLLECTIVE BARGAINING AGREEMENT THAT PROVIDES A COMPLETE SCHOOL CALENDAR WAS IN EFFECT FOR EMPLOYEES OF A DISTRICT AS OF THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SUBDIVISION, AND IF THAT SCHOOL CALENDAR IS NOT IN COMPLIANCE WITH THIS SUBDIVISION, THEN THIS SUBDIVISION DOES NOT APPLY TO THAT DISTRICT UNTIL AFTER THE EXPIRATION OF THAT COLLECTIVE BARGAINING AGREEMENT. A DISTRICT MAY APPLY FOR A WAIVER UNDER SUBSECTION (9) FROM THE REQUIREMENTS OF THIS SUBDIVISION.

(C) ~~(b)~~ Except as otherwise provided in this article, a district failing to comply with the required minimum hours and days of pupil instruction under this subsection shall forfeit from its total state aid allocation an amount determined by applying a ratio of the number of hours or days the district was in noncompliance in relation to the required minimum number of hours and days under this subsection. Not later than August 1, the board of each district shall certify to the department the number of hours and days of pupil instruction in the previous school year. If the district did not provide at least the required minimum number of hours and days of pupil instruction under this subsection, the deduction of state aid shall be made in the following fiscal year from the first payment of state school aid. A district is not subject to forfeiture of funds under this subsection for a fiscal year in which a forfeiture was already imposed under subsection (6).

(D) ~~(c)~~ Hours or days lost because of strikes or teachers' conferences shall not be counted as hours or days of pupil instruction.

(E) ~~(d)~~ If a collective bargaining agreement that provides a complete school calendar is in effect for employees of a district as of October 19, 2009, and if that school calendar is not in compliance with this subsection, then this subsection does not apply to that district until after the expiration of that collective bargaining agreement.

(F) ~~(e)~~ Except as otherwise provided in subdivisions ~~(f)~~ (G) and ~~(g)~~ (H), a district not having at least 75% of the district's membership in attendance on any day of pupil instruction shall receive state aid in that proportion of 1/180 that the actual percent of attendance bears to the specified percentage.

(G) ~~(f)~~ If a district adds 1 or more days of pupil instruction to the end of its instructional calendar for a school year to comply with subdivision (a) because the district otherwise would fail to provide the required minimum number of days of pupil instruction even after the operation of subsection (4) due to conditions not within the control of school authorities, then subdivision ~~(e)~~ (F) does not apply for any day of pupil instruction that is added to the end of the instructional calendar. Instead, for any of those days, if the district does not have at least 60% of the district's membership in attendance on that day, the district shall receive state aid in that proportion of 1/180 that the actual percentage of attendance bears to the specified percentage. For any day of pupil instruction added to the instructional calendar as described in this subdivision, the district shall report to the department the percentage of the district's membership that is in attendance, in the form and manner prescribed by the department.

(H) ~~(g)~~ At the request of a district that operates a department-approved alternative education program and that does not provide instruction for pupils in all of grades K to 12, the superintendent may grant a waiver from the requirements of subdivision ~~(e)~~ (F). The waiver shall indicate that an eligible district is subject to the proration provisions of subdivision ~~(e)~~ (F) only if the district does not have at least 50% of the district's membership in attendance on any day of pupil instruction. In order to be eligible for this waiver, a district must maintain records to substantiate its compliance with the following requirements:

- (i) The district offers the minimum hours of pupil instruction as required under this section.
- (ii) For each enrolled pupil, the district uses appropriate academic assessments to develop an individual education plan that leads to a high school diploma.
- (iii) The district tests each pupil to determine academic progress at regular intervals and records the results of those tests in that pupil's individual education plan.

(I) ~~(h)~~ All of the following apply to a waiver granted under subdivision ~~(g)~~ (H):

- (i) If the waiver is for a blended model of delivery, a waiver that is granted for the 2011-2012 fiscal year or a subsequent fiscal year remains in effect unless it is revoked by the superintendent.
- (ii) If the waiver is for a 100% online model of delivery and the educational program for which the waiver is granted makes educational services available to pupils for a minimum of at least 1,098 hours during a school year and ensures that each pupil participates in the educational program for at least 1,098 hours during a school year, a waiver that is granted for the 2011-2012 fiscal year or a subsequent fiscal year remains in effect unless it is revoked by the superintendent.
- (iii) A waiver that is not a waiver described in subparagraph (i) or (ii) is valid for 1 fiscal year and must be renewed annually to remain in effect.

(J) ~~(i)~~ The superintendent shall promulgate rules for the implementation of this subsection.

(4) Except as otherwise provided in this subsection, the first 6 days or the equivalent number of hours for which pupil instruction is not provided because of conditions not within the control of school authorities, such as severe storms, fires, epidemics, utility power unavailability, water or sewer failure, or health conditions as defined by the city, county, or state health authorities, shall be counted as hours and days of pupil instruction. With the approval of the superintendent of public instruction, the department shall count as hours and days of pupil instruction for a fiscal year not more than 6 additional days or the equivalent number of additional hours for which pupil instruction is not provided in a district after April 1 of the applicable school year due to unusual and extenuating occurrences resulting from conditions not within the control of school authorities

such as those conditions described in this subsection. Subsequent such hours or days shall not be counted as hours or days of pupil instruction.

(5) A district shall not forfeit part of its state aid appropriation because it adopts or has in existence an alternative scheduling program for pupils in kindergarten if the program provides at least the number of hours required under subsection (3) for a full-time equated membership for a pupil in kindergarten as provided under section 6(4).

(6) In addition to any other penalty or forfeiture under this section, if at any time the department determines that 1 or more of the following have occurred in a district, the district shall forfeit in the current fiscal year beginning in the next payment to be calculated by the department a proportion of the funds due to the district under this article that is equal to the proportion below the required minimum number of hours and days of pupil instruction under subsection (3), as specified in the following:

(a) The district fails to operate its schools for at least the required minimum number of hours and days of pupil instruction under subsection (3) in a school year, including hours and days counted under subsection (4).

(b) The board of the district takes formal action not to operate its schools for at least the required minimum number of hours and days of pupil instruction under subsection (3) in a school year, including hours and days counted under subsection (4).

(7) In providing the minimum number of hours and days of pupil instruction required under subsection (3), a district shall use the following guidelines, and a district shall maintain records to substantiate its compliance with the following guidelines:

(a) Except as otherwise provided in this subsection, a pupil must be scheduled for at least the required minimum number of hours of instruction, excluding study halls, or at least the sum of 90 hours plus the required minimum number of hours of instruction, including up to 2 study halls.

(b) The time a pupil is assigned to any tutorial activity in a block schedule may be considered instructional time, unless that time is determined in an audit to be a study hall period.

(c) Except as otherwise provided in this subdivision, a pupil in grades 9 to 12 for whom a reduced schedule is determined to be in the individual pupil's best educational interest must be scheduled for a number of hours equal to at least 80% of the required minimum number of hours of pupil instruction to be considered a full-time equivalent pupil. A pupil in grades 9 to 12 who is scheduled in a 4-block schedule may receive a reduced schedule under this subsection if the pupil is scheduled for a number of hours equal to at least 75% of the required minimum number of hours of pupil instruction to be considered a full-time equivalent pupil.

(d) If a pupil in grades 9 to 12 who is enrolled in a cooperative education program or a special education pupil cannot receive the required minimum number of hours of pupil instruction solely because of travel time between instructional sites during the school day, that travel time, up to a maximum of 3 hours per school week, shall be considered to be pupil instruction time for the purpose of determining whether the pupil is receiving the required minimum number of hours of pupil instruction. However, if a district demonstrates to the satisfaction of the department that the travel time limitation under this subdivision would create undue costs or hardship to the district, the department may consider more travel time to be pupil instruction time for this purpose.

(e) In grades 7 through 12, instructional time that is part of a junior reserve officer training corps (JROTC) program shall be considered to be pupil instruction time regardless of whether the instructor is a certificated teacher if all of the following are met:

(i) The instructor has met all of the requirements established by the United States department of defense and the applicable branch of the armed services for serving as an instructor in the junior reserve officer training corps program.

(ii) The board of the district or intermediate district employing or assigning the instructor complies with the requirements of sections 1230 and 1230a of the revised school code, MCL 380.1230 and 380.1230a, with respect to the instructor to the same extent as if employing the instructor as a regular classroom teacher.

(8) Except as otherwise provided in subsections (11) and (12), the department shall apply the guidelines under subsection (7) in calculating the full-time equivalency of pupils.

(9) Upon application by the district for a particular fiscal year, the superintendent may waive for a district the minimum number of hours and days of pupil instruction requirement of subsection (3) for a department-approved alternative education program or another innovative program approved by the department, including a 4-day school week. If a district applies for and receives a waiver under this subsection and complies with the terms of the waiver, the district is not subject to forfeiture under this section for the specific program covered by the waiver. If the district does not comply with the terms of the waiver, the amount of the forfeiture shall be calculated based upon a comparison of the number of hours and days of pupil instruction actually provided to the minimum number of hours and days of pupil instruction required under subsection (3). Pupils enrolled in a department-approved alternative education program under this subsection shall be reported to the center in a form and manner determined by the center. All of the following apply to a waiver granted under this subsection:

(a) If the waiver is for a blended model of delivery, a waiver that is granted for the 2011-2012 fiscal year or a subsequent fiscal year remains in effect unless it is revoked by the superintendent.

(b) If the waiver is for a 100% online model of delivery and the educational program for which the waiver is granted makes educational services available to pupils for a minimum of at least 1,098 hours during a school year and ensures that each pupil participates in the educational program for at least 1,098 hours during a school year, a waiver that is granted for the 2011-2012 fiscal year or a subsequent fiscal year remains in effect unless it is revoked by the superintendent.

(c) A waiver that is not a waiver described in subdivision (a) or (b) is valid for 1 fiscal year and must be renewed annually to remain in effect.

(10) Until 2014-2015, a district may count up to 38 hours of qualifying professional development for teachers as hours of pupil instruction. However, if a collective bargaining agreement that provides for the counting of up to 38 hours of qualifying professional development for teachers as pupil instruction is in effect for employees of a district as of ~~June 13,~~ **JULY 1, 2013**, then until the school year that begins after the expiration of that collective bargaining agreement a district may count up to the contractually specified number of hours of qualifying professional development for teachers as hours of pupil instruction. Professional development provided online is allowable and encouraged, as long as the instruction has been approved by the district. The department shall issue a list of approved online professional development providers, which shall include the Michigan virtual school. As used in this subsection, "qualifying professional development" means professional development that is focused on 1 or more of the following:

(a) Achieving or improving adequate yearly progress as defined under the no child left behind act of 2001, Public Law 107-110.

(b) Achieving accreditation or improving a school's accreditation status under section 1280 of the revised school code, MCL 380.1280.

(c) Achieving highly qualified teacher status as defined under the no child left behind act of 2001, Public Law 107-110.

(d) Integrating technology into classroom instruction.

(e) Maintaining teacher certification.

(11) Subsections (3) and (8) do not apply to a school of excellence that is a cyber school, as defined in section 551 of the revised school code, MCL 380.551, and is in compliance with section 553a of the revised school code, MCL 380.553a.

(12) Subsections (3) and (8) do not apply to eligible pupils enrolled in a dropout recovery program that meets the requirements of section 23a. As used in this subsection, "eligible pupil" means that term as defined in section 23a.

(13) Beginning in 2013, at least every 2 years the superintendent shall review the waiver standards set forth in the pupil accounting and auditing manuals to ensure that the waiver standards and waiver process continue to be appropriate and responsive to changing trends in online learning. The superintendent shall solicit and consider input from stakeholders as part of this review.

Sec. 104. (1) In order to receive state aid under this article, a district shall comply with sections 1249, 1278a, 1278b, 1279, 1279g, and 1280b of the revised school code, MCL 380.1249, 380.1278a, 380.1278b, 380.1279, 380.1279g, and 380.1280b, and 1970 PA 38, MCL 388.1081 to 388.1086. Subject to subsection (2), from the state school aid fund money appropriated in section 11, there is allocated for ~~2013-2014~~ **2014-2015** an amount not to exceed ~~\$26,694,400.00~~ **\$41,394,400.00** for payments on behalf of districts for costs associated with complying with those provisions of law. In addition, from the federal funds appropriated in section 11, there is allocated for ~~2013-2014~~ **2014-2015** an amount estimated at ~~\$8,250,000.00~~, **\$6,250,000.00**, funded from DED-OESE, title VI, state assessment funds, and from DED-OSERS, section 504 of part B of the individuals with disabilities education act, Public Law 94-142, plus any carryover federal funds from previous year appropriations, for the purposes of complying with the federal no child left behind act of 2001, Public Law 107-110.

(2) The results of each test administered as part of the Michigan educational assessment program, including tests administered to high school students, shall include an item analysis that lists all items that are counted for individual pupil scores and the percentage of pupils choosing each possible response.

(3) All federal funds allocated under this section shall be distributed in accordance with federal law and with flexibility provisions outlined in Public Law 107-116, and in the education flexibility partnership act of 1999, Public Law 106-25.

(4) Notwithstanding section 17b, payments on behalf of districts, intermediate districts, and other eligible entities under this section shall be paid on a schedule determined by the department.

(5) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$8,500,000.00 FOR THE FOLLOWING PURPOSES:

(A) CONVERTING EXISTING STUDENT ASSESSMENTS TO ONLINE ASSESSMENTS.

(B) PROVIDING PAPER AND PENCIL TEST VERSIONS TO DISTRICTS NOT PREPARED TO IMPLEMENT ONLINE ASSESSMENTS.

(C) EXPANDING WRITING ASSESSMENTS TO ADDITIONAL GRADE LEVELS.

(D) PROVIDING AN INCREASED NUMBER OF CONSTRUCTED RESPONSE TEST QUESTIONS SO THAT PUPILS CAN DEMONSTRATE HIGHER-ORDER SKILLS SUCH AS PROBLEM SOLVING AND COMMUNICATING REASONING.

(6) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$3,200,000.00 FOR THE DEVELOPMENT OR SELECTION OF AN ONLINE REPORTING TOOL TO PROVIDE STUDENT-LEVEL ASSESSMENT DATA IN A SECURE ENVIRONMENT TO EDUCATORS, PARENTS, AND PUPILS IMMEDIATELY AFTER ASSESSMENTS ARE SCORED. THE DEPARTMENT AND THE CENTER SHALL ENSURE THAT ANY DATA COLLECTED BY THE ONLINE REPORTING TOOL DO NOT PROVIDE INDIVIDUALLY IDENTIFIABLE STUDENT DATA TO THE FEDERAL GOVERNMENT.

(7) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$3,000,000.00 FOR THE PURPOSE OF IMPLEMENTING A SUMMATIVE ASSESSMENT SYSTEM PURSUANT TO SECTION 104C.

(8) ~~(5)~~ As used in this section:

- (a) "DED" means the United States department of education.
- (b) "DED-OESE" means the DED office of elementary and secondary education.
- (c) "DED-OSERS" means the DED office of special education and rehabilitative services.

Sec. 104b. (1) In order to receive state aid under this ~~act~~, **ARTICLE**, a district shall comply with this section and shall administer the Michigan merit examination to pupils in grade 11, and to pupils in grade 12 who did not take the complete Michigan merit examination in grade 11, as provided in this section.

(2) For the purposes of this section, the department of **TECHNOLOGY**, management, and budget shall contract with 1 or more providers to develop, supply, and score the Michigan merit examination. The Michigan merit examination shall consist of all of the following:

(a) Assessment instruments that measure English language arts, mathematics, reading, and science and are used by colleges and universities in this state for entrance or placement purposes. This shall include a writing component in which the pupil produces an extended writing sample. ~~The Michigan merit examination shall not require any other extended writing sample.~~ **1 OR MORE WRITING COMPONENTS.**

(b) One or more tests from 1 or more test developers that assess a pupil's ability to apply at least reading and mathematics skills in a manner that is intended to allow employers to use the results in making employment decisions. The department of **TECHNOLOGY**, management, and budget and the superintendent shall ensure that any test or tests selected under this subdivision have all the components necessary to allow a pupil to be eligible to receive the results of a nationally recognized evaluation of workforce readiness if the pupil's test performance is adequate.

(c) A social studies component.

(d) Any other component that is necessary to obtain the approval of the United States department of education to use the Michigan merit examination for the purposes of the no child left behind act of 2001, Public Law 107-110.

(3) In addition to all other requirements of this section, all of the following apply to the Michigan merit examination:

(a) The department of **TECHNOLOGY**, management, and budget and the superintendent shall ensure that any contractor used for scoring the Michigan merit examination supplies an individual report for each pupil that will identify for the pupil's parents and teachers whether the pupil met expectations or failed to meet expectations for each standard, to allow the pupil's parents and teachers to assess and remedy problems before the pupil moves to the next grade.

(b) The department of **TECHNOLOGY**, management, and budget and the superintendent shall ensure that any contractor used for scoring, developing, or processing the Michigan merit examination meets quality management standards commonly used in the assessment industry, including at least meeting level 2 of the capability maturity model developed by the software engineering institute of Carnegie Mellon university for the first year the Michigan merit examination is offered to all grade 11 pupils and at least meeting level 3 of the capability maturity model for subsequent years.

(c) The department of **TECHNOLOGY**, management, and budget and the superintendent shall ensure that any contract for scoring, administering, or developing the Michigan merit examination includes specific deadlines for all steps of the assessment process, including, but not limited to, deadlines for the correct testing materials to be supplied to schools and for the correct results to be returned to schools, and includes penalties for noncompliance with these deadlines.

(d) The superintendent shall ensure that the Michigan merit examination meets all of the following:

(i) Is designed to test pupils on grade level content expectations or course content expectations, as appropriate, in all subjects tested.

(ii) Complies with requirements of the no child left behind act of 2001, Public Law 107-110.

(iii) Is consistent with the code of fair testing practices in education prepared by the joint committee on testing practices of the American psychological association.

(iv) Is factually accurate. If the superintendent determines that a question is not factually accurate and should be excluded from scoring, the state board and the superintendent shall ensure that the question is excluded from scoring.

(4) A district shall include on each pupil's high school transcript all of the following:

(a) For each high school graduate who has completed the Michigan merit examination under this section, the pupil's scaled score on each subject area component of the Michigan merit examination.

(b) The number of school days the pupil was in attendance at school each school year during high school and the total number of school days in session for each of those school years.

(5) The superintendent shall work with the provider or providers of the Michigan merit examination to produce Michigan merit examination subject area scores for each pupil participating in the Michigan merit examination, including scaling and merging of test items for the different subject area components. The superintendent shall design and distribute to districts, intermediate districts, and nonpublic schools a simple and concise document that describes the scoring for each subject area and indicates the scaled score ranges for each subject area.

(6) The Michigan merit examination shall be administered ~~each year after March 1 and before June 1 to pupils in grade 11.~~ **IN EACH DISTRICT DURING THE LAST 12 WEEKS OF THE DISTRICT'S SCHOOL YEAR.** The superintendent shall ensure that the Michigan merit examination is scored and the scores are returned to pupils, their parents or legal guardians, and districts not later than the beginning of the pupil's first semester of grade 12. The returned scores shall indicate at least the pupil's scaled score for each subject area component and the range of scaled scores for each subject area. In reporting the

scores to pupils, parents, and schools, the superintendent shall provide standards-specific, meaningful, and timely feedback on the pupil's performance on the Michigan merit examination.

(7) A district shall administer the complete Michigan merit examination to a pupil only once and shall not administer the complete Michigan merit examination to the same pupil more than once. If a pupil does not take the complete Michigan merit examination in grade 11, the district shall administer the complete Michigan merit examination to the pupil in grade 12. If a pupil chooses to retake the college entrance examination component of the Michigan merit examination, as described in subsection (2)(a), the pupil may do so through the provider of the college entrance examination component and the cost of the retake is the responsibility of the pupil unless all of the following are met:

(a) The pupil has taken the complete Michigan merit examination.

(b) The pupil did not qualify for a Michigan promise grant under section 6 of the Michigan promise grant act, 2006 PA 479, MCL 390.1626, based on the pupil's performance on the complete Michigan merit examination.

(c) The pupil meets the income eligibility criteria for free breakfast, lunch, or milk, as determined under the Richard B. Russell national school lunch act, 42 USC 1751 to 1769i.

(d) The pupil has applied to the provider of the college entrance examination component for a scholarship or fee waiver to cover the cost of the retake and that application has been denied.

(e) After taking the complete Michigan merit examination, the pupil has not already received a free retake of the college entrance examination component paid for either by this state or through a scholarship or fee waiver by the provider.

(8) The superintendent shall ensure that the length of the Michigan merit examination and the combined total time necessary to administer all of the components of the Michigan merit examination are the shortest possible that will still maintain the degree of reliability and validity of the Michigan merit examination results determined necessary by the superintendent. The superintendent shall ensure that the maximum total combined length of time that schools are required to set aside for pupils to answer all test questions on the Michigan merit examination does not exceed 8 hours if the superintendent determines that sufficient alignment to applicable Michigan merit curriculum content standards can be achieved within that time limit.

(9) A district shall provide accommodations to a pupil with disabilities for the Michigan merit examination, as provided under section 504 of title V of the rehabilitation act of 1973, 29 USC 794; subtitle A of title II of the Americans with disabilities act of 1990, 42 USC 12131 to 12134; the individuals with disabilities education act amendments of 1997, Public Law 105-17; and the implementing regulations for those statutes. The provider or providers of the Michigan merit examination and the superintendent shall mutually agree upon the accommodations to be provided under this subsection.

(10) To the greatest extent possible, the Michigan merit examination shall be based on grade level content expectations or course content expectations, as appropriate. Not later than July 1, 2008, the department shall identify specific grade level content expectations to be taught before and after the middle of grade 11, so that teachers will know what content will be covered within the Michigan merit examination.

(11) A child who is a student in a nonpublic school or home school may take the Michigan merit examination under this section. To take the Michigan merit examination, a child who is a student in a home school shall contact the district in which the child resides, and that district shall administer the Michigan merit examination, or the child may take the Michigan merit examination at a nonpublic school if allowed by the nonpublic school. Upon request from a nonpublic school, the superintendent shall direct the provider or providers to supply the Michigan merit examination to the nonpublic school and the nonpublic school may administer the Michigan merit examination. If a district administers the Michigan merit examination under this subsection to a child who is not enrolled in the district, the scores for that child are not considered for any purpose to be scores of a pupil of the district.

(12) In contracting under subsection (2), the department of management and budget shall consider a contractor that provides electronically-scored essays with the ability to score constructed response feedback in multiple languages and provide ongoing instruction and feedback.

(13) The purpose of the Michigan merit examination is to assess pupil performance in mathematics, science, social studies, and English language arts for the purpose of improving academic achievement and establishing a statewide standard of competency. The assessment under this section provides a common measure of data that will contribute to the improvement of Michigan schools' curriculum and instruction by encouraging alignment with Michigan's curriculum framework standards and promotes pupil participation in higher level mathematics, science, social studies, and English language arts courses. These standards are based upon the expectations of what pupils should learn through high school and are aligned with national standards.

(14) For a pupil enrolled in a middle college program, other than a middle college operated as a shared educational entity or a specialized shared educational entity, if the pupil receives at least 50% of his or her instruction at the high school while in grade 11, the Michigan merit examination shall be administered to the pupil at the high school at which the pupil receives high school instruction, and the department shall include the pupil's scores on the Michigan merit examination in the scores for that high school for all purposes for which a school's or district's results are reported. The department shall allow the middle college program to use a 5-year graduation rate for determining adequate yearly progress. As used in this subsection, "middle college" means a program consisting of a series of courses and other requirements and conditions, including an early college or other program created under a memorandum of understanding, that allows a pupil to graduate from high school with both a high school diploma and a certificate or degree from a community college or state public university.

(15) As used in this section:

(a) "English language arts" means reading and writing.

(b) "Social studies" means United States history, world history, world geography, economics, and American government.

SEC. 104C. (1) IN ORDER TO RECEIVE STATE AID UNDER THIS ARTICLE, A DISTRICT SHALL ADMINISTER THE STATE ASSESSMENTS DESCRIBED IN THIS SECTION.

(2) FOR THE PURPOSES OF THIS SECTION, THE DEPARTMENT SHALL DEVELOP FOR USE IN THE SPRING OF 2014-2015 NEW MICHIGAN EDUCATION ASSESSMENT PROGRAM (MEAP) ASSESSMENTS IN ENGLISH LANGUAGE ARTS AND MATHEMATICS. THESE ASSESSMENTS SHALL BE ALIGNED TO STATE STANDARDS.

(3) FOR THE PURPOSES OF THIS SECTION, THE DEPARTMENT SHALL IMPLEMENT BEGINNING IN THE 2015-2016 SCHOOL YEAR A SUMMATIVE ASSESSMENT SYSTEM THAT IS PROVEN TO BE VALID AND RELIABLE FOR ADMINISTRATION TO PUPILS AS PROVIDED UNDER THIS SUBSECTION. THE SUMMATIVE ASSESSMENT SYSTEM SHALL MEET ALL OF THE FOLLOWING REQUIREMENTS:

(A) THE SUMMATIVE ASSESSMENT SYSTEM SHALL MEASURE STUDENT PROFICIENCY ON THE CURRENT STATE STANDARDS, SHALL MEASURE STUDENT GROWTH FOR CONSECUTIVE GRADE LEVELS IN WHICH STUDENTS ARE ASSESSED IN THE SAME SUBJECT AREA IN BOTH GRADE LEVELS, AND SHALL BE CAPABLE OF MEASURING INDIVIDUAL STUDENT PERFORMANCE.

(B) THE SUMMATIVE ASSESSMENTS FOR ENGLISH LANGUAGE ARTS AND MATHEMATICS SHALL BE ADMINISTERED TO ALL PUBLIC SCHOOL PUPILS IN GRADES 3 TO 10, INCLUDING THOSE PUPILS AS REQUIRED BY THE FEDERAL INDIVIDUALS WITH DISABILITIES EDUCATION ACT, PUBLIC LAW 108-446, AND BY TITLE I OF THE FEDERAL ELEMENTARY AND SECONDARY EDUCATION ACT.

(C) THE SUMMATIVE ASSESSMENTS FOR SCIENCE SHALL BE ADMINISTERED TO ALL PUBLIC SCHOOL PUPILS IN AT LEAST GRADES 4 AND 7, INCLUDING THOSE PUPILS AS REQUIRED BY THE FEDERAL INDIVIDUALS WITH DISABILITIES EDUCATION ACT, PUBLIC LAW 108-446, AND BY TITLE I OF THE FEDERAL ELEMENTARY AND SECONDARY EDUCATION ACT.

(D) THE SUMMATIVE ASSESSMENTS FOR SOCIAL STUDIES SHALL BE ADMINISTERED TO ALL PUBLIC SCHOOL PUPILS IN AT LEAST GRADES 5 AND 8, INCLUDING THOSE PUPILS AS REQUIRED BY THE FEDERAL INDIVIDUALS WITH DISABILITIES EDUCATION ACT, PUBLIC LAW 108-446, AND BY TITLE I OF THE FEDERAL ELEMENTARY AND SECONDARY EDUCATION ACT.

(E) THE CONTENT OF THE SUMMATIVE ASSESSMENTS SHALL BE ALIGNED TO STATE STANDARDS.

(F) THE POOL OF QUESTIONS FOR THE SUMMATIVE ASSESSMENTS SHALL BE SUBJECT TO A TRANSPARENT REVIEW PROCESS FOR QUALITY, BIAS, AND SENSITIVE ISSUES INVOLVING EDUCATOR REVIEW AND COMMENT. THE DEPARTMENT SHALL POST SAMPLES FROM TESTS OR RETIRED TESTS FEATURING QUESTIONS FROM THIS POOL FOR REVIEW BY THE PUBLIC.

(G) THE SUMMATIVE ASSESSMENT SYSTEM SHALL ENSURE THAT STUDENTS, PARENTS, AND TEACHERS ARE PROVIDED WITH REPORTS THAT CONVEY INDIVIDUAL STUDENT PROFICIENCY AND GROWTH ON THE ASSESSMENT AND THAT CONVEY INDIVIDUAL STUDENT DOMAIN-LEVEL PERFORMANCE IN EACH SUBJECT AREA, INCLUDING REPRESENTATIVE QUESTIONS, AND INDIVIDUAL STUDENT PERFORMANCE IN MEETING STATE STANDARDS.

(H) THE SUMMATIVE ASSESSMENT SYSTEM SHALL BE CAPABLE OF PROVIDING, AND THE DEPARTMENT SHALL ENSURE THAT STUDENTS, PARENTS, TEACHERS, ADMINISTRATORS, AND COMMUNITY MEMBERS ARE PROVIDED WITH, REPORTS THAT CONVEY AGGREGATE STUDENT PROFICIENCY AND GROWTH DATA BY TEACHER, GRADE, SCHOOL, AND DISTRICT.

(I) THE SUMMATIVE ASSESSMENT SYSTEM SHALL ENSURE THE CAPABILITY OF REPORTING THE AVAILABLE DATA TO SUPPORT EDUCATOR EVALUATIONS.

(J) THE SUMMATIVE ASSESSMENT SYSTEM SHALL ENSURE THAT THE REPORTS PROVIDED TO DISTRICTS CONTAINING INDIVIDUAL STUDENT DATA ARE AVAILABLE WITHIN 60 DAYS AFTER COMPLETION OF THE ASSESSMENTS.

(K) THE ASSESSMENTS SHALL BE CAPABLE OF BEING IMPLEMENTED STATEWIDE IN A FULLY OPERATIONAL MANNER NO LATER THAN THE 2015-2016 SCHOOL YEAR.

(l) THE SUMMATIVE ASSESSMENT SYSTEM SHALL ENSURE THAT ACCESS TO INDIVIDUALLY IDENTIFIABLE STUDENT DATA MEETS ALL OF THE FOLLOWING:

(i) IS IN COMPLIANCE WITH 20 USC 1232G, COMMONLY REFERRED TO AS THE FAMILY EDUCATIONAL RIGHTS AND PRIVACY ACT OF 1974.

(ii) EXCEPT AS MAY BE PROVIDED FOR IN AN AGREEMENT WITH A VENDOR TO PROVIDE ASSESSMENT SERVICES, AS NECESSARY TO SUPPORT EDUCATOR EVALUATIONS PURSUANT TO SUBDIVISION (I), OR FOR RESEARCH OR PROGRAM EVALUATION PURPOSES, IS AVAILABLE ONLY TO THE STUDENT; TO THE STUDENT'S PARENT OR LEGAL GUARDIAN; AND TO A SCHOOL ADMINISTRATOR OR TEACHER, TO THE EXTENT THAT HE OR SHE HAS A LEGITIMATE EDUCATIONAL INTEREST.

(M) THE SUMMATIVE ASSESSMENT SYSTEM SHALL ENSURE THAT THE ASSESSMENTS ARE PILOT TESTED BEFORE STATEWIDE IMPLEMENTATION.

(N) THE SUMMATIVE ASSESSMENT SYSTEM SHALL ENSURE THAT ASSESSMENTS ARE DESIGNED SO THAT THE MAXIMUM TOTAL COMBINED LENGTH OF TIME THAT SCHOOLS ARE REQUIRED TO SET ASIDE FOR A PUPIL TO ANSWER ALL TEST QUESTIONS ON ALL ASSESSMENTS THAT ARE PART OF THE SYSTEM FOR THE PUPIL'S GRADE LEVEL DOES NOT EXCEED THAT MAXIMUM TOTAL COMBINED LENGTH OF TIME FOR THE PREVIOUS STATEWIDE ASSESSMENT SYSTEM OR 9 HOURS, WHICHEVER IS LESS. THIS SUBDIVISION DOES NOT LIMIT THE AMOUNT OF TIME A DISTRICT MAY ALLOW A PUPIL TO COMPLETE A TEST.

(O) THE TOTAL COST OF EXECUTING THE SUMMATIVE ASSESSMENT SYSTEM STATEWIDE EACH YEAR, INCLUDING, BUT NOT LIMITED TO, THE COST OF CONTRACTS FOR ADMINISTRATION, SCORING, AND REPORTING, SHALL NOT EXCEED AN AMOUNT EQUAL TO 2 TIMES THE COST OF EXECUTING THE PREVIOUS STATEWIDE ASSESSMENT AFTER ADJUSTMENT FOR INFLATION.

(4) TO BEGIN THE PROCESS REQUIRED UNDER SUBSECTION (3), NOT LATER THAN SEPTEMBER 1, 2014, THE DEPARTMENT SHALL ISSUE A REQUEST FOR PROPOSALS FOR THE SUMMATIVE ASSESSMENT SYSTEM DESCRIBED IN THAT SUBSECTION.

(5) THIS SECTION DOES NOT PROHIBIT DISTRICTS FROM ADOPTING INTERIM ASSESSMENTS.

(6) THE DEPARTMENT SHALL SEEK A WAIVER OR AMENDMENT TO AN EXISTING WAIVER FOR FEDERAL APPROVAL OF THE ASSESSMENT FRAMEWORK UNDER THIS SECTION AND SHALL NOTIFY THE UNITED STATES DEPARTMENT OF EDUCATION ABOUT THE PROVISIONS OF THIS SECTION AND TAKE NECESSARY STEPS TO ASSURE THE UNITED STATES DEPARTMENT OF EDUCATION THAT THIS STATE IS ON TRACK TO DEVELOP AND IMPLEMENT A SUMMATIVE ASSESSMENT SYSTEM AS REQUIRED BY FEDERAL LAW.

(7) AS USED IN THIS SECTION, "ENGLISH LANGUAGE ARTS" MEANS THAT TERM AS DEFINED IN SECTION 104B.

Sec. 107. (1) From the appropriation in section 11, there is allocated an amount not to exceed \$22,000,000.00 for ~~2013-2014~~ **2014-2015** for adult education programs authorized under this section. Funds allocated under this section are restricted for adult education programs as authorized under this section only. A recipient of funds under this section shall not use those funds for any other purpose.

(2) To be eligible for funding under this section, a program shall employ certificated teachers and qualified administrative staff and shall offer continuing education opportunities for teachers to allow them to maintain certification.

(3) To be eligible to be a participant funded under this section, a person shall be enrolled in an adult basic education program, an adult English as a second language program, a general educational development (G.E.D.) test preparation program, a job- or employment-related program, or a high school completion program, that meets the requirements of this section, **AND FOR WHICH INSTRUCTION IS PROVIDED**, and shall meet either of the following, as applicable:

(a) If the individual has obtained a high school diploma or a general educational development (G.E.D.) certificate, the individual meets 1 of the following:

(i) Is less than 20 years of age on September 1 of the school year and is enrolled in the Michigan career and technical institute.

(ii) Is less than 20 years of age on September 1 of the school year, is not attending an institution of higher education, and is enrolled in a job- or employment-related program through a referral by an employer **OR BY A MICHIGAN WORKFORCE AGENCY.**

(iii) Is enrolled in an English as a second language program.

(iv) Is enrolled in a high school completion program.

(b) If the individual has not obtained a high school diploma or G.E.D. certificate, the individual meets 1 of the following:

(i) Is at least 20 years of age on September 1 of the school year.

(ii) Is at least 16 years of age on September 1 of the school year, has been permanently expelled from school under section 1311(2) or 1311a of the revised school code, MCL 380.1311 and 380.1311a, and has no appropriate alternative education program available through his or her district of residence.

~~(4) Except as otherwise provided in subsection (5), the money allocated under this section shall be distributed as follows:~~

~~(a) For districts and consortia that received payments for 2012-2013 under this section, the amount allocated to each for 2013-2014 shall be based on the number of participants served by the district or consortium for 2013-2014, using the amount allocated per full-time equated participant under subsection (7), up to a maximum total allocation under this subsection in an amount equal to the amount the district or consortium received for 2012-2013 under this section before any reallocations made for 2012-2013 under subsection (5):~~

~~(b) A district or consortium that received funding in 2012-2013 under this section may operate independently of a consortium or join or form a consortium for 2013-2014. The allocation for 2013-2014 to the district or the newly formed consortium under this subsection shall be determined by the department and shall be based on the proportion of the amounts that are attributable to the district or consortium that received funding in 2012-2013. A district or consortium described in this subdivision shall notify the department of its intention with regard to 2013-2014 by October 1, 2013.~~

~~(5) A district that operated an adult education program in 2012-2013 and does not intend to operate a program in 2013-2014 shall notify the department by October 1, 2013 of its intention. The money intended to be allocated under this section to a district that does not operate a program in 2013-2014 and the unspent money originally allocated under this section to a district or consortium that subsequently operates a program at less than the level of funding allocated under subsection (4) and any other unallocated money under this section shall instead be proportionately reallocated to the other districts described in subsection (4)(a) that are operating an adult education program in 2013-2014 under this section.~~

(4) FROM THE FUNDS ALLOCATED UNDER SUBSECTION (1), AN AMOUNT AS DETERMINED UNDER THIS SUBSECTION SHALL BE ALLOCATED TO EACH INTERMEDIATE DISTRICT SERVING AS A FISCAL AGENT FOR ADULT EDUCATION PROGRAMS IN EACH OF THE 10 PROSPERITY REGIONS IDENTIFIED BY THE DEPARTMENT. AN INTERMEDIATE DISTRICT SHALL NOT USE MORE THAN 5% OF THE FUNDS ALLOCATED UNDER THIS SUBSECTION FOR ADMINISTRATION COSTS FOR SERVING AS THE FISCAL AGENT. THE DEPARTMENT SHALL ENSURE THAT THE FUNDS ALLOCATED UNDER THIS SUBSECTION FOR 2014-2015 WILL PROVIDE SERVICES IN 2014-2015 TO AT LEAST THE SAME NUMBER OF INDIVIDUALS AS THE NUMBER OF INDIVIDUALS WHO WERE ENROLLED IN PROGRAMS FUNDED UNDER THIS SECTION IN 2013-2014. FOR 2014-2015, 67% OF THE ALLOCATION PROVIDED TO EACH INTERMEDIATE DISTRICT SERVING AS A FISCAL AGENT SHALL BE BASED ON THE PROPORTION OF TOTAL FUNDING FORMERLY RECEIVED BY THE ADULT EDUCATION PROVIDERS IN THAT PROSPERITY REGION IN 2013-2014, AND 33% SHALL BE ALLOCATED BASED ON THE FACTORS IN SUBDIVISIONS (A), (B), AND (C). FOR 2015-2016, 33% OF THE ALLOCATION PROVIDED TO EACH INTERMEDIATE DISTRICT SERVING AS A FISCAL AGENT SHALL BE BASED UPON THE PROPORTION OF TOTAL FUNDING FORMERLY RECEIVED BY THE ADULT EDUCATION PROVIDERS IN THAT PROSPERITY REGION IN 2013-2014 AND 67% OF THE ALLOCATION SHALL BE BASED UPON THE FACTORS IN SUBDIVISIONS (A), (B), AND (C). FOR 2016-2017, 100% OF THE ALLOCATION PROVIDED TO EACH INTERMEDIATE DISTRICT SERVING AS A FISCAL AGENT SHALL BE BASED ON THE FACTORS IN SUBDIVISIONS (A), (B), AND (C). THE FUNDING FACTORS FOR THIS SECTION ARE AS FOLLOWS:

(A) SIXTY PERCENT OF THIS PORTION OF THE FUNDING SHALL BE DISTRIBUTED BASED UPON THE PROPORTION OF THE STATE POPULATION OF INDIVIDUALS BETWEEN THE AGES OF 18 AND 24 THAT ARE NOT HIGH SCHOOL GRADUATES THAT RESIDES IN EACH OF THE PROSPERITY REGIONS, AS REPORTED BY THE MOST RECENT 5-YEAR ESTIMATES FROM THE AMERICAN COMMUNITY SURVEY (ACS) FROM THE UNITED STATES CENSUS BUREAU.

(B) THIRTY-FIVE PERCENT OF THIS PORTION OF THE FUNDING SHALL BE DISTRIBUTED BASED UPON THE PROPORTION OF THE STATE POPULATION OF INDIVIDUALS AGE 25 OR OLDER WHO ARE NOT HIGH SCHOOL GRADUATES THAT RESIDES IN EACH OF THE PROSPERITY REGIONS, AS REPORTED BY THE MOST RECENT 5-YEAR ESTIMATES FROM THE AMERICAN COMMUNITY SURVEY (ACS) FROM THE UNITED STATES CENSUS BUREAU.

(C) FIVE PERCENT OF THIS PORTION OF THE FUNDING SHALL BE DISTRIBUTED BASED UPON THE PROPORTION OF THE STATE POPULATION OF INDIVIDUALS AGE 18 OR OLDER WHO LACK BASIC ENGLISH LANGUAGE PROFICIENCY THAT RESIDES IN EACH OF THE PROSPERITY REGIONS, AS REPORTED BY THE MOST RECENT 5-YEAR ESTIMATES FROM THE AMERICAN COMMUNITY SURVEY (ACS) FROM THE UNITED STATES CENSUS BUREAU.

(5) TO BE AN ELIGIBLE FISCAL AGENT, AN INTERMEDIATE DISTRICT MUST AGREE TO DO THE FOLLOWING IN A FORM AND MANNER DETERMINED BY THE DEPARTMENT:

(A) DISTRIBUTE FUNDS TO ADULT EDUCATION PROGRAMS IN A PROSPERITY REGION AS DESCRIBED IN THIS SECTION.

(B) COLLABORATE WITH EDUCATION ADVISORY GROUPS OF THE WORKFORCE DEVELOPMENT BOARDS LOCATED IN THE PROSPERITY REGION TO DEVELOP A REGIONAL STRATEGY THAT ALIGNS ADULT EDUCATION PROGRAMS AND SERVICES INTO AN EFFICIENT AND EFFECTIVE DELIVERY SYSTEM FOR ADULT EDUCATION LEARNERS.

(C) COLLABORATE WITH EDUCATION ADVISORY GROUPS OF THE WORKFORCE DEVELOPMENT BOARDS LOCATED IN THE PROSPERITY REGION TO CREATE A LOCAL PROCESS AND CRITERIA THAT WILL IDENTIFY ELIGIBLE ADULT EDUCATION PROVIDERS TO RECEIVE FUNDS ALLOCATED UNDER THIS SECTION BASED ON LOCATION, DEMAND FOR SERVICES, AND COST TO PROVIDE INSTRUCTIONAL SERVICES. ALL LOCAL PROCESSES, CRITERIA, AND PROVIDER DETERMINATIONS MUST BE APPROVED BY THE DEPARTMENT BEFORE FUNDS MAY BE DISTRIBUTED TO THE FISCAL AGENT.

(D) REPORT ADULT EDUCATION PROGRAM AND PARTICIPANT DATA AND INFORMATION AS PRESCRIBED BY THE DEPARTMENT.

~~(6) The amount allocated under this section per full-time equated participant is SHALL NOT EXCEED \$2,850.00 for a 450-hour program. The amount shall be proportionately reduced for a program offering less than 450 hours of instruction.~~

(7) An adult basic education program or an adult English as a second language program operated on a year-round or school year basis may be funded under this section, subject to all of the following:

(a) The program enrolls adults who are determined by a department-approved assessment, in a form and manner prescribed by the department, to be below ninth grade level in reading or mathematics, or both, or to lack basic English proficiency.

(b) The program tests individuals for eligibility under subdivision (a) before enrollment and upon completion of the program in compliance with the state-approved assessment policy.

(c) A participant in an adult basic education program is eligible for reimbursement until 1 of the following occurs:

(i) The participant's reading and mathematics proficiency are assessed at or above the ninth grade level.

(ii) The participant fails to show progress on 2 successive assessments after having completed at least 450 hours of instruction.

(d) A funding recipient enrolling a participant in an English as a second language program is eligible for funding according to subsection (11) until the participant meets 1 of the following:

(i) The participant is assessed as having attained basic English proficiency as determined by a department-approved assessment.

(ii) The participant fails to show progress on 2 successive department-approved assessments after having completed at least 450 hours of instruction. The department shall provide information to a funding recipient regarding appropriate assessment instruments for this program.

(8) A general educational development (G.E.D.) test preparation program operated on a year-round or school year basis may be funded under this section, subject to all of the following:

(a) The program enrolls adults who do not have a high school diploma.

(b) The program shall administer a ~~G.E.D.~~-pre-test approved by the department before enrolling an individual to determine the individual's **LITERACY LEVELS, SHALL ADMINISTER A G.E.D. PRACTICE TEST TO DETERMINE THE INDIVIDUAL'S** potential for success on the G.E.D. test, and shall administer a post-test upon completion of the program in compliance with the state-approved assessment policy.

(c) A funding recipient shall receive funding according to subsection (11) for a participant, and a participant may be enrolled in the program until 1 of the following occurs:

(i) The participant ~~passes~~-**OBTAINS** the G.E.D. test.

(ii) The participant fails to show progress on 2 successive department-approved assessments used to determine readiness to take the G.E.D. test after having completed at least 450 hours of instruction.

(9) A high school completion program operated on a year-round or school year basis may be funded under this section, subject to all of the following:

(a) The program enrolls adults who do not have a high school diploma.

(b) The program tests participants described in subdivision (a) before enrollment and upon completion of the program in compliance with the state-approved assessment policy.

(c) A funding recipient shall receive funding according to subsection (11) for a participant in a course offered under this subsection until 1 of the following occurs:

(i) The participant passes the course and earns a high school diploma.

(ii) The participant fails to earn credit in 2 successive semesters or terms in which the participant is enrolled after having completed at least 900 hours of instruction.

(10) A job- or employment-related adult education program operated on a year-round or school year basis may be funded under this section, subject to all of the following:

(a) The program enrolls adults referred by their employer who are less than 20 years of age, have a high school diploma, are determined to be in need of remedial mathematics or communication arts skills and are not attending an institution of higher education.

(b) The program tests participants described in subdivision (a) before enrollment and upon completion of the program in compliance with the department-approved assessment policy.

(c) An individual may be enrolled in this program and the grant recipient shall receive funding according to subsection (11) until 1 of the following occurs:

(i) The individual achieves the requisite skills as determined by department-approved assessment instruments.

(ii) The individual fails to show progress on 2 successive assessments after having completed at least 450 hours of instruction.

(11) A funding recipient shall receive payments under this section in accordance with the following:

(a) ~~Ninety~~-**SEVENTY-FIVE** percent for enrollment of eligible participants.

(b) ~~Forty~~-**TWENTY-FIVE** percent for **PARTICIPANT** completion of the adult basic education objectives by achieving an increase of at least 1 grade level of proficiency in reading or mathematics; **EDUCATIONAL GAIN AS DETERMINED BY THE NATIONAL REPORTING SYSTEM LEVELS**; for achieving basic English proficiency; , as defined by the department in the adult education guidebook; for obtaining a G.E.D. or passage of 1 or more individual G.E.D. tests; for attainment of a high school diploma or passage of a course required for a participant to attain a high school diploma; ~~or for completion of the course and demonstrated proficiency in the academic skills to be learned in the course.~~ **FOR ENROLLMENT IN A POSTSECONDARY INSTITUTION, OR FOR ENTRY INTO OR RETENTION OF EMPLOYMENT**, as applicable.

~~(12) As used in this section, “participant” means the sum of the number of full-time equated individuals enrolled in and attending a department-approved adult education program under this section, using quarterly participant count days on the schedule described in section 6(7)(b).~~

~~(12) (13)~~ A person who is not eligible to be a participant funded under this section may receive adult education services upon the payment of tuition. In addition, a person who is not eligible to be served in a program under this section due to the program limitations specified in subsection (7), (8), (9), or (10) may continue to receive adult education services in that program upon the payment of tuition. The tuition level shall be determined by the local or intermediate district conducting the program.

~~(13) (14)~~ An individual who is an inmate in a state correctional facility shall not be counted as a participant under this section.

~~(14) (15)~~ A ~~district~~ **FUNDING RECIPIENT** shall not commingle money received under this section or from another source for adult education purposes with any other funds of the district. ~~A district receiving adult education funds AND~~ shall establish a separate ledger account for those funds **RECEIVED UNDER THIS SECTION**. This subsection does not prohibit a district from using general funds of the district to support an adult education or community education program.

~~(15) (16)~~ A ~~district or intermediate district~~ **FUNDING RECIPIENT** receiving funds under this section may establish a sliding scale of tuition rates based upon a participant’s family income. A ~~district or intermediate district~~ **FUNDING RECIPIENT** may charge a participant tuition to receive adult education services under this section from that sliding scale of tuition rates on a uniform basis. The amount of tuition charged per participant shall not exceed the actual operating cost per participant minus any funds received under this section per participant. A ~~district or intermediate district~~ **FUNDING RECIPIENT** may not charge a participant tuition under this section if the participant’s income is at or below 200% of the federal poverty guidelines published by the United States department of health and human services.

~~(16) (17)~~ In order to receive funds under this section, a ~~district~~ **FUNDING RECIPIENT** shall furnish to the department, in a form and manner determined by the department, all information needed to administer this program and meet federal reporting requirements; shall allow the department or the department’s designee to review all records related to the program for which it receives funds; and shall reimburse the state for all disallowances found in the review, as determined by the department.

~~(17) (18)~~ All intermediate district participant audits of adult education programs shall be performed pursuant to the adult education participant auditing and accounting manuals published by the department.

~~(19) It is the intent of the legislature to study allocating funds under this section on a competitive basis beginning for 2014-2015.~~

~~(18) (20)~~ As used in this section: ; “department”

(A) “**DEPARTMENT**” means the Michigan strategic fund.

(B) “**ELIGIBLE ADULT EDUCATION PROVIDER**” MEANS A DISTRICT, INTERMEDIATE DISTRICT, A CONSORTIUM OF DISTRICTS, A CONSORTIUM OF INTERMEDIATE DISTRICTS, OR A CONSORTIUM OF DISTRICTS AND INTERMEDIATE DISTRICTS THAT IS IDENTIFIED AS PART OF THE LOCAL PROCESS DESCRIBED IN SUBSECTION (5)(C) AND APPROVED BY THE DEPARTMENT.

(C) “**PARTICIPANT**” MEANS THE SUM OF THE NUMBER OF FULL-TIME EQUATED INDIVIDUALS ENROLLED IN AND ATTENDING A DEPARTMENT-APPROVED ADULT EDUCATION PROGRAM UNDER THIS SECTION, USING QUARTERLY PARTICIPANT COUNT DAYS ON THE SCHEDULE DESCRIBED IN SECTION 6(7)(B).

Sec. 147. (1) The allocation each fiscal year for 2013-2014 and for 2014-2015 for the public school employees’ retirement system pursuant to the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408, shall be made using the individual projected benefit entry age normal cost method of valuation and risk assumptions adopted by the public school employees retirement board and the department of technology, management, and budget.

(2) The annual level percentage of payroll contribution rates for the 2013-2014 fiscal year, as determined by the retirement system, are estimated as follows:

(a) For public school employees who first worked for a public school reporting unit before July 1, 2010 and who are enrolled in the health premium subsidy, the annual level percentage of payroll contribution rate is estimated at 29.35%, with 24.79% paid directly by the employer.

(b) For public school employees who first worked for a public school reporting unit on or after July 1, 2010 and who are enrolled in the health premium subsidy, the annual level percentage of payroll contribution rate is estimated at 29.12%, with 24.56% paid directly by the employer.

(c) For public school employees who first worked for a public school reporting unit on or after July 1, 2010 and who participate in the pension plus plan and in the personal healthcare fund, the annual level percentage of payroll contribution rate is estimated at 28.19%, with 23.63% paid directly by the employer.

(d) For public school employees who first worked for a public school reporting unit on or after September 4, 2012, who elect defined contribution, and who participate in the personal healthcare fund, the annual level percentage of payroll contribution rate is estimated at 25.52%, with 20.96% paid directly by the employer.

(e) For public school employees who first worked for a public school reporting unit before July 1, 2010, who elect defined contribution, and who are enrolled in the health premium subsidy, the annual level percentage of payroll contribution rate is estimated at 26.45%, with 21.89% paid directly by the employer.

(f) ~~For public school employees who first worked for a public school reporting unit before July 1, 2010, who elect defined contribution, and who participate in the personal healthcare fund, the annual level percentage of payroll contribution rate is estimated at 25.52%, with 20.96% paid directly by the employer.~~

(g) ~~For public school employees who first worked for a public school reporting unit before July 1, 2010 and who participate in the personal healthcare fund, the annual level percentage of payroll contribution rate is estimated at 28.42%, with 23.86% paid directly by the employer.~~

(2) ~~(3)~~ The annual level percentage of payroll contribution rates for the 2014-2015 fiscal year, as determined by the retirement system, are estimated as follows:

(a) For public school employees who first worked for a public school reporting unit before July 1, 2010 and who are enrolled in the health premium subsidy, the annual level percentage of payroll contribution rate is estimated at ~~33.10%~~, **33.41%**, with 25.78% paid directly by the employer.

(b) For public school employees who first worked for a public school reporting unit on or after July 1, 2010 and who are enrolled in the health premium subsidy, the annual level percentage of payroll contribution rate is estimated at ~~32.02%~~, **32.33%**, with 24.70% paid directly by the employer.

(c) For public school employees who first worked for a public school reporting unit on or after July 1, 2010 and who participate in the personal healthcare fund, the annual level percentage of payroll contribution rate is estimated at ~~31.51%~~, **31.82%**, with 24.19% paid directly by the employer.

(d) For public school employees who first worked for a public school reporting unit on or after September 4, 2012, who elect defined contribution, and who participate in the personal healthcare fund, the annual level percentage of payroll contribution rate is estimated at ~~28.28%~~, **28.59%**, with 20.96% paid directly by the employer.

(e) For public school employees who first worked for a public school reporting unit before July 1, 2010, who elect defined contribution, and who are enrolled in the health premium subsidy, the annual level percentage of payroll contribution rate is estimated at ~~28.79%~~, **29.10%**, with 21.47% paid directly by the employer.

(f) For public school employees who first worked for a public school reporting unit before July 1, 2010, who elect defined contribution, and who participate in the personal healthcare fund, the annual level percentage of payroll contribution rate is estimated at ~~28.28%~~, **28.59%**, with 20.96% paid directly by the employer.

(g) For public school employees who first worked for a public school reporting unit before July 1, 2010 and who participate in the personal healthcare fund, the annual level percentage of payroll contribution rate is estimated at ~~32.59%~~, **32.90%**, with 25.27% paid directly by the employer.

(3) ~~(4)~~ In addition to the employer payments described in ~~subsections (2) and (3)~~, **SUBSECTION (2)**, the employer shall pay the applicable contributions to the Tier 2 plan, as determined by the public school employees retirement act of 1979, 1980 PA 300 MCL 38.1301 to 38.1408.

(4) ~~(5)~~ The contribution rates in subsection (2) reflect an amortization period of ~~25-24~~ years for ~~2013-2014-2014-2015~~. The public school employees' retirement system board shall notify each district and intermediate district by February 28 of each fiscal year of the estimated contribution rate for the next fiscal year.

Sec. 147a. From the appropriation in section 11, there is allocated for ~~2013-2014-2014-2015~~ an amount not to exceed \$100,000,000.00 for payments to participating districts. A district that receives money under this section shall use that money solely for the purpose of offsetting a portion of the retirement contributions owed by the district for the fiscal year in which it is received. The amount allocated to each participating district under this section shall be based on each participating district's percentage of the total statewide payroll for all participating districts for the immediately preceding fiscal year. As used in this section, "participating district" means a district that is a reporting unit of the Michigan public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408, and that reports employees to the Michigan public school employees' retirement system for the applicable fiscal year.

Sec. 147c. (1) From the appropriation in section 11, there is allocated for ~~2013-2014-2014-2015~~ an amount not to exceed ~~\$249,500,000.00~~ **\$656,700,000.00** from the state school aid fund, and there is appropriated for ~~2013-2014-2014-2015~~ an amount not to exceed ~~\$156,000,000.00~~ **\$18,000,000.00** from the MPSERS retirement obligation reform reserve fund, for payments to districts and intermediate districts that are participating entities of the Michigan public school employees' retirement system.

(2) ~~In addition to the allocation under subsection (1), from the general fund money appropriated under section 11, there is allocated for payments to district libraries that are participating entities of the retirement system an amount not to exceed \$1,300,000.00 for 2013-2014.~~

(2) FOR 2014-2015, THE AMOUNTS ALLOCATED UNDER SUBSECTION (1) ARE ESTIMATED TO PROVIDE AN AVERAGE MPSERS RATE CAP PER PUPIL AMOUNT OF \$441.00 AND ARE ESTIMATED TO PROVIDE A RATE CAP PER PUPIL FOR DISTRICTS RANGING BETWEEN \$4.00 AND \$1,400.00.

(3) Payments made under this section for ~~2013-2014-2014-2015~~ shall be equal to the difference between the unfunded actuarial accrued liability contribution rate as calculated pursuant to section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, as calculated without taking into account the maximum employer rate of 20.96% included in section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, and the maximum employer rate of 20.96% included in section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341.

(4) The amount allocated to each participating entity under this section shall be based on each participating entity's proportion of the total covered payroll for the immediately preceding fiscal year for the same type of participating entities. A participating entity that receives funds under this section shall use the funds solely for the purpose of retirement contributions as specified in subsection (5).

(5) Each participating entity receiving funds under this section shall forward an amount equal to the amount allocated under subsection (4) to the retirement system in a form, manner, and time frame determined by the retirement system.

(6) Funds allocated under this section should be considered when comparing a district's growth in total state aid funding from 1 fiscal year to the next.

(7) NOT LATER THAN OCTOBER 20, 2014, THE DEPARTMENT SHALL PUBLISH AND POST ON ITS WEBSITE AN ESTIMATED MPSERS RATE CAP PER PUPIL FOR EACH DISTRICT.

(8) ~~(7)~~As used in this section:

(A) "MPSERS RATE CAP PER PUPIL" MEANS AN AMOUNT EQUAL TO THE QUOTIENT OF THE DISTRICT'S PAYMENT UNDER THIS SECTION DIVIDED BY THE DISTRICT'S PUPILS IN MEMBERSHIP.

(B) ~~(a)~~"Participating entity" means a district, intermediate district, or district library that is a reporting unit of the Michigan public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437, and that reports employees to the Michigan public school employees' retirement system for the applicable fiscal year.

(C) ~~(b)~~"Retirement board" means the board that administers the retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

(D) ~~(c)~~"Retirement system" means the Michigan public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

SEC. 147D. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED FOR 2014-2015 ONLY AN AMOUNT NOT TO EXCEED \$108,000,000.00 FOR PAYMENTS TO PARTICIPATING ENTITIES.

(2) THE AMOUNT ALLOCATED TO EACH PARTICIPATING ENTITY UNDER THIS SECTION SHALL BE BASED ON EACH PARTICIPATING ENTITY'S PROPORTION OF THE TOTAL COVERED PAYROLL FOR THE IMMEDIATELY PRECEDING FISCAL YEAR. A PARTICIPATING ENTITY THAT RECEIVES FUNDS UNDER THIS SECTION SHALL USE THE FUNDS SOLELY FOR PURPOSES OF THIS SECTION.

(3) EACH PARTICIPATING ENTITY RECEIVING FUNDS UNDER THIS SECTION SHALL FORWARD AN AMOUNT EQUAL TO THE SUM OF THE AMOUNT ALLOCATED UNDER THIS SECTION AND THE AMOUNT ALLOCATED UNDER SECTION 147C TO THE RETIREMENT SYSTEM IN A FORM, MANNER, AND TIME FRAME PRESCRIBED BY THE RETIREMENT SYSTEM.

(4) PAYMENTS UNDER THIS SECTION SHALL BE USED BY THE RETIREMENT SYSTEM SPECIFICALLY FOR THE PAYMENT OR PREPAYMENT OF THE FINAL YEARS OR PARTIAL YEARS OF ANY ADDITIONAL COSTS TO THE RETIREMENT SYSTEM DUE TO THE OPERATION OF SECTION 81B OF THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1381B, WITHOUT REGARD TO THE AMORTIZATION OF THOSE COSTS UNDER SECTION 81B(5) OF THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1381B, AND IN A MANNER AND FORM AS DETERMINED BY THE OFFICE OF RETIREMENT SERVICES.

(5) AS USED IN THIS SECTION:

(A) "PARTICIPATING ENTITY" MEANS A DISTRICT, INTERMEDIATE DISTRICT, COMMUNITY COLLEGE, OR DISTRICT LIBRARY THAT IS A REPORTING UNIT OF THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM UNDER THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1301 TO 38.1437, AND THAT REPORTS EMPLOYEES TO THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM FOR THE APPLICABLE FISCAL YEAR.

(B) "RETIREMENT SYSTEM" MEANS THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM UNDER THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1301 TO 38.1437.

Sec. 152a. (1) As required by the court in the consolidated cases known as Adair v State of Michigan, Michigan supreme court docket nos. 137424 and 137453, from the state school aid fund money appropriated in section 11 there is allocated for ~~2013-2014~~ **2014-2015** an amount not to exceed \$38,000,500.00 to be used solely for the purpose of paying necessary costs related to the state-mandated collection, maintenance, and reporting of data to this state.

(2) From the allocation in subsection (1), the department shall make payments to districts and intermediate districts in an equal amount per pupil based on the total number of pupils in membership in each district and intermediate district. The department shall not make any adjustment to these payments after the final installment payment under section 17b is made.

Sec. 161. A school official or member of a board or other person who neglects or refuses to do or perform an act required by this act or who violates or knowingly permits or consents to the violation of this act is guilty of a misdemeanor, punishable by imprisonment for not more than 90 days, or a fine of not more than \$1,500.00, or both. **THIS PENALTY IS IN ADDITION TO ALL OTHER FINANCIAL PENALTIES OTHERWISE SPECIFIED IN THIS ARTICLE.**

Sec. 163. (1) Except as provided in the revised school code, the board of a district or intermediate district shall not permit any of the following:

(a) A noncertificated teacher to teach in an elementary or secondary school or in an adult basic education or high school completion program.

(b) A noncertificated counselor to provide counseling services to pupils in an elementary or secondary school or in an adult basic education or high school completion program.

(2) Except as provided in the revised school code, a district or intermediate district employing teachers or counselors not legally certificated shall have deducted the sum equal to the amount paid the teachers or counselors for the period of noncertificated or illegal employment. Each intermediate superintendent shall notify the department of the name of the noncertificated teacher or counselor, and the district employing that individual and the amount of salary the noncertificated teacher or counselor was paid within a constituent district.

(3) If a school official is notified by the department that he or she is employing a nonapproved noncertificated teacher or counselor in violation of this section and knowingly continues to employ that teacher or counselor, the school official is guilty of a misdemeanor, punishable by a fine of \$1,500.00 for each incidence. **THIS PENALTY IS IN ADDITION TO ALL OTHER FINANCIAL PENALTIES OTHERWISE SPECIFIED IN THIS ARTICLE.**

SEC. 164F. THE INTERMEDIATE BOARD OF AN INTERMEDIATE DISTRICT, THE BOARD OF A DISTRICT, OR THE BOARD OF DIRECTORS OF A PUBLIC SCHOOL ACADEMY MAY USE FUNDS APPROPRIATED UNDER THIS ARTICLE TO ENTER INTO A SWAP, HEDGE, DERIVATIVE, OR SIMILAR AGREEMENT IN CONNECTION WITH THE PROCUREMENT OF DIESEL FUEL. HOWEVER, NOT MORE THAN 25% OF A DISTRICT'S, PUBLIC SCHOOL ACADEMY'S, OR INTERMEDIATE DISTRICT'S ANNUAL DIESEL FUEL BUDGET MAY BE PROCURED IN THE MANNER ALLOWED UNDER THIS SECTION.

Sec. 168. In order to receive funds under this act, ~~ARTICLE~~, a district, intermediate district, grant recipient, contractor, or other entity that directly or indirectly receives funds under this act ~~ARTICLE~~ shall allow access for the department or the department's designee to audit all records related to a program for which it receives such funds **UNDER THIS ARTICLE OR HAS RECEIVED FUNDS UNDER THIS ARTICLE FOR ANY OF THE 3 IMMEDIATELY PRECEDING FISCAL YEARS.** The district, intermediate district, grant recipient, contractor, or other entity shall reimburse the state for all disallowances found in the audit. **ANY AUDIT CONDUCTED UNDER THIS ARTICLE.**

Sec. 201. (1) Subject to the conditions set forth in this article, the amounts listed in subsections ~~(2), (4), (5), (6), and (7)~~ **THIS SECTION** are appropriated for community colleges for the fiscal year ending September 30, ~~2014, 2015~~, from the funds indicated in this section. The following is a summary of the appropriations in subsections ~~(2), (4), (5), (6), and (7)~~: **THIS SECTION:**

(a) The gross appropriation is ~~\$335,977,600.00~~. **\$364,724,900.00.** After deducting total interdepartmental grants and intradepartmental transfers in the amount of \$0.00, the adjusted gross appropriation is ~~\$335,977,600.00~~. **\$364,724,900.00.**

(b) The sources of the adjusted gross appropriation described in subdivision (a) are as follows:

(i) Total federal revenues, \$0.00.

(ii) Total local revenues, \$0.00.

(iii) Total private revenues, \$0.00.

(iv) Total other state restricted revenues, \$197,614,100.00.

(v) State general fund/general purpose money, ~~\$138,363,500.00~~. **\$167,110,800.00.**

(2) Subject to subsection (3), the amount appropriated for community college operations is ~~\$298,244,000.00~~. **\$307,191,300.00,** allocated as follows:

(a) **THE APPROPRIATION FOR** Alpena Community College ~~;~~ ~~\$5,221,100.00~~. **IS \$5,390,700.00, \$5,236,500.00 FOR OPERATIONS AND \$154,200.00 FOR PERFORMANCE FUNDING.**

(b) **THE APPROPRIATION FOR** Bay de Noc Community College ~~;~~ ~~\$5,263,800.00~~. **IS \$5,419,500.00, \$5,279,300.00 FOR OPERATIONS AND \$140,200.00 FOR PERFORMANCE FUNDING.**

(c) **THE APPROPRIATION FOR** Delta College ~~;~~ ~~\$14,022,200.00~~. **IS \$14,498,900.00, \$14,063,500.00 FOR OPERATIONS AND \$435,400.00 FOR PERFORMANCE FUNDING.**

(d) **THE APPROPRIATION FOR** Glen Oaks Community College ~~;~~ ~~\$2,434,300.00~~. **IS \$2,516,100.00, \$2,441,500.00 FOR OPERATIONS AND \$74,600.00 FOR PERFORMANCE FUNDING.**

(e) **THE APPROPRIATION FOR** Gogebic Community College ~~;~~ ~~\$4,317,500.00~~. **IS \$4,451,400.00, \$4,330,300.00 FOR OPERATIONS AND \$121,100.00 FOR PERFORMANCE FUNDING.**

(f) **THE APPROPRIATION FOR** Grand Rapids Community College ~~;~~ ~~\$17,403,500.00~~. **IS \$17,947,500.00, \$17,454,900.00 FOR OPERATIONS AND \$492,600.00 FOR PERFORMANCE FUNDING.**

(g) **THE APPROPRIATION FOR** Henry Ford Community College ~~;~~ ~~\$20,997,900.00~~. **IS \$21,623,800.00, \$21,060,000.00 FOR OPERATIONS AND \$563,800.00 FOR PERFORMANCE FUNDING.**

(h) **THE APPROPRIATION FOR** Jackson Community College ~~;~~ ~~\$11,723,600.00~~. **IS \$12,087,300.00, \$11,758,200.00 FOR OPERATIONS AND \$329,100.00 FOR PERFORMANCE FUNDING.**

(i) **THE APPROPRIATION FOR** Kalamazoo Valley Community College ~~;~~ ~~\$12,086,900.00~~. **IS \$12,503,100.00, \$12,122,500.00 FOR OPERATIONS AND \$380,600.00 FOR PERFORMANCE FUNDING.**

(j) **THE APPROPRIATION FOR Kellogg Community College** ~~-\$9,494,000.00~~ **IS \$9,813,500.00, \$9,522,000.00 FOR OPERATIONS AND \$291,500.00 FOR PERFORMANCE FUNDING.**

(k) **THE APPROPRIATION FOR Kirtland Community College** ~~-\$3,046,800.00~~ **IS \$3,167,700.00, \$3,055,700.00 FOR OPERATIONS AND \$112,000.00 FOR PERFORMANCE FUNDING.**

(l) **THE APPROPRIATION FOR Lake Michigan College** ~~-\$5,162,900.00~~ **IS \$5,342,900.00, \$5,178,100.00 FOR OPERATIONS AND \$164,800.00 FOR PERFORMANCE FUNDING.**

(m) **THE APPROPRIATION FOR Lansing Community College** ~~-\$29,935,300.00~~ **IS \$30,877,600.00, \$30,023,700.00 FOR OPERATIONS AND \$853,900.00 FOR PERFORMANCE FUNDING.**

(n) **THE APPROPRIATION FOR Macomb Community College** ~~-\$31,837,200.00~~ **IS \$32,816,600.00, \$31,931,200.00 FOR OPERATIONS AND \$885,400.00 FOR PERFORMANCE FUNDING.**

(o) **THE APPROPRIATION FOR Mid Michigan Community College** ~~-\$4,504,700.00~~ **IS \$4,682,000.00, \$4,517,900.00 FOR OPERATIONS AND \$164,100.00 FOR PERFORMANCE FUNDING.**

(p) **THE APPROPRIATION FOR Monroe County Community College** ~~-\$4,329,900.00~~ **IS \$4,492,900.00, \$4,342,600.00 FOR OPERATIONS AND \$150,300.00 FOR PERFORMANCE FUNDING.**

(q) **THE APPROPRIATION FOR Montcalm Community College** ~~-\$3,112,000.00~~ **IS \$3,226,700.00, \$3,121,200.00 FOR OPERATIONS AND \$105,500.00 FOR PERFORMANCE FUNDING.**

(r) **THE APPROPRIATION FOR C.S. Mott Community College** ~~-\$15,202,200.00~~ **IS \$15,686,100.00, \$15,247,100.00 FOR OPERATIONS AND \$439,000.00 FOR PERFORMANCE FUNDING.**

(s) **THE APPROPRIATION FOR Muskegon Community College** ~~-\$8,628,000.00~~ **IS \$8,901,000.00, \$8,653,500.00 FOR OPERATIONS AND \$247,500.00 FOR PERFORMANCE FUNDING.**

(t) **THE APPROPRIATION FOR North Central Michigan College** ~~-\$3,055,400.00~~ **IS \$3,172,400.00, \$3,064,400.00 FOR OPERATIONS AND \$108,000.00 FOR PERFORMANCE FUNDING.**

(u) **THE APPROPRIATION FOR Northwestern Michigan College** ~~-\$8,799,300.00~~ **IS \$9,078,800.00, \$8,825,300.00 FOR OPERATIONS AND \$253,500.00 FOR PERFORMANCE FUNDING.**

(v) **THE APPROPRIATION FOR Oakland Community College** ~~-\$20,422,900.00~~ **IS \$21,123,300.00, \$20,483,100.00 FOR OPERATIONS AND \$640,200.00 FOR PERFORMANCE FUNDING.**

(w) **THE APPROPRIATION FOR St. Clair County Community College** ~~-\$6,839,900.00~~ **IS \$7,061,600.00, \$6,860,100.00 FOR OPERATIONS AND \$201,500.00 FOR PERFORMANCE FUNDING.**

(x) **THE APPROPRIATION FOR Schoolcraft College** ~~-\$12,076,700.00~~ **IS \$12,513,700.00, \$12,112,200.00 FOR OPERATIONS AND \$401,500.00 FOR PERFORMANCE FUNDING.**

(y) **THE APPROPRIATION FOR Southwestern Michigan College** ~~-\$6,385,400.00~~ **IS \$6,576,400.00, \$6,404,300.00 FOR OPERATIONS AND \$172,100.00 FOR PERFORMANCE FUNDING.**

(z) **THE APPROPRIATION FOR Washtenaw Community College** ~~-\$12,573,900.00~~ **IS \$13,077,300.00, \$12,610,800.00 FOR OPERATIONS AND \$466,500.00 FOR PERFORMANCE FUNDING.**

(aa) **THE APPROPRIATION FOR Wayne County Community College** ~~-\$16,146,700.00~~ **IS \$16,727,600.00, \$16,194,300.00 FOR OPERATIONS AND \$533,300.00 FOR PERFORMANCE FUNDING.**

(bb) **THE APPROPRIATION FOR West Shore Community College** ~~-\$2,342,900.00~~ **IS \$2,414,900.00, \$2,349,800.00 FOR OPERATIONS AND \$65,100.00 FOR PERFORMANCE FUNDING.**

(cc) Local strategic value, \$877,100.00.

(3) The amount appropriated in subsection (2) for community college operations is appropriated from the following:

(a) State school aid fund, \$195,880,500.00.

(b) State general fund/general purpose money, ~~\$102,363,500.00~~ **\$111,310,800.00.**

(4) From the appropriations described in subsection (1), ~~there is~~ **SUBJECT TO SECTION 207A, THE AMOUNT** appropriated for fiscal year 2013-2014 ~~an amount not to exceed \$1,733,600.00 for payments to community colleges from the state school aid fund. A community college that receives money under this subsection shall use that money solely for the purpose of offsetting a portion of the retirement contributions owed by the college for the fiscal year ending September 30, 2014. The amount allocated to each participating community college under this section shall be based on each participating college's total payroll covered by the retirement system-covered payroll for all participating colleges for the immediately preceding state fiscal year.~~ **2014-2015 TO OFFSET CERTAIN FISCAL YEAR 2014-2015 RETIREMENT CONTRIBUTIONS IS \$1,733,600.00, APPROPRIATED FROM THE STATE SCHOOL AID FUND.**

(5) From the appropriations described in subsection (1), ~~there is~~ **SUBJECT TO SECTION 207B, THE AMOUNT** appropriated ~~an amount not to exceed \$31,400,000.00 from the state general fund for payments to community colleges that are participating entities of the retirement system~~ **IS \$52,300,000.00, APPROPRIATED FROM GENERAL FUND/GENERAL PURPOSE MONEY.** All of the following apply to the appropriations described in this subsection:

(a) The amount of a payment under this subsection shall be the difference between the unfunded actuarial accrued liability contribution rate as calculated under section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, and the maximum employer rate of 20.96% under section 41 of the public school employees retirement act of 1979; 1980 PA 300, MCL 38.1341.

(b) ~~The amount allocated to each community college under this subsection shall be based on each community college's percentage of the total covered payroll for all community colleges that are participating colleges in the immediately preceding fiscal year. A community college that receives funds under this subsection shall use the funds solely for the purpose of retirement contributions under subdivision (c).~~

(c) ~~Each participating college receiving funds under this subsection shall forward an amount equal to the amount allocated under subdivision (b) to the retirement system in a form and manner determined by the retirement system.~~

(6) ~~All of the following apply to community colleges described in section 12(3) of the Michigan renaissance zone act, MCL 125.2692:~~

(a) ~~From the appropriations described in subsection (1), the following~~ **SUBJECT TO SECTION 207C, THE** amount is appropriated for reimbursement to community colleges under section 12(3) of the Michigan renaissance zone act, MCL ~~125.2692~~: **RENAISSANCE ZONE TAX REIMBURSEMENTS IS \$3,500,000.00, APPROPRIATED FROM GENERAL FUND/GENERAL PURPOSE MONEY.**

(i) ~~If the amount of tax revenue lost by community colleges as a result of the exemption of property under the Michigan renaissance zone act in fiscal year 2012-2013 is \$3,500,000.00 or more, \$3,500,000.00 from the state general fund:~~

(ii) ~~If the amount of tax revenue lost by community colleges as a result of the exemption of property under the Michigan renaissance zone act in fiscal year 2012-2013 is less than \$3,500,000.00, the actual amount of tax revenue lost by the community colleges:~~

(b) ~~The amount allocated to each community college under this subsection shall be based on that community college's proportion of total revenue lost by community colleges in fiscal year 2012-2013 as a result of the exemption of property under the Michigan renaissance zone act.~~

(c) ~~The appropriations described in this subsection shall be made to each eligible community college within 60 days after the department of treasury certifies to the state budget director that it has received all necessary information to properly determine the amounts of tax revenue lost by each eligible community college in fiscal year 2012-2013 under section 12 of the Michigan renaissance zone act, MCL 125.2692.~~

(7) ~~From the appropriations described in subsection (1), there is appropriated \$1,100,000.00 from the state general fund, for fiscal year 2013-2014 only, to the Michigan community college association, for the purpose of expanding the Michigan community college virtual learning collaborative. The Michigan community college association shall provide information on request to the house and senate subcommittees on community colleges, the house and senate fiscal agencies, and the state budget director on the use of these funds until the project is completed.~~

(8) ~~As used in this section:~~

(a) ~~"Michigan renaissance zone act" means the Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696.~~

(b) ~~"Participating college" means a community college that is a reporting unit of the retirement system and that reports employees to the retirement system for the state fiscal year.~~

(c) ~~"Retirement board" means the board that administers the retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.~~

(d) ~~"Retirement system" means the Michigan public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.~~

Sec. 201a. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, ~~2015~~ **2016** for the items listed in section 201. The fiscal year ~~2014-2015~~ **2015-2016** appropriations are anticipated to be the same as those for fiscal year ~~2013-2014~~, **2014-2015**, except that the amounts will be adjusted for changes in **RETIREMENT COSTS**, caseload and related costs, federal fund match rates, economic factors, and available revenue. These adjustments will be determined after the January ~~2014~~ **2015** consensus revenue estimating conference.

Sec. 202a. As used in this article: ~~;"workforce"~~

(A) **"MICHIGAN RENAISSANCE ZONE ACT" MEANS THE MICHIGAN RENAISSANCE ZONE ACT, 1996 PA 376, MCL 125.2681 TO 125.2696.**

(B) **"PARTICIPATING COLLEGE" MEANS A COMMUNITY COLLEGE THAT IS A REPORTING UNIT OF THE RETIREMENT SYSTEM AND THAT REPORTS EMPLOYEES TO THE RETIREMENT SYSTEM FOR THE STATE FISCAL YEAR.**

(C) **"RETIREMENT BOARD" MEANS THE BOARD THAT ADMINISTERS THE RETIREMENT SYSTEM UNDER THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1301 TO 38.1437.**

(D) **"RETIREMENT SYSTEM" MEANS THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM UNDER THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1301 TO 38.1437.**

(E) **"WORKFORCE development agency"** means the workforce development agency of the Michigan strategic fund.

Sec. 206. The funds appropriated in section 201 are appropriated for community colleges with fiscal years ending June 30, ~~2014~~ **2015** and shall be paid out of the state treasury and distributed by the state treasurer to the respective community colleges in 11 monthly installments on the sixteenth of each month, or the next succeeding business day, beginning with October 16, ~~2013~~ **2014**. Each community college shall accrue its July and August ~~2014~~ **2015** payments to its institutional fiscal year ending June 30, ~~2014~~ **2015**. However, if the state budget director determines that a community college failed to submit all

verified Michigan community colleges activities classification structure data for school year ~~2012-2013~~ **2013-2014** to the workforce development agency by November 1, ~~2013~~, **2014**, or failed to submit its longitudinal data system data set for school year ~~2012-2013~~ **2013-2014** to the center for educational performance and information under section 219, the state treasurer shall withhold the monthly installments from that community college until those data are submitted. The state budget director shall notify the chairs of the house and senate appropriations subcommittees on community colleges at least 10 days before withholding funds from any community college.

SEC. 207A. ALL OF THE FOLLOWING APPLY TO THE ALLOCATION OF THE APPROPRIATIONS DESCRIBED IN SECTION 201(4):

(A) A COMMUNITY COLLEGE THAT RECEIVES MONEY UNDER SECTION 201(4) SHALL USE THAT MONEY SOLELY FOR THE PURPOSE OF OFFSETTING A PORTION OF THE RETIREMENT CONTRIBUTIONS OWED BY THE COLLEGE FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2015.

(B) THE AMOUNT ALLOCATED TO EACH PARTICIPATING COMMUNITY COLLEGE UNDER SECTION 201(4) SHALL BE BASED ON EACH PARTICIPATING COLLEGE'S TOTAL PAYROLL COVERED BY THE RETIREMENT SYSTEM-COVERED PAYROLL FOR ALL PARTICIPATING COLLEGES FOR FISCAL YEAR 2013-2014.

SEC. 207B. ALL OF THE FOLLOWING APPLY TO THE ALLOCATION OF THE APPROPRIATIONS DESCRIBED IN SECTION 201(5) FOR PAYMENTS TO COMMUNITY COLLEGES THAT ARE PARTICIPATING ENTITIES OF THE RETIREMENT SYSTEM:

(A) THE AMOUNT OF A PAYMENT UNDER SECTION 201(5) SHALL BE THE DIFFERENCE BETWEEN THE UNFUNDED ACTUARIAL ACCRUED LIABILITY CONTRIBUTION RATE AS CALCULATED UNDER SECTION 41 OF THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1341, AND THE MAXIMUM EMPLOYER RATE OF 20.96% UNDER SECTION 41 OF THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1341.

(B) THE AMOUNT ALLOCATED TO EACH COMMUNITY COLLEGE UNDER SECTION 201(5) SHALL BE BASED ON EACH COMMUNITY COLLEGE'S PERCENTAGE OF THE TOTAL COVERED PAYROLL FOR ALL COMMUNITY COLLEGES THAT ARE PARTICIPATING COLLEGES IN THE IMMEDIATELY PRECEDING FISCAL YEAR. A COMMUNITY COLLEGE THAT RECEIVES FUNDS UNDER THIS SUBDIVISION SHALL USE THE FUNDS SOLELY FOR THE PURPOSE OF RETIREMENT CONTRIBUTIONS UNDER SECTION 201(5).

(C) EACH PARTICIPATING COLLEGE THAT RECEIVES FUNDS UNDER SECTION 201(5) SHALL FORWARD AN AMOUNT EQUAL TO THE AMOUNT ALLOCATED UNDER SUBDIVISION (B) TO THE RETIREMENT SYSTEM IN A FORM AND MANNER DETERMINED BY THE RETIREMENT SYSTEM.

SEC. 207C. ALL OF THE FOLLOWING APPLY TO THE ALLOCATION OF THE APPROPRIATIONS DESCRIBED IN SECTION 201(6) TO COMMUNITY COLLEGES DESCRIBED IN SECTION 12(3) OF THE MICHIGAN RENAISSANCE ZONE ACT, MCL 125.2692:

(A) THE AMOUNT ALLOCATED TO EACH COMMUNITY COLLEGE UNDER SECTION 201(6) SHALL BE BASED ON THAT COMMUNITY COLLEGE'S PROPORTION OF TOTAL REVENUE LOST BY COMMUNITY COLLEGES IN FISCAL YEAR 2013-2014 AS A RESULT OF THE EXEMPTION OF PROPERTY UNDER THE MICHIGAN RENAISSANCE ZONE ACT.

(B) THE APPROPRIATIONS DESCRIBED IN SECTION 201(6) SHALL BE MADE TO EACH ELIGIBLE COMMUNITY COLLEGE WITHIN 60 DAYS AFTER THE DEPARTMENT OF TREASURY CERTIFIES TO THE STATE BUDGET DIRECTOR THAT IT HAS RECEIVED ALL NECESSARY INFORMATION TO PROPERLY DETERMINE THE AMOUNTS OF TAX REVENUE LOST BY EACH ELIGIBLE COMMUNITY COLLEGE IN FISCAL YEAR 2013-2014 UNDER SECTION 12 OF THE MICHIGAN RENAISSANCE ZONE ACT, MCL 125.2692.

Sec. 209. (1) Within 30 days after the board of a community college adopts its annual operating budget for the following school fiscal year, or after the board adopts a subsequent revision to that budget, the community college shall make all of the following available through a link on its website homepage:

- (a) The annual operating budget and subsequent budget revisions.
- (b) A link to the most recent "~~Activities Classification Structure Manual for Michigan Community Colleges~~": **DATA BOOK AND COMPANION**".
- (c) General fund revenue and expenditure projections for fiscal year ~~2013-2014~~ **2014-2015** and fiscal year ~~2014-2015~~ **2015-2016**.
- (d) A listing of all debt service obligations, detailed by project, anticipated fiscal year ~~2013-2014~~ **2014-2015** payment of each project, and total outstanding debt.
- (e) The estimated cost to the community college resulting from the patient protection and affordable care act, Public Law 111-148, as amended by the health care and education reconciliation act of 2010, Public Law 111-152.
- (f) Links to all of the following for the community college:
 - (i) The current collective bargaining agreement for each bargaining unit.

(ii) Each health care benefits plan, including, but not limited to, medical, dental, vision, disability, long-term care, or any other type of benefits that would constitute health care services, offered to any bargaining unit or employee of the community college.

(iii) Audits and financial reports for the most recent fiscal year for which they are available.

(iv) A copy of the board of trustees resolution regarding compliance with best practices for the local strategic value component described in section ~~230(3)~~**230(2)**.

(2) For statewide consistency and public visibility, community colleges must use the icon badge provided by the department of technology, management, and budget consistent with the icon badge developed by the department of education for K-12 school districts. It must appear on the front of each community college's homepage. The size of the icon may be reduced to 150 x 150 pixels.

(3) The state budget director shall determine whether a community college has complied with this section. The state budget director may withhold a community college's monthly installments described in section 206 until the community college complies with this section. The state budget director shall notify the chairs of the house and senate appropriations subcommittee on community colleges at least 10 days before withholding funds from any community college.

(4) Each community college shall report the following information to the senate and house appropriations subcommittees on community colleges, the senate and house fiscal agencies, and the state budget office by November 15 ~~, 2013,~~**OF EACH FISCAL YEAR** and post that information on the internet website required under subsection (1):

(a) Budgeted fiscal year ~~2013-2014~~**2014-2015** general fund revenue from tuition and fees.

(b) Budgeted fiscal year ~~2013-2014~~**2014-2015** general fund revenue from state appropriations.

(c) Budgeted fiscal year ~~2013-2014~~**2014-2015** general fund revenue from property taxes.

(d) Budgeted fiscal year ~~2013-2014~~**2014-2015** total general fund revenue.

(e) Budgeted fiscal year ~~2013-2014~~**2014-2015** total general fund expenditures.

(5) BY NOVEMBER 15 OF EACH YEAR, A COMMUNITY COLLEGE SHALL REPORT THE FOLLOWING INFORMATION TO THE CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION AND POST THE INFORMATION ON ITS WEBSITE UNDER THE BUDGET TRANSPARENCY ICON BADGE:

(A) OPPORTUNITIES FOR EARNING COLLEGE CREDIT THROUGH THE FOLLOWING PROGRAMS:

(i) STATE APPROVED CAREER AND TECHNICAL EDUCATION OR A TECH PREP ARTICULATED PROGRAM OF STUDY.

(ii) DIRECT COLLEGE CREDIT OR CONCURRENT ENROLLMENT.

(iii) DUAL ENROLLMENT.

(iv) AN EARLY COLLEGE/MIDDLE COLLEGE PROGRAM.

(B) FOR EACH PROGRAM DESCRIBED IN SUBDIVISION (A) THAT THE COMMUNITY COLLEGE OFFERS, ALL OF THE FOLLOWING INFORMATION:

(i) THE NUMBER OF HIGH SCHOOL STUDENTS PARTICIPATING IN THE PROGRAM.

(ii) THE NUMBER OF SCHOOL DISTRICTS THAT PARTICIPATE IN THE PROGRAM WITH THE COMMUNITY COLLEGE.

(iii) WHETHER A COLLEGE PROFESSOR, QUALIFIED LOCAL SCHOOL DISTRICT EMPLOYEE, OR OTHER INDIVIDUAL TEACHES THE COURSE OR COURSES IN THE PROGRAM.

(iv) THE TOTAL COST TO THE COMMUNITY COLLEGE TO OPERATE THE PROGRAM.

(v) THE COST PER CREDIT HOUR FOR THE COURSE OR COURSES IN THE PROGRAM.

(vi) THE LOCATION WHERE THE COURSE OR COURSES IN THE PROGRAM ARE HELD.

(vii) INSTRUCTIONAL RESOURCES OFFERED TO THE PROGRAM INSTRUCTORS.

(viii) RESOURCES OFFERED TO THE STUDENT IN THE PROGRAM.

(ix) TRANSPORTATION SERVICES PROVIDED TO STUDENTS IN THE PROGRAM.

Sec. 210b. (1) It is the intent of the legislature that the Michigan association of collegiate registrars and admissions officers implement any agreement or agreements among the community colleges and universities concerning the transferability of college courses resulting from the recommendations of the committee created under former section 210a.

(2) It is the intent of the legislature that the Michigan association of collegiate registrars and admissions officers, the Michigan community college association, and the presidents council, state universities of Michigan shall together submit an implementation update report to the senate and house appropriations subcommittees on community colleges and higher education, the senate and house fiscal agencies, and the state budget director by March 1, ~~2014~~**2015**.

Sec. 217. **(1) Unless otherwise specifically stated, all data items used in determining state aid in this article are as defined in the "2001 Manual for Uniform Financial Reporting, Michigan Public Community Colleges", which shall be the basis for reporting data, and the "Activities Classification Structure Manual for Michigan Community Colleges", as amended, which shall be used to document financial needs of the community colleges. THE WORKFORCE DEVELOPMENT AGENCY SHALL DO ALL OF THE FOLLOWING:**

(A) ESTABLISH, MAINTAIN, AND COORDINATE THE STATE COMMUNITY COLLEGE DATABASE COMMONLY KNOWN AS THE "ACTIVITIES CLASSIFICATION STRUCTURE" OR "ACS" DATABASE.

(B) COLLECT DATA CONCERNING COMMUNITY COLLEGES AND COMMUNITY COLLEGE PROGRAMS IN THIS STATE, INCLUDING DATA REQUIRED BY LAW.

(C) ESTABLISH PROCEDURES TO ENSURE THE VALIDITY AND RELIABILITY OF THE DATA AND THE COLLECTION PROCESS.

(D) DEVELOP MODEL DATA COLLECTION POLICIES, INCLUDING, BUT NOT LIMITED TO, POLICIES THAT ENSURE THE PRIVACY OF ANY INDIVIDUAL STUDENT DATA. PRIVACY POLICIES SHALL ENSURE THAT STUDENT SOCIAL SECURITY NUMBERS ARE NOT RELEASED TO THE PUBLIC FOR ANY PURPOSE.

(E) PROVIDE DATA IN A USEFUL MANNER TO ALLOW STATE POLICYMAKERS AND COMMUNITY COLLEGE OFFICIALS TO MAKE INFORMED POLICY DECISIONS.

(F) ASSIST COMMUNITY COLLEGES IN COMPLYING WITH AUDITS UNDER THIS SECTION OR FEDERAL LAW.

(2) THERE IS CREATED WITHIN THE WORKFORCE DEVELOPMENT AGENCY THE ACTIVITIES CLASSIFICATION STRUCTURE ADVISORY COMMITTEE. THE COMMITTEE SHALL PROVIDE ADVICE TO THE DIRECTOR OF THE WORKFORCE DEVELOPMENT AGENCY REGARDING THE MANAGEMENT OF THE STATE COMMUNITY COLLEGE DATABASE, INCLUDING, BUT NOT LIMITED TO:

(A) DETERMINING WHAT DATA ARE NECESSARY TO COLLECT AND MAINTAIN TO ENABLE STATE AND COMMUNITY COLLEGE OFFICIALS TO MAKE INFORMED POLICY DECISIONS.

(B) DEFINING THE ROLES OF ALL STAKEHOLDERS IN THE DATA COLLECTION SYSTEM.

(C) RECOMMENDING TIMELINES FOR THE IMPLEMENTATION AND ONGOING COLLECTION OF DATA.

(D) ESTABLISHING AND MAINTAINING DATA DEFINITIONS, DATA TRANSMISSION PROTOCOLS, AND SYSTEM SPECIFICATIONS AND PROCEDURES FOR THE EFFICIENT AND ACCURATE TRANSMISSION AND COLLECTION OF DATA.

(E) ESTABLISHING AND MAINTAINING A PROCESS FOR ENSURING THE ACCURACY OF THE DATA.

(F) ESTABLISHING AND MAINTAINING POLICIES RELATED TO DATA COLLECTION, INCLUDING, BUT NOT LIMITED TO, PRIVACY POLICIES RELATED TO INDIVIDUAL STUDENT DATA.

(G) ENSURING THAT THE DATA ARE MADE AVAILABLE TO STATE POLICYMAKERS AND CITIZENS OF THIS STATE IN THE MOST USEFUL FORMAT POSSIBLE.

(H) ADDRESSING OTHER MATTERS AS DETERMINED BY THE DIRECTOR OF THE WORKFORCE DEVELOPMENT AGENCY OR AS REQUIRED BY LAW.

(3) THE ACTIVITIES CLASSIFICATION STRUCTURE ADVISORY COMMITTEE CREATED IN SUBSECTION (2) SHALL CONSIST OF THE FOLLOWING MEMBERS:

(A) ONE REPRESENTATIVE FROM THE HOUSE FISCAL AGENCY, APPOINTED BY THE DIRECTOR OF THE HOUSE FISCAL AGENCY.

(B) ONE REPRESENTATIVE FROM THE SENATE FISCAL AGENCY, APPOINTED BY THE DIRECTOR OF THE SENATE FISCAL AGENCY.

(C) ONE REPRESENTATIVE FROM THE WORKFORCE DEVELOPMENT AGENCY, APPOINTED BY THE DIRECTOR OF THE WORKFORCE DEVELOPMENT AGENCY.

(D) ONE REPRESENTATIVE FROM THE STATE BUDGET OFFICE, APPOINTED BY THE STATE BUDGET DIRECTOR.

(E) ONE REPRESENTATIVE FROM THE GOVERNOR'S POLICY OFFICE, APPOINTED BY THAT OFFICE.

(F) FOUR REPRESENTATIVES OF THE MICHIGAN COMMUNITY COLLEGES ASSOCIATION, APPOINTED BY THE PRESIDENT OF THE ASSOCIATION. FROM THE GROUPINGS OF COMMUNITY COLLEGES GIVEN IN TABLE 17 OF THE ACTIVITIES CLASSIFICATION STRUCTURE REPORT DESCRIBED IN SUBSECTION (4), THE ASSOCIATION SHALL APPOINT 1 REPRESENTATIVE EACH FROM GROUP 1, GROUP 2, AND GROUP 3, AND 1 REPRESENTATIVE FROM EITHER GROUP 3 OR 4.

(4) THE ACTIVITIES CLASSIFICATION STRUCTURE ADVISORY COMMITTEE SHALL REVIEW THE EXISTING ACTIVITIES CLASSIFICATION STRUCTURE REPORT, DATA, DEFINITIONS, PROCESSES, AND OTHER ITEMS AS NEEDED AND PUBLISH AN INITIAL REPORT ON THEIR FINDINGS AND RECOMMENDATIONS BY JULY 30, 2015. THIS REPORT SHALL BE SUBMITTED TO THE SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON COMMUNITY COLLEGES, THE SENATE AND HOUSE FISCAL AGENCIES, THE DIRECTOR OF THE WORKFORCE DEVELOPMENT AGENCY, THE STATE BUDGET DIRECTOR, AND THE MICHIGAN COMMUNITY COLLEGES ASSOCIATION.

Sec. 224. A community college shall use the P-20 longitudinal data system to inform interested Michigan high schools **AND THE PUBLIC** of the aggregate academic status of its students for the previous academic year, in a manner prescribed by the Michigan community college association and in cooperation with the Michigan association of secondary school principals. Community colleges shall cooperate with the center for educational performance and information to ~~design and implement~~ **MAINTAIN** a systematic approach for accomplishing this work.

Sec. 225. Each community college shall report to the house and senate fiscal agencies, the state budget director, and the workforce development agency by August 31, ~~2013, 2014~~, the tuition and mandatory fees paid by a full-time in-district student and a full-time out-of-district student as established by the college governing board for the ~~2013-2014~~ **2014-2015** academic year. This report should also include the annual cost of attendance based on a full-time course load of 30 credits. Each community college shall also report any revisions to the reported ~~2012-2013 or 2013-2014~~ **2014-2015** academic year tuition and mandatory fees adopted by the college governing board to the house and senate fiscal agencies, the state budget director, and the workforce development agency within 15 days of being adopted.

Sec. 229. (1) It is the intent of the legislature that each community college that receives an appropriation in section 201 include in its admission application process a specific question as to whether an applicant for admission is ~~a veteran, an active member of the military, a member of the national guard or military reserves, or the spouse or dependent of a veteran, active member of the military, or member of the national guard or military reserves,~~ **HAS EVER SERVED OR IS CURRENTLY SERVING IN THE UNITED STATES ARMED FORCES OR IS THE SPOUSE OR DEPENDENT OF AN INDIVIDUAL WHO HAS SERVED OR IS CURRENTLY SERVING IN THE UNITED STATES ARMED FORCES**, in order to more quickly identify potential educational assistance available to that applicant.

(2) It is the intent of the legislature that each public community college that receives an appropriation in section 201 shall work with the house and senate community college subcommittees, the Michigan community college association, and veterans groups to review the issue of in-district tuition for veterans of this state when determining tuition rates and fees.

(3) As used in this section, "veteran" means an honorably discharged veteran entitled to educational assistance under the provisions of section 5003 of the post-911 veterans educational assistance act of 2008, 38 USC 3301 to 3324.

Sec. 229a. Included in the fiscal year ~~2013-2014~~ **2014-2015** appropriations for the department of technology, management, and budget are appropriations to provide funding for the state share of costs for previously constructed capital projects for community colleges. Those appropriations for state building authority rent represent additional state general fund support for community colleges, and the following is an estimate of the amount of that support to each community college:

- (a) Alpena Community College, ~~\$434,500.00~~ **\$485,400.00.**
- (b) Bay de Noc Community College, ~~\$644,500.00~~ **\$636,600.00.**
- (c) Delta College, ~~\$2,877,700.00~~ **\$2,842,800.00.**
- (d) Glen Oaks Community College, ~~\$124,900.00~~ **\$123,300.00.**
- (e) Gogebic Community College, ~~\$78,100.00~~ **\$16,900.00.**
- (f) Grand Rapids Community College, ~~\$1,700,400.00~~ **\$1,792,400.00.**
- (g) Henry Ford Community College, ~~\$1,126,800.00~~ **\$1,030,800.00.**
- (h) Jackson Community College, ~~\$1,809,500.00~~ **\$1,787,300.00.**
- (i) Kalamazoo Valley Community College, ~~\$1,489,300.00~~ **\$1,471,000.00.**
- (j) Kellogg Community College, ~~\$527,900.00~~ **\$521,400.00.**
- (k) Kirtland Community College, ~~\$368,800.00~~ **\$364,000.00.**
- (l) Lake Michigan College, ~~\$345,200.00~~ **\$340,900.00.**
- (m) Lansing Community College, ~~\$617,600.00~~ **\$610,100.00.**
- (n) Macomb Community College, ~~\$1,332,900.00~~ **\$1,316,600.00.**
- (o) Mid Michigan Community College, ~~\$928,900.00~~ **\$1,117,300.00.**
- (p) Monroe County Community College, ~~\$1,375,600.00~~ **\$1,266,500.00.**
- (q) Montcalm Community College, ~~\$1,015,700.00~~ **\$973,700.00.**
- (r) C.S. Mott Community College, ~~\$1,830,400.00~~ **\$1,808,000.00.**
- (s) Muskegon Community College, ~~\$201,000.00~~ **\$198,500.00.**
- (t) North Central Michigan College, ~~\$476,300.00~~ **\$117,600.00.**
- (u) Northwestern Michigan College, ~~\$1,324,800.00~~ **\$1,308,600.00.**
- (v) Oakland Community College, ~~\$472,100.00~~ **\$466,300.00.**
- (w) St. Clair County Community College, ~~\$361,400.00~~ **\$357,000.00.**
- (x) Schoolcraft College, ~~\$1,569,500.00~~ **\$1,550,300.00.**
- (y) Southwestern Michigan College, ~~\$538,600.00~~ **\$231,100.00.**
- (z) Washtenaw Community College, ~~\$2,023,100.00~~ **\$1,680,600.00.**
- (aa) Wayne County Community College, ~~\$1,918,700.00~~ **\$1,466,000.00.**
- (bb) West Shore Community College, ~~\$585,800.00~~ **\$578,600.00.**

Sec. 230. (1) It is the intent of the legislature that the recommendations and performance measures developed by the performance indicators task force formed under section 242 of 2005 PA 154 be reviewed and more fully implemented for distribution of state funding to community colleges in future years.

(2) ~~Any additional funding provided to~~ **MONEY INCLUDED IN THE APPROPRIATIONS FOR** community college operations under section 201(2) in fiscal year ~~2013-2014~~ that exceeds the amounts appropriated for operations in fiscal year ~~2012-2013~~ **2014-2015 FOR PERFORMANCE FUNDING** is distributed based on the following formula:

- (a) Allocated proportionate to fiscal year ~~2012-2013~~ **2013-2014** base appropriations, 50%.
- (b) Based on contact hour equated students, 10%.

(c) Based on administrative costs, 7.5%.

(d) Based on a weighted degree formula as provided for in the 2006 recommendations of the performance indicators task force, 17.5%.

(e) Based on the local strategic value component, as developed in cooperation with the Michigan community college association and described in subsection ~~(3)~~, **(2)**, 15%.

~~(2) (3)~~ **MONEY INCLUDED IN THE APPROPRIATIONS FOR COMMUNITY COLLEGE OPERATIONS UNDER SECTION 201(2)** for local strategic value shall be allocated to each community college that certifies to the state budget director, through a board of trustees resolution on or before ~~November 1, 2013~~, **OCTOBER 15, 2014**, that the college has met 4 out of 5 best practices listed in each category described in subsection ~~(4)~~, **(3)**. The resolution shall provide specifics as to how the community college meets each best practice measure within each category. One-third of funding available under the strategic value component shall be allocated to each category described in subsection ~~(4)~~, **(3)**. Amounts distributed under local strategic value shall be on a proportionate basis to each college's fiscal year ~~2012-2013~~ **2013-2014** operations funding. Payments to community colleges that qualify for local strategic value funding shall be distributed with the November installment payment described in section 206.

~~(3) (4)~~ For purposes of subsection ~~(3)~~, **(2)**, the following categories of best practices reflect functional activities of community colleges that have strategic value to the local communities and regional economies:

(a) For Category A, economic development and business or industry partnerships, the following:

(i) The community college has active partnerships with local employers including hospitals and health care providers.

(ii) The community college provides customized on-site training for area companies, employees, or both.

(iii) The community college supports entrepreneurship through a small business assistance center or other training or consulting activities targeted toward small businesses.

(iv) The community college supports technological advancement through industry partnerships, incubation activities, or operation of a Michigan technical education center or other advanced technology center.

(v) The community college has active partnerships with local or regional workforce and economic development agencies.

(b) For Category B, educational partnerships, the following:

(i) The community college has active partnerships with regional high schools, intermediate school districts, and career-tech centers to provide instruction through dual enrollment, **CONCURRENT ENROLLMENT**, direct credit, middle college, or academy programs.

(ii) The community college hosts, sponsors, or participates in enrichment programs for area K-12 students, such as college days, summer or after-school programming, or science Olympiad.

(iii) The community college provides, supports, or participates in programming to promote successful transitions to college for traditional age students, including grant programs such as talent search, upward bound, or other activities to promote college readiness in area high schools and community centers.

(iv) The community college provides, supports, or participates in programming to promote successful transitions to college for new or reentering adult students, such as adult basic education, ~~GED preparation, GED testing~~, **GENERAL EDUCATION DEVELOPMENT CERTIFICATE PREPARATION AND TESTING**, or recruiting, advising, or orientation activities specific to adults.

(v) The community college has active partnerships with regional 4-year colleges and universities to promote successful transfer, such as articulation, 2+2, or reverse transfer agreements or operation of a university center.

(c) For Category C, community services, the following:

(i) The community college provides continuing education programming for leisure, wellness, personal enrichment, or professional development.

(ii) The community college operates or sponsors opportunities for community members to engage in activities that promote leisure, wellness, cultural or personal enrichment such as community sports teams, theater or musical ensembles, or artist guilds.

(iii) The community college operates public facilities to promote cultural, educational, or personal enrichment for community members, such as libraries, computer labs, performing arts centers, museums, art galleries, or television or radio stations.

(iv) The community college operates public facilities to promote leisure or wellness activities for community members, including gymnasiums, athletic fields, tennis courts, fitness centers, hiking or biking trails, or natural areas.

(v) The community college promotes, sponsors, or hosts community service activities for students, staff, or community members.

Sec. 236. (1) Subject to the conditions set forth in this article, the amounts listed in ~~subsections (2) to (6)~~ **THIS SECTION** are appropriated for higher education for the fiscal year ending September 30, ~~2014~~, **2015**, from the funds indicated in this section. The following is a summary of the appropriations in ~~subsections (2) to (6)~~ **THIS SECTION**:

(a) The gross appropriation is ~~\$1,430,573,500.00~~. **\$1,516,496,300.00**. After deducting total interdepartmental grants and intradepartmental transfers in the amount of \$0.00, the adjusted gross appropriation is ~~\$1,430,573,500.00~~. **\$1,516,496,300.00**.

(b) The sources of the adjusted gross appropriation described in subdivision (a) are as follows:

(i) Total federal revenues, \$97,026,400.00.

(ii) Total local revenues, \$0.00.

- (iii) Total private revenues, \$0.00.
- (iv) Total other state restricted revenues, ~~\$200,565,700.00~~ **\$204,567,900.00**.
- (v) State general fund/general purpose money, ~~\$1,132,981,400.00~~ **\$1,214,902,000.00**.
- (2) Amounts appropriated for public universities are as follows:
- (a) The appropriation for Central Michigan University is ~~\$73,486,600.00, \$71,352,300.00~~ **\$79,115,000.00, \$73,540,100.00** for operations and ~~\$2,134,300.00~~ **\$5,574,900.00** for performance funding. , appropriated from the following:
- (i) State school aid fund, \$11,284,600.00.
- (ii) State general fund/general purpose money, \$62,202,000.00.
- (b) The appropriation for Eastern Michigan University is ~~\$67,255,600.00, \$66,466,700.00~~ **\$71,771,100.00, \$67,275,400.00** for operations and ~~\$788,900.00~~ **\$4,495,700.00** for performance funding. , appropriated from the following:
- (i) State school aid fund, \$10,706,400.00.
- (ii) State general fund/general purpose money, \$56,549,200.00.
- (c) The appropriation for Ferris State University is ~~\$45,602,600.00, \$44,250,700.00~~ **\$49,087,000.00, \$45,636,500.00** for operations and ~~\$1,351,900.00~~ **\$3,450,500.00** for performance funding. , appropriated from the following:
- (i) State school aid fund, \$6,846,800.00.
- (ii) State general fund/general purpose money, \$38,755,800.00.
- (d) The appropriation for Grand Valley State University is ~~\$57,765,100.00, \$55,436,000.00~~ **\$63,136,000.00, \$57,823,500.00** for operations and ~~\$2,329,100.00~~ **\$5,312,500.00** for performance funding. , appropriated from the following:
- (i) State school aid fund, \$8,727,800.00.
- (ii) State general fund/general purpose money, \$49,037,300.00.
- (e) The appropriation for Lake Superior State University is ~~\$12,226,500.00, \$12,046,100.00~~ **\$12,782,500.00, \$12,231,000.00** for operations and ~~\$180,400.00~~ **\$551,500.00** for performance funding. , appropriated from the following:
- (i) State school aid fund, \$1,787,600.00.
- (ii) State general fund/general purpose money, \$10,438,900.00.
- (f) The appropriation for Michigan State University is ~~\$305,775,000.00, \$245,037,000.00~~ **\$324,038,100.00, \$249,597,800.00** for operations, ~~\$4,449,300.00~~ **\$14,831,300.00** for performance funding, ~~\$30,243,900.00~~ **\$32,027,900.00** for MSU AgBioResearch, and ~~\$26,044,800.00~~ **\$27,581,100.00** for MSU extension. , appropriated from the following:
- (i) State school aid fund, \$39,949,900.00.
- (ii) State general fund/general purpose money, \$265,825,100.00.
- (g) The appropriation for Michigan Technological University is ~~\$43,451,900.00, \$42,579,100.00~~ **\$45,923,100.00, \$43,473,800.00** for operations and ~~\$872,800.00~~ **\$2,449,300.00** for performance funding. , appropriated from the following:
- (i) State school aid fund, \$6,748,900.00.
- (ii) State general fund/general purpose money, \$36,703,000.00.
- (h) The appropriation for Northern Michigan University is ~~\$41,719,800.00, \$40,856,600.00~~ **\$44,277,200.00, \$41,741,400.00** for operations and ~~\$863,200.00~~ **\$2,535,800.00** for performance funding. , appropriated from the following:
- (i) State school aid fund, \$6,356,900.00.
- (ii) State general fund/general purpose money, \$35,362,900.00.
- (i) The appropriation for Oakland University is ~~\$45,634,800.00, \$44,964,100.00~~ **\$48,364,100.00, \$45,651,600.00** for operations and ~~\$670,700.00~~ **\$2,712,500.00** for performance funding. , appropriated from the following:
- (i) State school aid fund, \$7,148,400.00.
- (ii) State general fund/general purpose money, \$38,486,400.00.
- (j) The appropriation for Saginaw Valley State University is ~~\$25,982,800.00, \$25,656,700.00~~ **\$27,610,200.00, \$25,991,000.00** for operations and ~~\$326,100.00~~ **\$1,619,200.00** for performance funding. , appropriated from the following:
- (i) State school aid fund, \$3,903,800.00.
- (ii) State general fund/general purpose money, \$22,079,000.00.
- (k) The appropriation for University of Michigan - Ann Arbor is ~~\$279,108,700.00, \$274,156,700.00~~ **\$295,174,100.00, \$279,232,700.00** for operations and ~~\$4,952,000.00~~ **\$15,941,400.00** for performance funding. , appropriated from the following:
- (i) State school aid fund, \$44,536,300.00.
- (ii) State general fund/general purpose money, \$234,572,400.00.
- (l) The appropriation for University of Michigan - Dearborn is ~~\$22,503,700.00, \$22,237,300.00~~ **\$23,689,300.00, \$22,510,400.00** for operations and ~~\$266,400.00~~ **\$1,178,900.00** for performance funding. , appropriated from the following:
- (i) State school aid fund, \$3,482,100.00.
- (ii) State general fund/general purpose money, \$19,021,600.00.
- (m) The appropriation for University of Michigan - Flint is ~~\$19,928,100.00, \$19,526,600.00~~ **\$21,337,700.00, \$19,938,200.00** for operations and ~~\$401,500.00~~ **\$1,399,500.00** for performance funding. , appropriated from the following:
- (i) State school aid fund, \$2,942,900.00.
- (ii) State general fund/general purpose money, \$16,985,200.00.

(n) The appropriation for Wayne State University is ~~\$183,933,000.00~~, **\$190,519,800.00**, \$183,398,300.00 for operations and ~~\$534,700.00~~ **\$7,121,500.00** for performance funding. , appropriated from the following:

(i) State school aid fund, \$30,160,600.00:

(ii) State general fund/general purpose money, \$153,772,400.00:

(o) The appropriation for Western Michigan University is ~~\$97,235,200.00~~, ~~\$95,487,500.00~~ **\$102,742,000.00**, **\$97,279,000.00** for operations and ~~\$1,747,700.00~~ **\$5,463,000.00** for performance funding. , appropriated from the following:

(i) State school aid fund, \$15,436,500.00:

(ii) State general fund/general purpose money, \$81,798,700.00:

(3) THE AMOUNT APPROPRIATED IN SUBSECTION (2) FOR PUBLIC UNIVERSITIES IS APPROPRIATED FROM THE FOLLOWING:

(A) STATE SCHOOL AID FUND, \$200,019,500.00.

(B) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$1,199,547,700.00.

(4) ~~(3)~~The amount appropriated for Michigan public school employees' retirement system reimbursement is \$2,446,200.00, \$446,200.00 appropriated from the state school aid fund and \$2,000,000.00 appropriated from general fund/general purpose money.

(5) FOR FISCAL YEAR 2014-2015 ONLY, IN ADDITION TO THE AMOUNT APPROPRIATED UNDER SUBSECTION (4), \$4,002,200.00 IS APPROPRIATED FOR MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM REIMBURSEMENT, APPROPRIATED FROM THE STATE SCHOOL AID FUND.

(6) ~~(4)~~The amount appropriated for state and regional programs is ~~\$2,200,000.00~~ **\$2,295,000.00** appropriated from general fund/general purpose money and allocated as follows:

(a) College access program, \$2,000,000.00.

(b) Higher education database modernization and conversion, ~~\$105,000.00~~ **\$200,000.00**.

(c) Midwestern higher education compact, \$95,000.00.

(7) ~~(5)~~The amount appropriated for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks program is \$2,691,500.00, appropriated from general fund/general purpose money and allocated as follows:

(a) Select student support services, \$1,956,100.00.

(b) Michigan college/university partnership program, \$586,800.00.

(c) Morris Hood, Jr. educator development program, \$148,600.00.

(8) ~~(6)~~Subject to subsection ~~(7)~~, **(9)**, the amount appropriated for grants and financial aid is ~~\$101,626,400.00~~, **\$105,494,200.00**, allocated as follows:

(a) State competitive scholarships, \$18,361,700.00.

(b) Tuition grants, ~~\$31,664,700.00~~ **\$33,532,500.00**.

(c) Tuition incentive program, ~~\$47,000,000.00~~ **\$48,500,000.00**.

(d) Children of veterans and officer's survivor tuition grant programs, \$1,400,000.00.

(e) Project GEAR-UP, \$3,200,000.00.

(F) NORTH AMERICAN INDIAN TUITION WAIVERS, \$500,000.00.

(9) ~~(7)~~The money appropriated in subsection ~~(6)~~ **(8)** for grants and financial aid is appropriated from the following:

(a) Federal revenues under the United States department of education, office of elementary and secondary education, GEAR-UP program, \$3,200,000.00.

(b) Federal revenues under the social security act, temporary assistance for needy families, \$93,826,400.00.

(c) Contributions to children of veterans tuition grant program, \$100,000.00.

(d) State general fund/general purpose money, ~~\$4,500,000.00~~ **\$8,367,800.00**.

Sec. 236a. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, ~~2015-2016~~ for the items listed in section 236. The fiscal year ~~2014-2015~~ **2015-2016** appropriations are anticipated to be the same as those for fiscal year ~~2013-2014~~, **2014-2015**, except that the amounts will be adjusted for changes in caseload and related costs, federal fund match rates, economic factors, and available revenue. These adjustments will be determined after the January ~~2014-2015~~ consensus revenue estimating conference.

Sec. 236b. In addition to the funds appropriated in section 236, there is appropriated for grants and financial aid in fiscal year ~~2013-2014~~ **2014-2015** an amount not to exceed \$6,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393, for another purpose under this article.

Sec. 236c. In addition to the funds appropriated for fiscal year ~~2013-2014~~ **2014-2015** in section 236, appropriations to the department of technology, management, and budget in the act providing general appropriations for fiscal year ~~2013-2014~~ **2014-2015** for state building authority rent, totaling an estimated ~~\$125,370,600.00~~, **\$124,825,300.00**, provide funding for the state share of costs for previously constructed capital projects for state universities. These appropriations for state building authority rent represent additional state general fund support provided to public universities, and the following is an estimate of the amount of that support to each university:

(a) Central Michigan University, ~~\$9,155,600.00~~ **\$9,103,200.00**.

(b) Eastern Michigan University, ~~\$5,234,800.00~~ **\$4,861,700.00**.

- (c) Ferris State University, ~~\$6,360,600.00~~ **\$6,252,200.00.**
- (d) Grand Valley State University, ~~\$4,277,000.00~~ **\$4,252,500.00.**
- (e) Lake Superior State University, ~~\$915,600.00~~ **\$1,112,900.00.**
- (f) Michigan State University, ~~\$16,194,400.00~~ **\$16,101,200.00.**
- (g) Michigan Technological University, ~~\$7,692,200.00~~ **\$7,444,600.00.**
- (h) Northern Michigan University, ~~\$8,062,600.00~~ **\$8,016,400.00.**
- (i) Oakland University, ~~\$10,791,500.00~~ **\$10,969,800.00.**
- (j) Saginaw Valley State University, ~~\$9,833,700.00~~ **\$9,777,400.00.**
- (k) University of Michigan - Ann Arbor, ~~\$9,212,000.00~~ **\$9,159,200.00.**
- (l) University of Michigan - Dearborn, ~~\$6,332,400.00~~ **\$6,296,200.00.**
- (m) University of Michigan - Flint, ~~\$2,871,400.00~~ **\$2,855,000.00.**
- (n) Wayne State University, ~~\$13,079,500.00~~ **\$13,679,800.00.**
- (o) Western Michigan University, ~~\$15,357,300.00~~ **\$14,943,200.00.**

Sec. 241. (1) Subject to section 265a, the funds appropriated in section 236 to public universities shall be paid out of the state treasury and distributed by the state treasurer to the respective institutions in 11 equal monthly installments on the sixteenth of each month, or the next succeeding business day, beginning with October 16, ~~2013-~~ **2014**. Except for Wayne State University, each institution shall accrue its July and August ~~2014-~~ **2015** payments to its institutional fiscal year ending June 30, ~~2014-~~ **2015**.

(2) All public universities shall submit higher education institutional data inventory (HEIDI) data and associated financial and program information requested by and in a manner prescribed by the state budget director. For public universities with fiscal years ending June 30, ~~2013-~~ **2014**, these data shall be submitted to the state budget director by October 15, ~~2013-~~ **2014**. Public universities with a fiscal year ending September 30, ~~2013-~~ **2014** shall submit preliminary HEIDI data by November 15, ~~2013-~~ **2014** and final data by December 15, ~~2013-~~ **2014**. If a public university fails to submit HEIDI data and associated financial aid program information in accordance with this reporting schedule, the state treasurer may withhold the monthly installments under subsection (1) to the public university until those data are submitted.

Sec. 245. (1) ~~Within 30 days after the board of a public university adopts its annual operating budget for the following school fiscal year, or after the board adopts a subsequent revision to that budget, the A public university shall make all of the following~~ **MAINTAIN A PUBLIC TRANSPARENCY WEBSITE** available through a link on its website homepage. ~~THE PUBLIC UNIVERSITY SHALL UPDATE THIS WEBSITE WITHIN 30 DAYS AFTER THE UNIVERSITY'S GOVERNING BOARD ADOPTS ITS ANNUAL OPERATING BUDGET FOR THE NEXT ACADEMIC YEAR, OR AFTER THE GOVERNING BOARD ADOPTS A SUBSEQUENT REVISION TO THAT BUDGET.~~

(2) THE WEBSITE REQUIRED UNDER SUBSECTION (1) SHALL INCLUDE ALL OF THE FOLLOWING CONCERNING THE PUBLIC UNIVERSITY:

- (a) The annual operating budget and subsequent budget revisions.
- (b) A summary of current expenditures for the most recent fiscal year for which they are available, expressed as pie charts in the following 2 categories:
 - (i) A chart of personnel expenditures, broken into the following subcategories:
 - (A) Earnings and wages.
 - (B) Employee benefit costs, including, but not limited to, medical, dental, vision, life, disability, and long-term care benefits.
 - (C) Retirement benefit costs.
 - (D) All other personnel costs.
 - (ii) A chart of all current expenditures the public university reported as part of its higher education institutional data inventory data under section 241(2), broken into the same subcategories in which it reported those data.
- (c) Links to all of the following for the public university:
 - (i) The current collective bargaining agreement for each bargaining unit.
 - (ii) Each health care benefits plan, including, but not limited to, medical, dental, vision, disability, long-term care, or any other type of benefits that would constitute health care services, offered to any bargaining unit or employee of the public university.
 - (iii) Audits and financial reports for the most recent fiscal year for which they are available.
 - (iv) Campus security policies and crime statistics pursuant to the student right-to-know and campus security act, Public Law 101-542, 104 Stat. 2381. Information shall include all material prepared pursuant to the public information reporting requirements under the crime awareness and campus security act of 1990, title II of the student right-to-know and campus security act, Public Law 101-542, 104 Stat. 2381.
- (d) A list of all positions funded partially or wholly through institutional general fund revenue that includes the position title and annual salary or wage amount for each position.
- (e) General fund revenue and expenditure projections for **THE CURRENT** fiscal year ~~2013-~~ **2014** and **THE NEXT** fiscal year. ~~2014-~~ **2015**.
- (f) A listing of all debt service obligations, detailed by project, anticipated fiscal year ~~2013-~~ **2014** payment for each project, and total outstanding debt **FOR THE CURRENT FISCAL YEAR.**

(g) The institution's policy regarding the transferability of core college courses between community colleges and the university.

(h) A listing of all community colleges that have entered into reverse transfer agreements with the university.

(3) ~~(2)~~—A-ON THE WEBSITE REQUIRED UNDER SUBSECTION (1), A public university shall provide a dashboard or report card demonstrating the university's performance in several "best practice" measures. The dashboard or report card shall include at least all of the following for the 3 most recent ~~school~~**ACADEMIC** years for which the data are available:

(a) Enrollment.

(b) Student retention rate.

(c) Six-year graduation rates.

(d) Number of Pell grant recipients and graduating Pell grant recipients.

(e) Geographic origination of students, categorized as in-state, out-of-state, and international.

(f) Faculty to student ratios and total university employee to student ratios.

(g) Teaching load by faculty classification.

(h) Graduation outcome rates, including employment and continuing education.

(4) ~~(3)~~—For statewide consistency and public visibility, public universities must use the icon badge provided by the department of technology, management, and budget consistent with the icon badge developed by the department of education for K-12 school districts. It must appear on the front of each public university's homepage. The size of the icon may be reduced to 150 x 150 pixels. The font size and style for this reporting must be consistent with other documents on each university's website.

(5) ~~(4)~~—The state budget director shall determine whether a public university has complied with this section. The state budget director may withhold a public university's monthly installments described in section 241 until the public university complies with this section.

(6) BY NOVEMBER 15 OF EACH YEAR, A PUBLIC UNIVERSITY SHALL REPORT THE FOLLOWING INFORMATION TO THE CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION AND POST THE INFORMATION ON ITS WEBSITE UNDER THE BUDGET TRANSPARENCY ICON BADGE:

(A) OPPORTUNITIES FOR EARNING COLLEGE CREDIT THROUGH THE FOLLOWING PROGRAMS:

(i) STATE APPROVED CAREER AND TECHNICAL EDUCATION OR A TECH PREP ARTICULATED PROGRAM OF STUDY.

(ii) DIRECT COLLEGE CREDIT OR CONCURRENT ENROLLMENT.

(iii) DUAL ENROLLMENT.

(iv) AN EARLY COLLEGE/MIDDLE COLLEGE PROGRAM.

(B) FOR EACH PROGRAM DESCRIBED IN SUBDIVISION (A) THAT THE PUBLIC UNIVERSITY OFFERS, ALL OF THE FOLLOWING INFORMATION:

(i) THE NUMBER OF HIGH SCHOOL STUDENTS PARTICIPATING IN THE PROGRAM.

(ii) THE NUMBER OF SCHOOL DISTRICTS THAT PARTICIPATE IN THE PROGRAM WITH THE PUBLIC UNIVERSITY.

(iii) WHETHER A UNIVERSITY PROFESSOR, QUALIFIED LOCAL SCHOOL DISTRICT EMPLOYEE, OR OTHER INDIVIDUAL TEACHES THE COURSE OR COURSES IN THE PROGRAM.

(iv) THE TOTAL COST TO THE PUBLIC UNIVERSITY TO OPERATE THE PROGRAM.

(v) THE COST PER CREDIT HOUR FOR THE COURSE OR COURSES IN THE PROGRAM.

(vi) THE LOCATION WHERE THE COURSE OR COURSES IN THE PROGRAM ARE HELD.

(vii) INSTRUCTIONAL RESOURCES OFFERED TO THE PROGRAM INSTRUCTORS.

(viii) RESOURCES OFFERED TO THE STUDENT IN THE PROGRAM.

(ix) TRANSPORTATION SERVICES PROVIDED TO STUDENTS IN THE PROGRAM.

Sec. 246. (1) The funds appropriated in section 236 for Michigan public school employees' retirement system reimbursement shall be allocated to each participating public university under this section based on each participating public university's total retiree health care premiums paid for Michigan public school employees' retirement system retirees in proportion to the total retiree health care premiums paid for Michigan public school employees' retirement system retirees for all participating public universities—**PERCENTAGE OF THE TOTAL COMBINED PAYROLLS OF THE UNIVERSITIES' EMPLOYEES WHO ARE MEMBERS OF THE RETIREMENT SYSTEM AND WHO WERE HIRED BEFORE JANUARY 1, 1996 AND THE UNIVERSITIES' EMPLOYEES WHO WOULD HAVE BEEN MEMBERS OF THE RETIREMENT SYSTEM ON OR AFTER JANUARY 1, 1996, BUT FOR THE ENACTMENT OF 1995 PA 272 FOR ALL PUBLIC UNIVERSITIES THAT ARE PARTICIPATING PUBLIC UNIVERSITIES** for the immediately preceding state fiscal year. Payments shall be made in a form and manner determined by the office of retirement services. A public university that receives money under this section shall use that money solely for the purpose of offsetting a portion of the retirement contributions owed by the university.

(2) As used in this section, "participating public university" means a public university that is a reporting unit of the Michigan public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408, and that pays retiree health care premiums **CONTRIBUTIONS** to the Michigan public school employees' retirement system for the state fiscal year.

Sec. 252. (1) The amounts appropriated in section 236 for the state tuition grant program shall be distributed pursuant to 1966 PA 313, MCL 390.991 to 390.997a.

(2) Tuition grant awards shall be made to all eligible Michigan residents enrolled in undergraduate degree programs who are qualified and who apply before July 1, 2012 for the 2012-2013 school year or July 1, 2013 for the 2013-2014 school year, as applicable. **OF EACH YEAR FOR THE NEXT ACADEMIC YEAR.**

(3) Pursuant to section 5 of 1966 PA 313, MCL 390.995, and subject to ~~subsection~~ **SUBSECTIONS (7) AND (8)**, the department of treasury shall determine an actual maximum tuition grant award per student, which shall be no less than \$1,512.00, that ensures that the aggregate payments for the tuition grant program do not exceed the appropriation contained in section 236 for the state tuition grant program. If the department determines that insufficient funds are available to establish a maximum award amount equal to at least \$1,512.00, the department shall immediately report to the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget director regarding the estimated amount of additional funds necessary to establish a \$1,512.00 maximum award amount. If the department determines that sufficient funds are available to establish a maximum award amount equal to at least \$1,512.00, the department shall immediately report to the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget director regarding the maximum award amount established and the projected amount of any projected year-end appropriation balance based on that maximum award amount. By December 15, and again by February 18 of each fiscal year, the department shall analyze the status of award commitments, shall make any necessary adjustments, and shall confirm that those award commitments will not exceed the appropriation contained in section 236 for the tuition grant program. The determination and actions shall be reported to the state budget director and the house and senate fiscal agencies no later than the final day of February of each year. If award adjustments are necessary, the students shall be notified of the adjustment by March 4 of each year.

(4) ~~Any unexpended and unencumbered funds remaining on September 30, 2013 from the amounts appropriated in section 236 for the tuition grant program for fiscal year 2012-2013 shall not lapse on September 30, 2013, but shall continue to be available for expenditure for tuition grants provided in the 2013-2014 fiscal year under a work project account. The use of these unexpended fiscal year 2012-2013 funds shall terminate at the end of the 2013-2014 fiscal year.~~ Any unexpended and unencumbered funds remaining on September 30, ~~2014~~ **2015** from the amounts appropriated in section 236 for the tuition grant program for fiscal year ~~2013-2014~~ **2014-2015** shall not lapse on September 30, ~~2014~~ **2015**, but shall continue to be available for expenditure for tuition grants provided in the ~~2014-2015~~ **2015-2016** fiscal year under a work project account. The use of these unexpended fiscal year ~~2013-2014~~ **2014-2015** funds shall terminate at the end of the ~~2014-2015~~ **2015-2016** fiscal year.

(5) The department of treasury shall continue a proportional tuition grant maximum award level for recipients enrolled less than full-time in a given semester or term.

(6) If the department of treasury increases the maximum award per eligible student from that provided in the previous fiscal year, it shall not have the effect of reducing the number of eligible students receiving awards in relation to the total number of eligible applicants. Any increase in the maximum grant shall be proportional for all eligible students receiving awards for that fiscal year.

(7) ~~In any fiscal year, EXCEPT AS PROVIDED IN SUBSECTION (4),~~ the department of treasury shall not award more than ~~\$3,000,000.00~~ **\$3,200,000.00** in tuition grants to eligible students enrolled in the same independent nonprofit college or university in this state. Any decrease in the maximum grant shall be proportional for all eligible students enrolled in that college or university, as determined by the department.

(8) THE DEPARTMENT OF TREASURY SHALL NOT AWARD TUITION GRANTS TO OTHERWISE ELIGIBLE STUDENTS ENROLLED IN AN INDEPENDENT COLLEGE OR UNIVERSITY THAT DOES NOT REPORT, IN A FORM AND MANNER DIRECTED BY AND SATISFACTORY TO THE DEPARTMENT OF TREASURY, BY AUGUST 31 OF EACH YEAR, BEGINNING WITH AUGUST 31, 2015, ALL OF THE FOLLOWING:

(A) THE NUMBER OF STUDENTS IN THE MOST RECENTLY COMPLETED ACADEMIC YEAR THAT RECEIVED A STATE TUITION GRANT AND SUCCESSFULLY COMPLETED A PROGRAM OR GRADUATED.

(B) THE NUMBER OF STUDENTS IN THE MOST RECENTLY COMPLETED ACADEMIC YEAR THAT RECEIVED A STATE TUITION GRANT AND TOOK A REMEDIAL EDUCATION CLASS.

(C) THE NUMBER OF STUDENTS IN THE MOST RECENTLY COMPLETED ACADEMIC YEAR THAT RECEIVED A PELL GRANT AND SUCCESSFULLY COMPLETED A PROGRAM OR GRADUATED.

Sec. 256. (1) The funds appropriated in section 236 for the tuition incentive program shall be distributed as provided in this section and pursuant to the administrative procedures for the tuition incentive program of the department of treasury.

(2) As used in this section:

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

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

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

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

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

(i) Apply for certification to the department **ANY TIME AFTER HE OR SHE BEGINS THE SIXTH GRADE BUT BEFORE GRADUATING-AUGUST 31 OF THE SCHOOL YEAR IN WHICH HE OR SHE GRADUATES** from high school or **BEFORE** completing the ~~A~~ general education development (~~GED~~) certificate.

(ii) Be less than 20 years of age at the time he or she graduates from high school with a diploma or certificate of completion or completes his or her ~~GED~~ **A GENERAL EDUCATION DEVELOPMENT CERTIFICATE**.

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

(iv) Be at least a half-time student, earning less than 80 semester or 120 term credits at a participating educational institution within 4 years of high school graduation or ~~GED certificate completion~~ **COMPLETION OF A GENERAL EDUCATION DEVELOPMENT CERTIFICATE**.

(v) Request information on filing a FAFSA.

(vi) **MUST MEET THE SATISFACTORY ACADEMIC PROGRESS POLICY OF THE EDUCATIONAL INSTITUTION HE OR SHE ATTENDS.**

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

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

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

(c) To be eligible for phase I or phase II, an individual must not be incarcerated and must be financially eligible as determined by the department. An individual is financially eligible for the tuition incentive program if he or she was eligible for Medicaid from the state of Michigan for 24 months within the 36 months before application. The department shall accept certification of Medicaid eligibility only from the department of human services for the purposes of verifying if a person is Medicaid eligible for 24 months within the 36 months before application. Certification of eligibility may begin in the sixth grade. As used in this subdivision, "incarcerated" does not include detention of a juvenile in a state-operated or privately operated juvenile detention facility.

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 263. (1) Included in the appropriation in section 236 **FOR FISCAL YEAR 2014-2015** for MSU AgBioResearch is \$2,982,900.00 and included in the appropriation in section 236 for MSU extension is \$2,645,200.00 for project GREEN. Project GREEN is intended to address critical regulatory, food safety, economic, and environmental problems faced by this state's plant-based agriculture, forestry, and processing industries. "GREEN" is an acronym for generating research and extension to meet environmental and economic needs.

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

Sec. 263a. (1) Not later than September 30 of each year, Michigan State University shall submit a report on MSU AgBioResearch and MSU extension to the house and senate appropriations subcommittees on agriculture and on higher education, the house and senate standing committees on agriculture, the house and senate fiscal agencies, and the state budget director for the preceding ~~school~~**ACADEMIC** fiscal year.

(2) The report required under subsection (1) shall include all of the following:

(a) Total funds expended by MSU AgBioResearch and by MSU extension service identified by state, local, private, federal, and university fund sources.

(b) The metric goals that were used to evaluate the impacts of programs operated by MSU extension and MSU AgBioResearch. It is the intent of the legislature that the following metric goals will be used to evaluate the impacts of those programs:

(i) Increasing the number of agriculture and food-related firms collaborating with and using services of research and extension faculty and staff by 3% per year.

(ii) Increasing the number of individuals utilizing MSU extension's educational services by 5% per year.

(iii) Increasing external funds generated in support of research and extension, beyond state appropriations, by 10% over the amounts generated in the past 3 state fiscal years.

(iv) Increasing the sector's total economic impact from today's \$71,000,000,000.00 to \$100,000,000,000.00.

(v) Doubling Michigan's agricultural exports from \$1,750,000,000.00 to \$3,500,000,000.00.

(vi) Increasing jobs in the food and agriculture sector by 10%.

(vii) Improving access by Michigan consumers to healthy foods by 20%.

(c) A review of major programs within both MSU AgBioResearch and MSU extension with specific reference to accomplishments, impacts, and the metrics described in subdivision (b), including a specific accounting of Project GREEN expenditures and the impact of those expenditures.

Sec. 264. Included in the appropriation in section 236 for fiscal year ~~2013-2014~~**2014-2015** for Michigan State University is \$80,000.00 for the Michigan future farmers of America association. This \$80,000.00 allocation shall not supplant any existing support that Michigan State University provides to the Michigan future farmers of America association.

Sec. 265. (1) Payments under section 265a for performance funding shall only be made to a public university that certifies to the state budget director by August 31, ~~2013-2014~~ that its board did not adopt an increase in tuition and fee rates for resident undergraduate students after September 1, ~~2012-2013~~ for the ~~2012-2013~~**2013-2014** academic year and that its board will not adopt an increase in tuition and fee rates for resident undergraduate students for the ~~2013-2014~~**2014-2015** academic year that is greater than ~~3.75%~~**3.2%**. As used in this subsection:

(a) Subject to subdivision (c), "fee" means any board-authorized fee that will be paid by more than 1/2 of all resident undergraduate students at least once during their enrollment at a public university. A university increasing a fee that applies to a specific subset of students or courses shall provide sufficient information to prove that the increase applied to that subset will not cause the increase in the average amount of board-authorized total tuition and fees paid by resident undergraduate students in the ~~2013-2014~~**2014-2015** academic year to exceed the limit established in this subsection.

(b) "Tuition and fee rate" means the average of full-time rates for all undergraduate classes, based on an average of the rates authorized by the university board and actually charged to students, deducting any uniformly-rebated or refunded amounts, for the 2 semesters with the highest levels of full-time equated resident undergraduate enrollment during the academic year.

(c) For purposes of subdivision (a), for a public university that compels resident undergraduate students to be covered by health insurance as a condition to enroll at the university, "fee" includes the annual amount a student is charged for coverage by the university-affiliated group health insurance policy if he or she does not provide proof that he or she is otherwise covered by health insurance. This subdivision does not apply to limited subsets of resident undergraduate students to be covered by health insurance for specific reasons other than general enrollment at the university.

(2) The state budget director shall implement uniform reporting requirements to ensure that a public university receiving a payment under section 265a for performance funding has satisfied the tuition restraint requirements of this section. The state budget director shall have the sole authority to determine if a public university has met the requirements of this section. Information reported by a public university to the state budget director under this subsection shall also be reported to the house and senate appropriations subcommittees on higher education and the house and senate fiscal agencies.

Sec. 265a. (1) Appropriations to public universities in section 236 **FOR FISCAL YEAR 2014-2015** for performance funding shall be paid only to a public university that complies with section 265 and certifies to the state budget director, the house and senate appropriations subcommittees on higher education, and the house and senate fiscal agencies by August 31, ~~2013-2014~~ that it complies with all of the following requirements:

(a) The university participates in reverse transfer agreements described in section 286 with at least 3 Michigan community colleges or has made a good-faith effort to enter into reverse transfer agreements.

(b) The university does not and will not consider whether dual enrollment credits earned by an incoming student were utilized towards his or her high school graduation requirements when making a determination as to whether those credits may be used by the student toward completion of a university degree or certificate program.

(c) The university participates in the Michigan transfer network created as part of the Michigan association of collegiate registrars and admissions officers transfer agreement.

(2) Any performance funding amounts under section 236 that are not paid to a public university because it did not comply with 1 or more requirements under subsection (1) are unappropriated and reappropriated for performance funding to those public universities that meet the requirements under subsection (1), distributed in proportion to their performance funding appropriation amounts under section 236.

(3) The state budget director shall report to the house and senate appropriations subcommittees on higher education and the house and senate fiscal agencies by September 17, ~~2013~~, **2014**, regarding any performance funding amounts that are not paid to a public university because it did not comply with 1 or more requirements under subsection (1) and any reappropriation of funds under subsection (2).

(4) Performance funding amounts described in section 236 are distributed based on the following formula:

(A) PROPORTIONAL TO EACH UNIVERSITY'S SHARE OF TOTAL OPERATIONS FUNDING APPROPRIATED IN FISCAL YEAR 2010-2011, 50.0%.

(B) (a) ~~Based on weighted undergraduate completions in critical skills areas, 22.2%~~**11.1%.**

(C) (b) ~~Based on research and development expenditures, for universities classified in Carnegie classifications as doctoral/research universities, research universities (high research activity), or research universities (very high research activity) only, 11.1%~~**5.6%.**

(D) (c) ~~Based on 6-year graduation rate, total degree completions, and institutional support as a percentage of core expenditures, AND STUDENTS RECEIVING PELL GRANTS, scored against national Carnegie classification peers and weighted by total undergraduate fiscal year equated students, 66.7%~~**33.3%.**

(5) For purposes of determining the score of a university under subsection ~~(4)(c)~~, **(4)(D)**, each university is assigned 1 of the following scores:

(a) A university classified as in the top 20%, a score of 3.

(b) A university classified as above national median, a score of 2.

(c) A university classified as improving, a score of 2. It is the intent of the legislature that, beginning in the ~~2014-2015~~ **2015-2016** state fiscal year, a university classified as improving is assigned a score of 1.

(d) A university that is not included in subdivision (a), (b), or (c), a score of 0.

(6) For purposes of this section, "Carnegie classification" shall mean the basic classification of the university according to the most recent version of the Carnegie classification of institutions of higher education, published by the Carnegie foundation for the advancement of teaching.

Sec. 267. All public universities shall submit the amount of tuition and fees actually charged to a full-time resident undergraduate student for academic year ~~2013-2014~~ **2014-2015** as part of their higher education institutional data inventory (HEIDI) data by August 31 of each year. A public university shall report any revisions for any semester of the reported academic year ~~2013-2014~~ **2014-2015** tuition and fee charges to HEIDI within 15 days of being adopted.

Sec. 268. (1) For the fiscal year ending September 30, ~~2013~~, **2014**, it is the intent of the legislature that funds be allocated for unfunded North American Indian tuition waiver costs incurred by public universities under 1976 PA 174, MCL 390.1251 to 390.1253, from the general fund.

(2) APPROPRIATIONS IN SECTION 236(8)(F) FOR NORTH AMERICAN INDIAN TUITION WAIVERS SHALL BE PAID TO UNIVERSITIES UNDER SECTION 2A OF 1976 PA 174, MCL 390.1252A. ALLOCATIONS SHALL BE ADJUSTED FOR AMOUNTS INCLUDED IN UNIVERSITY OPERATIONS APPROPRIATIONS. IF FUNDS ARE INSUFFICIENT TO SUPPORT THE ENTIRE COST OF WAIVERS, AMOUNTS SHALL BE PRORATED.

(3) (2) By February 15 of each year, the department of civil rights shall annually submit to the state budget director, the house and senate appropriations subcommittees on higher education, and the house and senate fiscal agencies ~~for the preceding fiscal year~~ a report on North American Indian tuition waivers **FOR THE PRECEDING FISCAL YEAR** that includes, but is not limited to, all of the following information for each postsecondary institution:

(a) The total number of waiver applications.

(b) The total number of waivers granted and the monetary value of each waiver.

(c) The number of students who withdraw from classes.

(d) The number of students who successfully complete a degree or certificate program and the 6-year graduation rate.

Sec. 269. For fiscal year ~~2013-2014~~, **2014-2015**, from the amount appropriated in section 236 to Central Michigan University for operations, \$29,700.00 shall be paid to Saginaw Chippewa Tribal College for the costs of waiving tuition for North American Indians under 1976 PA 174, MCL 390.1251 to 390.1253.

Sec. 270. For fiscal year ~~2013-2014~~ **2014-2015** from the amount appropriated in section 236 to Lake Superior State University for operations, \$100,000.00 shall be paid to Bay Mills Community College for the costs of waiving tuition for North American Indians under 1976 PA 174, MCL 390.1251 to 390.1253.

SEC. 271A. IT IS THE INTENT OF THE LEGISLATURE THAT A PUBLIC UNIVERSITY THAT RECEIVES FUNDS UNDER SECTION 236 SHALL NOT KNOWINGLY AND DIRECTLY USE ANY PORTION OF THOSE FUNDS TO OFFER ANY INSTRUCTIONAL ACTIVITY THAT TARGETS SPECIFIC COMPANIES OR SPECIFIC GROUPS OF COMPANIES FOR UNIONIZATION OR DECERTIFICATION OF A UNION.

Sec. 272a. By February 15, ~~2014~~, **OF EACH YEAR**, each public university receiving funds under section 236 shall submit a report to the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget director regarding the rejection of transfer credits by the university in the prior year. The report shall include information on the number of credits earned by incoming **RESIDENT** students at other postsecondary institutions **IN THIS STATE**, with the equivalent of a letter grade of C or higher, that were rejected by the university for transfer, reported by both academic program area and prior institution, along with explanatory information regarding the rationale for the rejection of the credits. Data may be reported on either an academic or calendar year basis.

Sec. 273. It is the intent of the legislature that each public university shall submit a report to the house and senate appropriations committees, the house and senate fiscal agencies, and the state budget director by October 15, ~~2013~~, **2014**, on the university's efforts to accommodate the sincerely held religious beliefs of students enrolled in accredited counseling degree programs at the university.

Sec. 274. It is the intent of the legislature that public and private organizations that conduct human embryonic stem cell derivation subject to section 27 of article I of the state constitution of 1963 will provide information to the director of the department of community health by December 1, ~~2013~~ **2014** that includes all of the following:

(a) Documentation that the organization conducting human embryonic stem cell derivation is conducting its activities in compliance with the requirements of section 27 of article I of the state constitution of 1963 and all relevant national institutes of health guidelines pertaining to embryonic stem cell derivation.

(b) A list of all human embryonic stem cell lines submitted by the organization to the national institutes of health for inclusion in the human embryonic stem cell registry before and during fiscal year ~~2012-2013~~, **2013-2014**, and the status of each submission as approved, pending approval, or review completed but not yet accepted.

(c) Number of human embryonic stem cell lines derived and not submitted for inclusion in the human embryonic stem cell registry, before and during fiscal year ~~2012-2013~~, **2013-2014**.

Sec. 274a. (1) It is the intent of the legislature that a public university that receives funds in section 236 not provide health insurance or other fringe benefits for any adult coresident of an employee of the university who is not married to or a dependent of that employee or for any dependent of such an adult coresident.

(2) It is the intent of the legislature that each public university receiving funds in section 236 submit a report by December 1, ~~2013~~ **2014** to the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget director containing the number of individuals described in subsection (1) who received health insurance or other fringe benefits provided by the university in fiscal year ~~2012-2013~~ **2013-2014** and the cost to the university of providing those benefits.

Sec. 275. (1) It is the intent of the legislature that each public university that receives an appropriation in section 236 do all of the following:

(a) Meet the provisions of section 5003 of the post-911 veterans educational assistance act of 2008, 38 USC 3301 to 3324, including voluntary participation in the yellow ribbon GI education enhancement program established in that act in 38 USC 3317. By October 1 of each year, each public university shall report to the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the presidents council, state universities of Michigan on whether or not it has chosen to participate in the yellow ribbon GI education enhancement program. If at any time during the fiscal year a university participating in the yellow ribbon program chooses to leave the yellow ribbon program, it shall notify the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the presidents council, state universities of Michigan.

(b) Establish an on-campus veterans' liaison to provide information and assistance to all student veterans.

(c) Provide flexible enrollment application deadlines for all veterans.

(d) Include in its admission application process a specific question as to whether an applicant for admission is a veteran, an active member of the military, a member of the national guard or military reserves, or the spouse or dependent of a veteran, active member of the military, or member of the national guard or military reserves, in order to more quickly identify potential educational assistance available to that applicant.

(e) Consider all veterans residents of this state for determining their tuition rates and fees.

(f) Waive enrollment fees for all veterans.

(2) BY OCTOBER 1 OF EACH YEAR, EACH PUBLIC UNIVERSITY SHALL REPORT TO THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION, THE HOUSE AND SENATE FISCAL AGENCIES, AND THE DEPARTMENT OF MILITARY AND VETERANS AFFAIRS REGARDING SERVICES PROVIDED SPECIFICALLY TO VETERANS AND ACTIVE MILITARY DUTY PERSONNEL, INCLUDING, BUT NOT LIMITED TO, THE SERVICES DESCRIBED IN SUBSECTION (1).

(3) (2) As used in this section, "veteran" means an honorably discharged veteran entitled to educational assistance under the provisions of section 5003 of the post-911 veterans educational assistance act of 2008, 38 USC 3301 to 3324.

Sec. 276. (1) Included in the appropriation for fiscal year ~~2013-2014~~ **2014-2015** for each public university in section 236 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks future faculty program that is intended to increase the pool of academically or economically disadvantaged candidates pursuing faculty teaching careers in postsecondary education.

Preference may not be given to applicants on the basis of race, color, ethnicity, gender, or national origin. Institutions should encourage applications from applicants who would otherwise not adequately be represented in the graduate student and faculty populations. Each public university shall apply the percentage change applicable to every public university in the calculation of appropriations in section 236 to the amount of funds allocated to the future faculty program.

(2) The program shall be administered by each public university in a manner prescribed by the workforce development agency. The workforce development agency shall use a good faith effort standard to evaluate whether a fellowship is in default.

Sec. 277. (1) Included in the appropriation for fiscal year ~~2013-2014~~ **2014-2015** for each public university in section 236 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks college day program that is intended to introduce academically or economically disadvantaged schoolchildren to the potential of a college education. Preference may not be given to participants on the basis of race, color, ethnicity, gender, or national origin. Public universities should encourage participation from those who would otherwise not adequately be represented in the student population.

(2) Individual program plans of each public university shall include a budget of equal contributions from this program, the participating public university, the participating school district, and the participating independent degree-granting college. College day funds shall not be expended to cover indirect costs. Not more than 20% of the university match shall be attributable to indirect costs. Each public university shall apply the percentage change applicable to every public university in the calculation of appropriations in section 236 to the amount of funds allocated to the college day program.

(3) The program described in this section shall be administered by each public university in a manner prescribed by the workforce development agency.

Sec. 278. (1) Included in section 236 for fiscal year ~~2013-2014~~ **2014-2015** is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks select student support services program for developing academically or economically disadvantaged student retention programs for 4-year public and independent educational institutions in this state. Preference may not be given to participants on the basis of race, color, ethnicity, gender, or national origin. Institutions should encourage participation from those who would otherwise not adequately be represented in the student population.

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

(3) The program described in this section shall be administered by the workforce development agency.

Sec. 279. (1) Included in section 236 for fiscal year ~~2013-2014~~ **2014-2015** is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks college/university partnership program between 4-year public and independent colleges and universities and public community colleges, which is intended to increase the number of academically or economically disadvantaged students who transfer from community colleges into baccalaureate programs. Preference may not be given to participants on the basis of race, color, ethnicity, gender, or national origin. Institutions should encourage participation from those who would otherwise not adequately be represented in the transfer student population.

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

(3) The program described in this section shall be administered by the workforce development agency.

Sec. 280. (1) Included in the appropriation for fiscal year ~~2013-2014~~ **2014-2015** for each public university in section 236 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks visiting professors program which is intended to increase the number of instructors in the classroom to provide role models for academically or economically disadvantaged students. Preference may not be given to participants on the basis of race, color, ethnicity, gender, or national origin. Public universities should encourage participation from those who would otherwise not adequately be represented in the student population.

(2) The program described in this section shall be administered by the workforce development agency.

Sec. 281. (1) Included in the appropriation for fiscal year ~~2013-2014~~ **2014-2015** in section 236 is funding under the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks initiative for the Morris Hood, Jr. educator development program which is intended to increase the number of academically or economically disadvantaged students who enroll in and complete K-12 teacher education programs at the baccalaureate level. Preference may not be given to participants on the basis of race, color, ethnicity, gender, or national origin. Institutions should encourage participation from those who would otherwise not adequately be represented in the teacher education student population.

(2) The program described in this section shall be administered by each state-approved teacher education institution in a manner prescribed by the workforce development agency.

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

Sec. 282. Each institution receiving funds under section 278, 279, or 281 shall notify the workforce development agency by April 15, ~~2014~~ **OF EACH YEAR** as to whether it will expend by the end of its fiscal year the funds received under section 278, 279, or 281. Notwithstanding the award limitations in sections 278 and 279, the amount of funding reported as not being expended will be reallocated to the institutions that intend to expend all funding received under section 278, 279, or 281.

Sec. 283. (1) From the amount appropriated in section 236, the public universities shall systematically inform Michigan high schools regarding the academic status of students from each high school in a manner prescribed by the presidents council, state

universities of Michigan in cooperation with the Michigan association of secondary school principals. Public universities shall also work with the center for educational performance and information to ~~design and implement~~ MAINTAIN a systematic approach for accomplishing this task.

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

Sec. 284. From the amount appropriated in section 236, the public universities shall inform Michigan community colleges regarding the academic status of community college transfer students in a manner prescribed by the presidents council, state universities of Michigan in cooperation with the Michigan community college association. Public universities shall also work with the center for educational performance and information to ~~design and implement~~ MAINTAIN a systematic approach for accomplishing this task.

Enacting section 1. (1) In accordance with section 30 of article IX of the state constitution of 1963, total state spending on school aid under 2013 PA 60, 2013 PA 130, 2014 PA 116, and this amendatory act from state sources for fiscal year 2013-2014 is estimated at \$11,506,132,300.00 and state appropriations for school aid to be paid to local units of government for fiscal year 2013-2014 are estimated at \$11,343,224,700.00. In accordance with section 30 of article I of the state constitution of 1963, total state spending on school aid under article I as amended by this amendatory act from state sources for fiscal year 2014-2015 is estimated at \$12,062,162,900.00 and state appropriations for school aid to be paid to local units of government for fiscal year 2014-2015 are estimated at \$11,905,777,600.00.

(2) In accordance with section 30 of article IX of the state constitution of 1963, total state spending from state sources for community colleges for fiscal year 2014-2015 under article II is estimated at \$364,724,900.00 and the amount of that state spending from state sources to be paid to local units of government for fiscal year 2014-2015 is estimated at \$364,724,900.00.

(3) In accordance with section 30 of article IX of the state constitution of 1963, total state spending from state sources for higher education for fiscal year 2014-2015 under article III is estimated at \$1,419,469,900.00 and the amount of that state spending from state sources to be paid to local units of government for fiscal year 2014-2015 is estimated at \$0.

Enacting section 2. Sections 22k, 64a, 82, 95, and 229b of the state school aid act of 1979, 1979 PA 94, MCL 388.1622k, 388.1664a, 388.1682, 388.1695, and 388.1829b, are repealed.

Enacting section 3. (1) Except as otherwise provided in subsection (2), this amendatory act takes effect October 1, 2014.

(2) Sections 11, 22i, 41, and 101 of the state school aid act of 1979, 1979 PA 94, MCL 388.1611, 388.1622i, 388.1641, and 388.1701, as amended by this amendatory act, and section 104c of the state school aid act of 1979, 1979 PA 94, MCL 388.1704c, as added by this amendatory act, take effect upon enactment of this amendatory act.

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

A bill to amend 1979 PA 94, entitled "An act to make appropriations to aid in the support of the public schools, the intermediate school districts, community colleges, and public universities of the state; to make appropriations for certain other purposes relating to education; to provide for the disbursement of the appropriations; to authorize the issuance of certain bonds and provide for the security of those bonds; to prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to create certain funds and provide for their expenditure; to prescribe penalties; and to repeal acts and parts of acts," by amending sections 6, 8b, 11, 11a, 11g, 11j, 11k, 11m, 12, 15, 17a, 18, 19, 20, 20d, 20f, 20g, 21b, 21f, 22a, 22b, 22c, 22d, 22f, 22g, 22i, 22j, 24, 24a, 24c, 25e, 25f, 26a, 26b, 26c, 31a, 31d, 31f, 32d, 32p, 39, 39a, 41, 51a, 51c, 51d, 53a, 54, 56, 61a, 62, 74, 81, 94, 94a, 98, 99, 99h, 101, 104, 104b, 107, 147, 147a, 147c, 152a, 161, 163, 168, 201, 201a, 202a, 206, 209, 210b, 217, 224, 225, 229, 229a, 230, 236, 236a, 236b, 236c, 241, 245, 246, 252, 256, 263, 263a, 264, 265, 265a, 267, 268, 269, 270, 272a, 273, 274, 274a, 275, 276, 277, 278, 279, 280, 281, 282, 283, and 284 (MCL 388.1606, 388.1608b, 388.1611, 388.1611a, 388.1611g, 388.1611j, 388.1611k, 388.1611m, 388.1612, 388.1615, 388.1617a, 388.1618, 388.1619, 388.1620, 388.1620d, 388.1620f, 388.1620g, 388.1621b, 388.1621f, 388.1622a, 388.1622b, 388.1622c, 388.1622d, 388.1622f, 388.1622g, 388.1622i, 388.1622j, 388.1624, 388.1624a, 388.1624c, 388.1625e, 388.1625f, 388.1626a, 388.1626b, 388.1626c, 388.1631a, 388.1631d, 388.1631f, 388.1632d, 388.1632p, 388.1639, 388.1639a, 388.1641, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1656, 388.1661a, 388.1662, 388.1674, 388.1681, 388.1694, 388.1694a, 388.1698, 388.1699, 388.1699h, 388.1701, 388.1704, 388.1704b, 388.1707, 388.1747, 388.1747a, 388.1747c, 388.1752a, 388.1761, 388.1763, 388.1768, 388.1801, 388.1801a, 388.1802a, 388.1806, 388.1809, 388.1810b, 388.1817, 388.1824, 388.1825, 388.1829, 388.1829a, 388.1830, 388.1836, 388.1836a, 388.1836b, 388.1836c, 388.1841, 388.1845, 388.1846, 388.1852, 388.1856, 388.1863, 388.1863a, 388.1864, 388.1865, 388.1865a, 388.1867, 388.1868, 388.1869, 388.1870, 388.1872a, 388.1873, 388.1874, 388.1874a, 388.1875, 388.1876, 388.1877, 388.1878, 388.1879, 388.1880, 388.1881, 388.1882, 388.1883, and 388.1884), sections 6, 20, 24c, 25e, 26a, 74, 104b, 107, and 147a as amended by 2013 PA 130, section 8b as amended by 2007 PA 92, sections 11, 11m, 20g, 21f, 22a, 22b, 22g, 51a, 51c, 99h, 101, and 147c as amended and sections 25f and 94 as added by 2014 PA 116, sections 11a, 11j, 11k, 12, 15, 18, 19, 20d, 22d, 22f, 22i, 22j, 24, 24a, 26b, 26c, 31a, 31d, 31f, 32d, 32p, 39, 39a, 41, 51d, 53a, 54, 56, 61a, 62, 81, 94a, 98, 99, 104, 147, 152a, 201, 201a, 206, 209, 224, 225, 229, 229a, 230, 236, 236a, 236b, 241, 245, 246, 252, 263, 263a, 264, 265, 265a, 267, 268, 269, 270, 273, 274, 274a, 275, 276, 277, 278, 279, 280, 281, and 282 as amended and sections 20f, 22c, 210b, 236c, and 272a as added by 2013 PA 60, sections 11g and 17a as amended by 2013 PA 97, section 21b as amended by 2004 PA 351, section 161 as amended by 1990 PA 207, section 163 as amended by 2007 PA 137, section 168 as added by 1993 PA 175,

and section 202a as added and sections 217, 256, 283, and 284 as amended by 2012 PA 201, and by adding sections 11r, 31g, 43, 64b, 64c, 74a, 95a, 99b, 104c, 147d, 164f, 207a, 207b, 207c, and 271a; and to repeal acts and parts of acts.

Bill Rogers
Joe Haveman
Conferees for the House

Roger Kahn
John Moolenaar
Conferees for the Senate

The Speaker announced that under Joint Rule 9 the conference report would lie over one day.

Rep. Stamas moved pursuant to Joint Rule 9, that the Journal printing requirement be suspended, printed copies of the conference report having been made available to each Member.

The motion prevailed.

The question being on the adoption of the conference report,

The conference report was then adopted, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 408

Yeas—60

Abed	Foster	Lauwers	Poleski
Bolger	Franz	Leonard	Potvin
Brinks	Glardon	Lori	Price
Brown	Goike	Lund	Pscholka
Brunner	Haveman	Lyons	Rendon
Bumstead	Jacobsen	MacGregor	Rogers
Callton	Jenkins	MacMaster	Schmidt
Clemente	Johnson	McBroom	Shirkey
Cochran	Kelly	Muxlow	Stamas
Cotter	Kivela	Nathan	VerHeulen
Daley	Kosowski	Nesbitt	Victory
Denby	Kowall	Olumba	Walsh
Dianda	Kurtz	Outman	Yanez
Faris	LaFontaine	Pagel	Yonker
Forlini	Lamonte	Pettalia	Zorn

Nays—50

Banks	Haines	Lipton	Segal
Barnett	Haugh	McCann	Singh
Cavanagh	Heise	McCready	Slavens
Crawford	Hobbs	McMillin	Smiley
Darany	Hooker	O'Brien	Somerville
Dillon	Hovey-Wright	Oakes	Stallworth
Driskell	Howrylak	Phelps	Stanley
Durhal	Irwin	Roberts	Switalski
Farrington	Kandrevas	Robinson	Talabi
Geiss	Kesto	Rutledge	Tlaib
Genetski	Knezek	Santana	Townsend
Graves	Lane	Schor	Zemke
Greimel	LaVoy		

In The Chair: Cotter

Rep. Howrylak, having reserved the right to explain his nay vote, made the following statement:

“Mr. Speaker and members of the House:

This budget could have been something where everyone came away as a winner. As it stands, there are noticeable inequities. Districts in metro Detroit, particularly those who have additional mill levies, are not seeing equitable and

reasonable increases in per pupil funding commensurate with past practice. Indeed, 2x funding has become 3.5x funding this year. And while I strongly believe in the importance of closing the school funding gap, it should be in a way that is collaborate and not punitive.”

Third Reading of Bills

Senate Bill No. 444, entitled

A bill to amend 1994 PA 451, entitled “Natural resources and environmental protection act,” by amending sections 3301, 3305, 3306, 3307, 3309, 3311, 30103, and 30113 (MCL 324.3301, 324.3305, 324.3306, 324.3307, 324.3309, 324.3311, 324.30103, and 324.30113), sections 3301, 3305, 3307, 3309, and 3311 as added by 2004 PA 246, section 3306 as amended by 2011 PA 90, section 30103 as amended by 2013 PA 98, and section 30113 as amended by 2006 PA 496, and by adding section 3315.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 409

Yeas—60

Bolger	Haines	Lori	Poleski
Bumstead	Haveman	Lund	Potvin
Callton	Heise	Lyons	Price
Cotter	Hooker	MacGregor	Pscholka
Crawford	Howrylak	MacMaster	Rendon
Daley	Jacobsen	McBroom	Rogers
Denby	Jenkins	McCready	Schmidt
Farrington	Johnson	McMillin	Shirkey
Forlini	Kelly	Muxlow	Somerville
Foster	Kesto	Nesbitt	Stamas
Franz	Kowall	O’Brien	VerHeulen
Genetski	Kurtz	Olumba	Victory
Gardon	LaFontaine	Outman	Walsh
Goike	Lauwers	Pagel	Yonker
Graves	Leonard	Pettalia	Zorn

Nays—50

Abed	Durhal	Lane	Segal
Banks	Faris	LaVoy	Singh
Barnett	Geiss	Lipton	Slavens
Brinks	Greimel	McCann	Smiley
Brown	Haugh	Nathan	Stallworth
Brunner	Hobbs	Oakes	Stanley
Cavanagh	Hovey-Wright	Phelps	Switalski
Clemente	Irwin	Roberts	Talabi
Cochran	Kandrevas	Robinson	Tlaib
Darany	Kivela	Rutledge	Townsend
Dianda	Knezek	Santana	Yanez
Dillon	Kosowski	Schor	Zemke
Driskell	Lamonte		

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

“An act to protect the environment and natural resources of the state; to codify, revise, consolidate, and classify laws relating to the environment and natural resources of the state; to regulate the discharge of certain substances into the environment; to regulate the use of certain lands, waters, and other natural resources of the state; to protect the people’s right to hunt and fish; to prescribe the powers and duties of certain state and local agencies and officials; to provide for certain charges, fees, assessments, and donations; to provide certain appropriations; to prescribe penalties and provide remedies; and to repeal acts and parts of acts,”

The House agreed to the full title.

Rep. Stamas moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

Senate Bill No. 327, entitled

A bill to amend 1941 PA 122, entitled “An act to establish the revenue collection duties of the department of treasury; to prescribe its powers and duties as the revenue collection agency of this state; to prescribe certain powers and duties of the state treasurer; to establish the collection duties of certain other state departments for money or accounts owed to this state; to regulate the importation, stamping, and disposition of certain tobacco products; to provide for the transfer of powers and duties now vested in certain other state boards, commissions, departments, and offices; to prescribe certain duties of and require certain reports from the department of treasury; to provide procedures for the payment, administration, audit, assessment, levy of interests or penalties on, and appeals of taxes and tax liability; to prescribe its powers and duties if an agreement to act as agent for a city to administer, collect, and enforce the city income tax act on behalf of a city is entered into with any city; to provide an appropriation; to abolish the state board of tax administration; to prescribe penalties and provide remedies; and to declare the effect of this act,” by amending section 4 (MCL 205.4), as amended by 2002 PA 657.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 410

Yeas—109

Abed	Glardon	Lauwers	Rendon
Banks	Goike	LaVoy	Roberts
Barnett	Graves	Leonard	Rogers
Bolger	Greimel	Lipton	Rutledge
Brinks	Haines	Lori	Santana
Brown	Haugh	Lund	Schmidt
Brunner	Haveman	Lyons	Schor
Bumstead	Heise	MacGregor	Segal
Callton	Hobbs	MacMaster	Shirkey
Cavanagh	Hooker	McBroom	Singh
Clemente	Hovey-Wright	McCann	Slavens
Cochran	Howrylak	McCready	Smiley
Cotter	Irwin	McMillin	Somerville
Crawford	Jacobsen	Muxlow	Stallworth
Daley	Jenkins	Nathan	Stamas
Darany	Johnson	Nesbitt	Stanley
Denby	Kandrevas	O’Brien	Switalski
Dianda	Kelly	Oakes	Talabi
Dillon	Kesto	Olumba	Tlaib
Driskell	Kivela	Outman	Townsend
Durhal	Knezek	Pagel	VerHeulen
Faris	Kosowski	Pettalia	Victory
Farrington	Kowall	Phelps	Walsh
Forlini	Kurtz	Poleski	Yanez
Foster	LaFontaine	Potvin	Yonker
Franz	Lamonte	Price	Zemke
Geiss	Lane	Pscholka	Zorn
Genetski			

Nays—1

Robinson

In The Chair: Cotter

The House agreed to the title of the bill.
Rep. Stamas moved that the bill be given immediate effect.
The motion prevailed, 2/3 of the members serving voting therefor.

Associate Speaker Pro Tempore Cotter called Associate Speaker Pro Tempore O'Brien to the Chair.

Second Reading of Bills**House Bill No. 5230, entitled**

A bill to amend 1961 PA 236, entitled "Revised judiciary act of 1961," by amending sections 3801, 3805, 3810, 3815, 3820, 3825, and 3835 (MCL 600.3801, 600.3805, 600.3810, 600.3815, 600.3820, 600.3825, and 600.3835), section 3801 as amended by 2012 PA 352.

Was read a second time, and the question being on the adoption of the proposed substitute (H-3) previously recommended by the Committee on Criminal Justice,

The substitute (H-3) was adopted, a majority of the members serving voting therefor.

Rep. McBroom moved to amend the bill as follows:

1. Amend page 8, following line 4, by inserting:

"Enacting section 2. This amendatory act does not take effect unless House Bill No. 5250 of the 97th Legislature is enacted into law."

The motion did not prevail and the amendment was not adopted, a majority of the members serving not voting therefor.

Rep. McMillin moved to amend the bill as follows:

1. Amend page 7, following line 20, by inserting:

"(6) UNLESS AN ACTION HAS BEEN FILED UNDER THIS CHAPTER AND THE COURT HAS ORDERED THE PROPERTY THAT IS THE SUBJECT OF THE ACTION TO BE SOLD, THE EXPENSES OF SEIZING AND KEEPING THE PROPERTY AND THE COSTS OF THE ACTION MAY NOT BE CHARGED TO THE OWNER, LESSEE, OR POSSESSOR OF THE PROPERTY."

The motion did not prevail and the amendment was not adopted, a majority of the members serving not voting therefor.

Rep. Cavanagh moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

Senate Bill No. 678, entitled

A bill to amend 1993 PA 327, entitled "Tobacco products tax act," by amending section 12 (MCL 205.432), as amended by 2012 PA 188.

Was read a second time, and the question being on the adoption of the proposed substitute (H-1) previously recommended by the Committee on Appropriations,

The substitute (H-1) was adopted, a majority of the members serving voting therefor.

Rep. Stamas moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

Senate Bill No. 535, entitled

A bill to create the methamphetamine abuse reporting act; to require the department of state police to report methamphetamine-related offenses to the national association of drug diversion investigators (NADDI); to require the

entry of methamphetamine-related offenses into the national precursor log exchange (NPLEx) system; to provide civil immunity under certain circumstances; to prohibit the disclosure of certain information under certain circumstances; and to provide remedies and penalties.

The bill was read a second time.

Rep. Stamas moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

Senate Bill No. 756, entitled

A bill to amend 1978 PA 368, entitled "Public health code," by amending sections 7340a and 17766f (MCL 333.7340a and 333.17766f), section 7340a as added by 2011 PA 84 and section 17766f as amended by 2011 PA 86.

Was read a second time, and the question being on the adoption of the proposed amendment previously recommended by the Committee on Criminal Justice (for amendment, see House Journal No. 54, p. 1054),

The amendment was adopted, a majority of the members serving voting therefor.

Rep. Stamas moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

Senate Bill No. 644, entitled

A bill to amend 1976 PA 451, entitled "The revised school code," by amending section 1311g (MCL 380.1311g), as amended by 2008 PA 1; and to repeal acts and parts of acts.

The bill was read a second time.

Rep. Stamas moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

Senate Bill No. 817, entitled

A bill to amend 1976 PA 451, entitled "The revised school code," by amending section 1249 (MCL 380.1249), as amended by 2011 PA 102.

The bill was read a second time.

Rep. Lyons moved to amend the bill as follows:

1. Amend page 3, line 23, after "(i)" by striking out the balance of the line through "40%" on line 2 of page 4 and inserting "AT least 50%".

2. Amend page 9, line 17, after "least" by striking out "40%" and inserting "50%".

The motion prevailed and the amendments were adopted, a majority of the members serving voting therefor.

Rep. Stamas moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

Senate Bill No. 715, entitled

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," (MCL 500.100 to 500.8302) by adding chapter 22A.

Was read a second time, and the question being on the adoption of the proposed substitute (H-1) previously recommended by the Committee on Insurance,

The substitute (H-1) was adopted, a majority of the members serving voting therefor.

Rep. Stamas moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

Senate Bill No. 613, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," (MCL 324.101 to 324.90106) by adding section 40115.

Was read a second time, and the question being on the adoption of the proposed substitute (H-2) previously recommended by the Committee on Natural Resources,

The substitute (H-2) was adopted, a majority of the members serving voting therefor.

Rep. Stamas moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

Senate Bill No. 481, entitled

A bill to amend 1980 PA 299, entitled "Occupational code," (MCL 339.101 to 339.2919) by adding section 205a; and to repeal acts and parts of acts.

The bill was read a second time.

Rep. Stamas moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

Senate Bill No. 484, entitled

A bill to amend 1979 PA 152, entitled "State license fee act," by repealing section 29 (MCL 338.2229).

The bill was read a second time.

Rep. Stamas moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

Senate Bill No. 904, entitled

A bill to amend 1927 PA 175, entitled "The code of criminal procedure," by amending section 13n of chapter XVII (MCL 777.13n), as amended by 2012 PA 513.

The bill was read a second time.

Rep. Crawford moved to substitute (H-2) the bill.

The motion prevailed and the substitute (H-2) was adopted, a majority of the members serving voting therefor.

Rep. Stamas moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

Senate Bill No. 846, entitled

A bill to amend 1998 PA 58, entitled "Michigan liquor control code of 1998," by amending section 521a (MCL 436.1521a), as amended by 2010 PA 369.

Was read a second time, and the question being on the adoption of the proposed amendment previously recommended by the Committee on Regulatory Reform (for amendment, see House Journal No. 56, p. 1140),

The amendment was adopted, a majority of the members serving voting therefor.

Rep. Stamas moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

Senate Bill No. 704, entitled

A bill to amend 1978 PA 368, entitled "Public health code," by amending sections 16233, 16241, 17702, 17704, 17706, 17707, 17709, 17742, and 17748 (MCL 333.16233, 333.16241, 333.17702, 333.17704, 333.17706, 333.17707, 333.17709, 333.17742, and 333.17748), sections 16233 and 16241 as amended by 2013 PA 268, section 17702 as amended by 2012 PA 209, section 17706 as amended by 1986 PA 304, section 17707 as amended by 1990 PA 333, section 17709 as amended by 2006 PA 672, section 17742 as added by 1987 PA 250, and section 17748 as amended by 1988 PA 462, and by adding sections 17748a, 17748b, 17748c, and 17748d.

Was read a second time, and the question being on the adoption of the proposed amendments previously recommended by the Committee on Regulatory Reform (for amendments, see House Journal No. 56, p. 1140),

The amendments were adopted, a majority of the members serving voting therefor.

Rep. Crawford moved to substitute (H-3) the bill.

The motion prevailed and the substitute (H-3) was adopted, a majority of the members serving voting therefor.

Rep. Stamas moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

House Bill No. 4545, entitled

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending section 907 (MCL 257.907), as amended by 2011 PA 159 and by adding section 676c.

Was read a second time, and the question being on the adoption of the proposed substitute (H-2) previously recommended by the Committee on Judiciary,

The substitute (H-2) was not adopted, a majority of the members serving not voting therefor.

Rep. Stamas moved to substitute (H-3) the bill.

The motion did not prevail and the substitute (H-3) was not adopted, a majority of the members serving not voting therefor.

Rep. Zorn moved to substitute (H-4) the bill.

The motion prevailed and the substitute (H-4) was adopted, a majority of the members serving voting therefor.

Rep. Zorn moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

Senate Bill No. 674, entitled

A bill to prohibit discriminatory practices, policies, and customs in the exercise of the right to breastfeed; to provide for enforcement of the right to breastfeed; and to provide remedies.

Was read a second time, and the question being on the adoption of the proposed amendment previously recommended by the Committee on Judiciary (for amendment, see House Journal No. 49, p. 953),

The amendment was adopted, a majority of the members serving voting therefor.

Rep. Stamas moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

House Bill No. 5608, entitled

A bill to amend 2004 PA 46, entitled "Public safety officers benefit act," by amending the title and section 2 (MCL 28.632) and by adding section 4a.

Was read a second time, and the question being on the adoption of the proposed substitute (H-1) previously recommended by the Committee on Appropriations,

The substitute (H-1) was not adopted, a majority of the members serving not voting therefor.

Rep. Schmidt moved to substitute (H-2) the bill.

The motion prevailed and the substitute (H-2) was adopted, a majority of the members serving voting therefor.

Rep. Schmidt moved to amend the bill as follows:

1. Amend page 4, line 17, after "A" by striking out "**COMPARABLE**".

The motion prevailed and the amendment was adopted, a majority of the members serving voting therefor.

Rep. Schmidt moved to amend the bill as follows:

1. Amend page 5, line 13, after "**FOLLOWING**" by inserting "**DEPENDENTS**".

The motion prevailed and the amendment was adopted, a majority of the members serving voting therefor.

Rep. Schmidt moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

House Bill No. 5397, entitled

A bill to authorize certain local units of government that own electric utilities to adopt residential clean energy programs to promote the use of renewable energy systems and energy efficiency improvements by owners of certain real property in certain districts; to provide for the financing of such programs through commercial lending, loans by a nonprofit corporation, utility bill charges, and other means; to authorize local units of government to issue bonds, notes, and other evidences of indebtedness and to pay the cost of renewable energy systems and energy efficiency improvements; to provide for the repayment of bonds, notes, and other evidences of indebtedness; to authorize certain fees; to prescribe the powers and duties of certain governmental officers and entities; and to provide for remedies.

Was read a second time, and the question being on the adoption of the proposed substitute (H-2) previously recommended by the Committee on Energy and Technology,

The substitute (H-2) was adopted, a majority of the members serving voting therefor.

Rep. Haveman moved that the bill be placed on the order of Third Reading of Bills.
The motion prevailed.

House Bill No. 4534, entitled

A bill to amend 1969 PA 287, entitled "An act to regulate pet shops, animal control shelters, and animal protection shelters; to establish uniform procedures and minimum requirements for adoption of dogs, cats, and ferrets; and to prescribe penalties and civil fines and to provide remedies," (MCL 287.331 to 287.340) by adding section 8b.

Was read a second time, and the question being on the adoption of the proposed substitute (H-7) previously recommended by the Committee on Judiciary,

The substitute (H-7) was adopted, a majority of the members serving voting therefor.

Rep. Muxlow moved to amend the bill as follows:

1. Amend page 2, line 13, by striking out all of enacting section 1.

The motion prevailed and the amendment was adopted, a majority of the members serving voting therefor.

Rep. Muxlow moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

House Bill No. 4755, entitled

A bill to amend 1931 PA 328, entitled "The Michigan penal code," by amending sections 49, 50, and 50b (MCL 750.49, 750.50, and 750.50b), section 49 as amended by 2006 PA 129, section 50 as amended by 2007 PA 152, and section 50b as amended by 2008 PA 339.

Was read a second time, and the question being on the adoption of the proposed substitute (H-2) previously recommended by the Committee on Judiciary,

The substitute (H-2) was adopted, a majority of the members serving voting therefor.

Rep. Santana moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

House Bill No. 5061, entitled

A bill to amend 1969 PA 287, entitled "An act to regulate pet shops, animal control shelters, and animal protection shelters; to establish uniform procedures and minimum requirements for adoption of dogs, cats, and ferrets; and to prescribe penalties and civil fines and to provide remedies," by amending section 1 (MCL 287.331), as amended by 1997 PA 7, and by adding section 8c.

Was read a second time, and the question being on the adoption of the proposed substitute (H-2) previously recommended by the Committee on Judiciary,

The substitute (H-2) was adopted, a majority of the members serving voting therefor.

Rep. Santana moved to amend the bill as follows:

1. Amend page 5, line 1, by striking out all of enacting section 1.

The motion prevailed and the amendment was adopted, a majority of the members serving voting therefor.

Rep. Santana moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

House Bill No. 5062, entitled

A bill to amend 1935 PA 120, entitled "An act to prescribe a method for the fingerprinting of residents of the state, and to provide for the recording and filing thereof by the central records division of the department of state police," by amending section 3 (MCL 28.273), as amended by 2012 PA 318.

Was read a second time, and the question being on the adoption of the proposed substitute (H-1) previously recommended by the Committee on Judiciary,

The substitute (H-1) was adopted, a majority of the members serving voting therefor.

Rep. Santana moved to amend the bill as follows:

1. Amend page 4, line 7, by striking out all of enacting section 1.

The motion prevailed and the amendment was adopted, a majority of the members serving voting therefor.

Rep. Santana moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

By unanimous consent the House returned to the order of
Motions and Resolutions

Rep. Stamas moved to suspend that portion of Rule 41 requiring bills to be handed to the Clerk three hours prior to calling the House to order.

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

Rep. Stamas moved that when the House adjourns today it stand adjourned until Thursday, June 12, at 10:00 a.m.
The motion prevailed.

Notices

I hereby give notice that on the next legislative session day I will move to discharge the Committee on Tax Policy from further consideration of **Senate Bill No. 786**.

Rep. Farrington

By unanimous consent the House returned to the order of
Reports of Standing Committees

The Committee on Tax Policy, by Rep. Farrington, Chair, reported

House Bill No. 4882, entitled

A bill to amend 1893 PA 206, entitled "The general property tax act," by amending section 78h (MCL 211.78h), as amended by 2001 PA 96, and by adding section 78q.

With the recommendation that the substitute (H-1) be adopted and that the bill then pass.

The bill and substitute were referred to the order of Second Reading of Bills.

Favorable Roll Call

To Report Out:

Yeas: Reps. Farrington, O'Brien, Genetski, Cotter, Foster, Lyons, Nesbitt, Price, Somerville, Kelly, Switalski, Haugh, LaVoy and Townsend

Nays: None

The Committee on Tax Policy, by Rep. Farrington, Chair, reported

Senate Bill No. 758, entitled

A bill to amend 1974 PA 263, entitled "An act to permit counties to impose and collect an excise tax on persons engaged in the business of providing rooms for dwelling, lodging, or sleeping purposes to transient guests; to provide for the disposition of the revenues thereof; and to prescribe penalties," by amending section 4 (MCL 141.864).

Without amendment and with the recommendation that the bill pass.

The bill was referred to the order of Second Reading of Bills.

Favorable Roll Call

To Report Out:

Yeas: Reps. Farrington, O'Brien, Genetski, Cotter, Foster, Lyons, Nesbitt, Price, Somerville, Kelly, Barnett, Switalski, Haugh, LaVoy and Townsend

Nays: None

COMMITTEE ATTENDANCE REPORT

The following report, submitted by Rep. Farrington, Chair, of the Committee on Tax Policy, was received and read:

Meeting held on: Wednesday, June 11, 2014

Present: Reps. Farrington, O'Brien, Genetski, Cotter, Foster, Lyons, Nesbitt, Price, Somerville, Kelly, Barnett, Switalski, Haugh, LaVoy and Townsend

The Committee on Commerce, by Rep. Foster, Chair, reported

House Bill No. 4783, entitled

A bill to amend 2010 PA 275, entitled "Next Michigan development act," by amending section 5 (MCL 125.2955).

With the recommendation that the substitute (H-1) be adopted and that the bill then pass.

The bill and substitute were referred to the order of Second Reading of Bills.

Favorable Roll Call

To Report Out:

Yeas: Reps. Foster, Zorn, Haines, Schmidt, Glardon, Nesbitt, Outman, Kelly, Switalski, Barnett, Townsend, Santana, Oakes and Driskell

Nays: Reps. Somerville and Leonard

The Committee on Commerce, by Rep. Foster, Chair, reported

Senate Bill No. 398, entitled

A bill to amend 2010 PA 275, entitled "Next Michigan development act," by amending section 4 (MCL 125.2954).

With the recommendation that the substitute (H-2) be adopted and that the bill then pass.

The bill and substitute were referred to the order of Second Reading of Bills.

Favorable Roll Call

To Report Out:

Yeas: Reps. Foster, Zorn, Haines, Schmidt, Glardon, Nesbitt, Outman, Kelly, Switalski, Barnett, Townsend, Santana, Oakes and Driskell

Nays: Reps. Somerville and Leonard

COMMITTEE ATTENDANCE REPORT

The following report, submitted by Rep. Foster, Chair, of the Committee on Commerce, was received and read:

Meeting held on: Wednesday, June 11, 2014

Present: Reps. Foster, Zorn, Haines, Schmidt, Farrington, Glardon, Johnson, Nesbitt, Somerville, Outman, Kelly, Leonard, Switalski, Barnett, Townsend, Santana, Oakes, Driskell and Yanez

COMMITTEE ATTENDANCE REPORT

The following report, submitted by Rep. Haveman, Chair, of the Committee on Appropriations, was received and read:

Meeting held on: Wednesday, June 11, 2014

Present: Reps. Haveman, Pscholka, Kowall, Lori, Rogers, Walsh, Bumstead, Forlini, MacGregor, MacMaster, Jenkins, Muxlow, Poleski, Potvin, McCready, VerHeulen, Shirkey, Tlaib, Brown, Durhal, McCann, Dillon, Kandrevas, Faris, Zemke and Singh

Absent: Reps. Stamas, Roberts and Olumba

Excused: Reps. Stamas, Roberts and Olumba

COMMITTEE ATTENDANCE REPORT

The following report, submitted by Rep. Lund, Chair, of the Committee on Government Operations, was received and read:

Meeting held on: Wednesday, June 11, 2014

Present: Reps. Lund, Jacobsen and Hobbs

Absent: Reps. Shirkey and Greimel

Excused: Reps. Shirkey and Greimel

Messages from the Governor

The following message from the Governor was received June 11, 2014 and read:

**EXECUTIVE ORDER
No. 2014 - 9****COMMISSION ON COMMUNITY ACTION AND ECONOMIC OPPORTUNITY
DEPARTMENT OF HUMAN SERVICES****EXECUTIVE REORGANIZATION**

WHEREAS, Section 1 of Article V of the Michigan Constitution of 1963 vests the executive power in the Governor; and
WHEREAS, Section 2 of Article V of the Michigan Constitution of 1963 empowers the Governor to make changes in the organization of the Executive Branch or in the assignment of functions among its units that the Governor considers necessary for efficient administration; and

WHEREAS, Section 8 of Article V of the Michigan Constitution of 1963 provides that each principal department shall be under the supervision of the Governor, unless otherwise provided by the Constitution; and

WHEREAS, there is a continued need to reorganize the functions of state government for efficient administration.

NOW, THEREFORE, I, Richard D. Snyder, Governor of the state of Michigan, by virtue of the powers and authority vested in the Governor by the Michigan Constitution of 1963 and Michigan law, order the following:

I. COMMISSION ON COMMUNITY ACTION AND ECONOMIC OPPORTUNITY

A. A new Commission on Community Action and Economic Opportunity is created within the Department of Human Services.

B. The Commission shall consist of the following twelve members:

1. Three elected public officials, who shall be appointed by the Governor with the advice and consent of the Senate;

2. Three members of the private sector, who shall be appointed by the Governor with the advice and consent of the Senate;

3. Three low income persons, as defined by § 4(2) of the Michigan Economic and Social Opportunity Act of 1981, 1981 PA 230, as amended by 2003 PA 123, who shall be appointed by the Governor with the advice and consent of the Senate; and

4. Three representatives of Michigan community action agencies, either as staff or board members, who shall be appointed by the Governor with the advice and consent of the Senate.

C. Four Commission members, including one appointed under each of subsections B.1, B.2, B.3, and B.4, shall serve one-year terms from the effective date of this order.

D. Four Commission members, including one appointed under each of subsections B.1, B.2, B.3, and B.4, shall serve two-year terms from the effective date of this order.

E. Four Commission members, including one appointed under each of subsections B.1, B.2, B.3, and B.4, shall serve three-year terms from the effective date of this order.

F. All subsequent appointments shall be for a term of three years. A vacancy on the board shall be filled in the same manner as the original appointment. Commission members may be reappointed to serve multiple terms.

G. The Governor shall designate the chairperson of the Commission, who shall serve as chairperson at the pleasure of the Governor.

H. The Commission on Community Action and Economic Opportunity shall be governed by the provisions of Section 6(4)-(5) of the of the Michigan Economic and Social Opportunity Act of 1981, 1981 PA 230, as amended by 2003 PA 123.

I. All of the statutory authority, powers, duties, functions, and responsibilities of the Commission on Community Action and Economic Opportunity created in Subsection 6 of the Michigan Economic and Social Opportunity Act of 1981, 1981 PA 230, as amended by 2003 PA 123, are transferred to the new Commission on Community Action and Economic Opportunity. The former Commission on Community Action and Economic Opportunity is abolished.

II. IMPLEMENTATION

A. All rules, orders, contracts, plans, and agreements relating to the functions transferred by this Order lawfully adopted prior to the effective date of this Order by the responsible state agency shall continue to be effective until revised, amended, or rescinded.

B. The State Budget Director shall determine and authorize the most efficient manner possible for handling financial transactions and records in the state's financial management system as necessary for the implementation of this Order.

C. Any suit, action, or other proceeding lawfully commenced by, against, or before any entity transferred by this Order shall not abate by reason of the taking effect of this Order. Any lawfully commenced suit, action, or other proceeding may be maintained by, against, or before the appropriate successor of any entity affected by this Order.

D. The invalidity of any portion of this Order shall not affect the validity of the remainder of the Order, which may be given effect without any invalid portion. Any portion of this Order found invalid by a court or other entity with proper jurisdiction shall be severable from the remaining portions of this Order.

In fulfillment of the requirements of Section 2 of Article V of the Michigan Constitution of 1963, this Order shall be effective 60 days after the filing of this Order.

[SEAL]

Given under my hand and the Great Seal of the state of Michigan this 11th day of June in the Year of our Lord Two Thousand Fourteen

RICHARD D. SNYDER

GOVERNOR

BY THE GOVERNOR:

RUTH A. JOHNSON

SECRETARY OF STATE

The message was referred to the Clerk.

Date: June 11, 2014

Time: 12:00 p.m.

To the Speaker of the House of Representatives:

Sir—I have this day approved and signed

Enrolled House Bill No. 4377 (Public Act No. 154, I.E.), being

An act to amend 1980 PA 299, entitled “An act to revise, consolidate, and classify the laws of this state regarding the regulation of certain occupations and to regulate certain persons and activities relative to those occupations; to create a board for each of those occupations; to establish the powers and duties of certain departments and agencies and the boards of each occupation; to provide for the promulgation of rules; to provide for certain fees; to provide for penalties and civil fines; to establish rights, relationships, and remedies of certain persons under certain circumstances; to provide immunity from certain civil liability for certain entities and certain related occupations under certain circumstances; to repeal certain parts of this act on a specific date; and to repeal certain acts and parts of acts,” by repealing article 23 (MCL 339.2301 to 339.2310).

(Filed with the Secretary of State June 11, 2014, at 4:00 p.m.)

Date: June 11, 2014

Time: 12:12 p.m.

To the Speaker of the House of Representatives:

Sir—I have this day approved and signed

Enrolled House Bill No. 4392 (Public Act No. 156, I.E.), being

An act to amend 1980 PA 299, entitled “An act to revise, consolidate, and classify the laws of this state regarding the regulation of certain occupations and to regulate certain persons and activities relative to those occupations; to create a board for each of those occupations; to establish the powers and duties of certain departments and agencies and the boards of each occupation; to provide for the promulgation of rules; to provide for certain fees; to provide for penalties and civil fines; to establish rights, relationships, and remedies of certain persons under certain circumstances; to provide immunity from certain civil liability for certain entities and certain related occupations under certain circumstances; to repeal certain parts of this act on a specific date; and to repeal certain acts and parts of acts,” by repealing article 27 (MCL 339.2701 to 339.2721).

(Filed with the Secretary of State June 11, 2014, at 4:04 p.m.)

Date: June 11, 2014

Time: 2:32 p.m.

To the Speaker of the House of Representatives:

Sir—I have this day approved and signed

Enrolled House Bill No. 4376 (Public Act No. 157, I.E.), being

An act to amend 1943 PA 148, entitled “An act to provide for the regulation and licensing of proprietary schools in the state; to require surety; to provide for collection and disposition of fees; and to prescribe penalties for the violation of this act,” by amending section 2a (MCL 395.102a), as amended by 2009 PA 212; and to repeal acts and parts of acts.

(Filed with the Secretary of State June 11, 2014, at 4:06 p.m.)

Date: June 11, 2014
Time: 2:34 p.m.

To the Speaker of the House of Representatives:

Sir—I have this day approved and signed

Enrolled House Bill No. 4691 (Public Act No. 163, I.E.), being

An act to amend 1966 PA 225, entitled “An act to provide for the inspection, licensing, and regulation of carnival and amusement rides; to provide for the safety of the public using carnival and amusement rides; to create a carnival-amusement safety board in the department of licensing and regulation; to provide for the disposition of revenues; to make an appropriation; and to provide penalties for violations,” by amending the title and sections 6, 7, 10, 11, 13, 14, and 15 (MCL 408.656, 408.657, 408.660, 408.661, 408.663, 408.664, and 408.665), the title and sections 7 and 11 as amended by 1982 PA 35; and to repeal acts and parts of acts.

(Filed with the Secretary of State June 11, 2014, at 4:18 p.m.)

Explanation of “No” Votes

Rep. Barnett, having reserved the right to explain her nay vote pertaining to **Senate Bill No. 873**, made the following statement:

“Mr. Speaker and members of the House:

Article IV Sec. 27. of the Michigan constitution provides for the following effective dates of bills passed by the legislature: No act shall take effect until the expiration of 90 days from the end of the session at which it was passed, but the legislature may give immediate effect to acts by a two-thirds vote of the members elected to and serving in each house.”

Rep. Barnett, having reserved the right to explain her nay vote pertaining to **Senate Bill No. 875**, made the following statement:

“Mr. Speaker and members of the House:

Article IV Sec. 27. of the Michigan constitution provides for the following effective dates of bills passed by the legislature: No act shall take effect until the expiration of 90 days from the end of the session at which it was passed, but the legislature may give immediate effect to acts by a two-thirds vote of the members elected to and serving in each house.”

Rep. Barnett, having reserved the right to explain her nay vote pertaining to **Senate Bill No. 876**, made the following statement:

“Mr. Speaker and members of the House:

Article IV Sec. 27. of the Michigan constitution provides for the following effective dates of bills passed by the legislature: No act shall take effect until the expiration of 90 days from the end of the session at which it was passed, but the legislature may give immediate effect to acts by a two-thirds vote of the members elected to and serving in each house.”

Rep. Barnett, having reserved the right to explain her nay vote pertaining to **Senate Bill No. 853**, made the following statement:

“Mr. Speaker and members of the House:

Article IV Sec. 27. of the Michigan constitution provides for the following effective dates of bills passed by the legislature: No act shall take effect until the expiration of 90 days from the end of the session at which it was passed, but the legislature may give immediate effect to acts by a two-thirds vote of the members elected to and serving in each house.”

Introduction of Bills

Rep. Goike introduced

House Bill No. 5647, entitled

A bill to amend 1936 (Ex Sess) PA 1, entitled “Michigan employment security act,” by amending section 29 (MCL 421.29), as amended by 2013 PA 146.

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

Rep. Zorn introduced

House Bill No. 5648, entitled

A bill to amend 1949 PA 300, entitled “Michigan vehicle code,” (MCL 257.1 to 257.923) by adding section 676c.

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

Rep. Jenkins introduced

House Bill No. 5649, entitled

A bill to amend 1978 PA 368, entitled "Public health code," (MCL 333.1101 to 333.25211) by adding sections 16221a and 20165a.

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

Rep. Shirkey introduced

House Bill No. 5650, entitled

A bill to amend 2001 PA 34, entitled "Revised municipal finance act," by amending section 701 (MCL 141.2701), as amended by 2002 PA 500.

The bill was read a first time by its title and referred to the Committee on Financial Liability Reform.

Reps. Haines, Muxlow, Shirkey, Callton, Driskell, Kivela, Dianda, Schor, Segal, Slavens, Hooker, Heise, Kowall, Bumstead, Brown, Lane, Goike, Darany, Durhal, Talabi, Smiley, Brunner, Phelps, Dillon, Brinks, Cochran, Geiss, Knezek, Santana, Banks, Stanley, LaVoy, MacMaster, Genetski, Franz, Lori, O'Brien, Pagel, Victory, Graves, Denby, Kurtz and Rendon introduced

House Bill No. 5651, entitled

A bill to authorize access to and use of experimental treatments for patients with a terminal illness; to establish conditions for use of experimental treatment; to prohibit sanctions of health care providers solely for recommending or providing experimental treatment; to clarify duties of a health insurer with regard to experimental treatment authorized under this act; to prohibit certain actions by state officials, employees, and agents; and to restrict certain causes of action arising from experimental treatment.

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

Reps. Santana, Rutledge, Zemke, Slavens, Irwin, Stallworth, Hobbs, Hovey-Wright, Geiss and Barnett introduced

House Bill No. 5652, entitled

A bill to amend 1961 PA 236, entitled "Revised judicature act of 1961," (MCL 600.101 to 600.9947) by adding section 1035.

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

Reps. Price, Rutledge, Zemke, Slavens, Irwin, Stallworth, Hobbs, Hovey-Wright and Geiss introduced

House Bill No. 5653, entitled

A bill to amend 1931 PA 328, entitled "The Michigan penal code," by amending section 81 (MCL 750.81), as amended by 2012 PA 366.

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

Reps. Hovey-Wright, Barnett, Slavens, Singh, Roberts, Knezek and Oakes introduced

House Bill No. 5654, entitled

A bill to create the address confidentiality program; to provide certain protections for victims of domestic abuse, sexual assault, stalking, or human trafficking; and to prescribe duties and responsibilities of certain state departments and agencies.

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

Reps. Irwin, Rutledge, Zemke, Slavens, Stallworth, Hobbs, Hovey-Wright, Geiss and Barnett introduced

House Bill No. 5655, entitled

A bill to amend 1936 (Ex Sess) PA 1, entitled "Michigan employment security act," by amending sections 17 and 29 (MCL 421.17 and 421.29), section 17 as amended by 2011 PA 269 and section 29 as amended by 2013 PA 146, and by adding section 29a.

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

Reps. Singh, Rutledge, Slavens, Zemke, Irwin, Stallworth, Hobbs, Hovey-Wright, Geiss and Barnett introduced

House Bill No. 5656, entitled

A bill to amend 1976 PA 453, entitled "Elliott-Larsen civil rights act," by amending section 502 (MCL 37.2502), as amended by 1992 PA 124.

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

Reps. Olumba, Zemke, Slavens, Hobbs, Hovey-Wright, Geiss and Barnett introduced

House Bill No. 5657, entitled

A bill to amend 1976 PA 451, entitled "The revised school code," (MCL 380.1 to 380.1852) by adding section 1174. The bill was read a first time by its title and referred to the Committee on Judiciary.

Reps. Santana, Rutledge, Zemke, Slavens, Irwin, Stallworth, Hobbs, Hovey-Wright, Geiss and Barnett introduced

House Bill No. 5658, entitled

A bill to amend 1961 PA 236, entitled "Revised judicature act of 1961," by amending section 2950 (MCL 600.2950), as amended by 2001 PA 200.

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

Reps. Santana, Zemke, Irwin, Stallworth, Hobbs, Hovey-Wright and Geiss introduced

House Bill No. 5659, entitled

A bill to amend 1927 PA 372, entitled "An act to regulate and license the selling, purchasing, possessing, and carrying of certain firearms, gas ejecting devices, and electro-muscular disruption devices; to prohibit the buying, selling, or carrying of certain firearms, gas ejecting devices, and electro-muscular disruption devices without a license or other authorization; to provide for the forfeiture of firearms and electro-muscular disruption devices under certain circumstances; to provide for penalties and remedies; to provide immunity from civil liability under certain circumstances; to prescribe the powers and duties of certain state and local agencies; to prohibit certain conduct against individuals who apply for or receive a license to carry a concealed pistol; to make appropriations; to prescribe certain conditions for the appropriations; and to repeal all acts and parts of acts inconsistent with this act," (MCL 28.421 to 28.435) by amending the title, as amended by 2012 PA 123, and by adding section 6b.

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

Reps. MacMaster and Franz introduced

House Bill No. 5660, entitled

A bill to amend 1953 PA 192, entitled "An act to create a county department of veterans' affairs in certain counties, and to prescribe its powers and duties; and to transfer the powers and duties of the soldiers' relief commission in such counties," by amending section 1 (MCL 35.621), as amended by 2012 PA 235.

The bill was read a first time by its title and referred to the Committee on Military and Veterans Affairs.

Reps. Faris, Kosowski, Driskell, Lamonte, Switalski, Haugh, Tlaib, Knezek, Schor, Phelps, Lane, Smiley, Kandrevas, Darany, Brinks, Geiss, Dianda and Oakes introduced

House Bill No. 5661, entitled

A bill to amend 1984 PA 431, entitled "The management and budget act," by amending section 492 (MCL 18.1492), as amended by 1999 PA 8.

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

Rep. Tlaib introduced

House Bill No. 5662, entitled

A bill to amend 1984 PA 431, entitled "The management and budget act," (MCL 18.1101 to 18.1594) by adding section 261e.

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

Rep. Irwin introduced

House Bill No. 5663, entitled

A bill to require annual financial disclosures from certain state employees; to prescribe the powers and duties of certain state governmental officers and agencies; to impose fees; to prescribe penalties and civil sanctions; and to provide remedies.

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

Rep. Dillon introduced

House Bill No. 5664, entitled

A bill to amend 1978 PA 472, entitled "An act to regulate political activity; to regulate lobbyists, lobbyist agents, and lobbying activities; to require registration of lobbyists and lobbyist agents; to require the filing of reports; to prescribe the powers and duties of the department of state; to prescribe penalties; and to repeal certain acts and parts of acts," by amending section 5 (MCL 4.415), as amended by 1986 PA 83.

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

Reps. Cotter and Pscholka introduced

House Bill No. 5665, entitled

A bill to amend 1893 PA 206, entitled "The general property tax act," by amending section 27a (MCL 211.27a), as amended by 2013 PA 50.

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

Rep. Outman introduced

House Bill No. 5666, entitled

A bill to amend 1913 PA 88, entitled "An act empowering the board of supervisors of any of the several counties of the state of Michigan to levy a special tax, or by appropriating from the general fund for the purpose of advertising the agricultural advantages of the state or for displaying the products and industries of any county in the state at domestic or foreign expositions, for the purpose of encouraging immigration and increasing trade in the products of the state, and advertising the state and any portion thereof for tourists and resorters, and to permit the boards of supervisors out of any sum so raised, or out of the general fund, to contribute all or any portion of the same to any development board or bureau to be by said board or bureau expended for the purposes herein named," by amending the title and section 1 (MCL 46.161).

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

By unanimous consent the House returned to the order of

Communications from State Officers

The following communications from the Secretary of State were received and read:

Notices of Filing
Administrative Rules

May 7, 2014

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 Michigan Department of Licensing and Regulatory Affairs and the State Office of Regulatory Reinvention filed Administrative Rule #2012-137-TY (Secretary of State Filing #14-05-01) on this date at 4:59 P.M. for the Department of Treasury, entitled "Charitable Gaming Rules".

These rules become effective immediately upon filing with the Secretary of State unless adopted under sections 33, 44 or 45a(6) of 1969 PA 306. Rules adopted under these sections become effective 7 days after filing with the Secretary of State.

May 7, 2014

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 Michigan Department of Licensing and Regulatory Affairs and the State Office of Regulatory Reinvention filed Administrative Rule #2013-052-EQ (Secretary of State Filing #14-05-02) on this date at 5:00 P.M. for the Department of Environmental Quality, entitled "Part 11, Continuous Emission Monitoring".

These rules become effective immediately upon filing with the Secretary of State unless adopted under sections 33, 44 or 45a(6) of 1969 PA 306. Rules adopted under these sections become effective 7 days after filing with the Secretary of State.

May 14, 2014

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 Michigan Department of Licensing and Regulatory Affairs and the State Office of Regulatory Reinvention filed Administrative Rule #2013-088-TY (Secretary of State Filing #14-05-03) on this date at 3:43 P.M. for the Department of Treasury, entitled "Millionaire Parties".

These rules become effective immediately upon filing with the Secretary of State unless adopted under sections 33, 44 or 45a(6) of 1969 PA 306. Rules adopted under these sections become effective 7 days after filing with the Secretary of State.

May 15, 2014

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 Michigan Department of Licensing and Regulatory Affairs and the State Office of Regulatory Reinvention filed Administrative Rule #2013-077-AC (Secretary of State Filing #14-05-04) on this date at 3:54 P.M. for the Department of Agriculture and Rural Development, entitled "Quarantine of Dogs".

These rules take effect immediately upon filing with the Secretary of State unless adopted under sections 33, 44 or 45a(6) of 1969 PA 306. Rules adopted under these sections become effective 7 days after filing with the Secretary of State.

May 15, 2014

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 Michigan Department of Licensing and Regulatory Affairs and the State Office of Regulatory Reinvention filed Administrative Rule #2014-025-NR (Secretary of State Filing #14-05-05) on this date at 3:56 P.M. for the Department of Natural Resources, entitled "Recreation Bond Program".

These rules become effective immediately upon filing with the Secretary of State unless adopted under sections 33, 44 or 45a(6) of 1969 PA 306. Rules adopted under these sections become effective 7 days after filing with the Secretary of State.

Sincerely,
Ruth Johnson
Secretary of State
Robin L. Houston, Departmental Supervisor
Office of the Great Seal

The communications were referred to the Clerk.

By unanimous consent the House returned to the order of

Announcement by the Clerk of Printing and Enrollment

The Clerk announced that the following bills had been printed and placed upon the files of the members on Wednesday, June 11:

House Bill Nos.	5640	5641	5642	5643	5644	5645	5646
Senate Bill Nos.	977	979					

Reports of Select Committees

First Conference Report

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

House Bill No. 5313, entitled

A bill to make, supplement, adjust, and consolidate appropriations for various state departments and agencies, the judicial branch, and the legislative branch for the fiscal year ending September 30, 2015 and other fiscal years; to provide for certain conditions on appropriations; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

Recommends:

First: That the Senate recede from the Substitute of the Senate as passed by the Senate.

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

A bill to make, supplement, adjust, and consolidate appropriations for various state departments and agencies, the judicial branch, and the legislative branch for the fiscal year ending September 30, 2015 and other fiscal years; to provide for certain conditions on appropriations; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:
ARTICLE I
DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
PART 1
LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of agriculture and rural development for the fiscal year ending September 30, 2015, from the following funds:

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
APPROPRIATION SUMMARY

Full-time equated unclassified positions.....	6.0	
Full-time equated classified positions	446.0	
GROSS APPROPRIATION		\$ 84,462,200
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		318,100
ADJUSTED GROSS APPROPRIATION		\$ 84,144,100
Federal revenues:		
Total federal revenues.....		10,126,200
Special revenue funds:		
Total private revenues.....		98,300
Total other state restricted revenues		28,003,400
State general fund/general purpose		\$ 45,916,200

Sec. 102. DEPARTMENTWIDE

Full-time equated unclassified positions.....	6.0	
Full-time equated classified positions	27.0	
Commissions and boards.....		\$ 23,800
Unclassified positions—6.0 FTE positions		524,700
Executive direction—9.0 FTE positions.....		1,392,800
Operational services—15.0 FTE positions		1,065,700
Statistical reporting service—1.0 FTE position		150,900
Emergency management—2.0 FTE positions.....		601,900
Accounting service center		968,100
Building occupancy charges		622,500
GROSS APPROPRIATION		\$ 5,350,400

Appropriated from:

Federal revenues:		
HHS-FDA		325,000
Special revenue funds:		
Private - commodity group revenue		77,600
Agricultural preservation fund.....		15,000
Agriculture licensing and inspection fees		112,100
Freshwater protection fund.....		22,200
Industry support funds.....		53,500
Nonretail liquor fees.....		27,800
Refined petroleum fund.....		220,300
State general fund/general purpose		\$ 4,496,900

Sec. 103. INFORMATION AND TECHNOLOGY

Information technology services and projects.....		\$ 1,460,000
GROSS APPROPRIATION		\$ 1,460,000

Appropriated from:

Interdepartmental grant revenues:		
IDG from LARA (LCC), liquor quality testing fees.....		3,200
Special revenue funds:		
Agricultural preservation fund.....		200
Agriculture equine industry development fund		84,800
Agriculture licensing and inspection fees		32,400
Freshwater protection fund.....		100
Gasoline inspection testing fund		31,400
Nonretail liquor fees.....		500
State general fund/general purpose		\$ 1,307,400

For Fiscal Year
Ending Sept. 30,
2015

Sec. 104. FOOD AND DAIRY

Full-time equated classified positions	113.0	
Food safety and quality assurance—83.0 FTE positions		\$ 12,378,200
Milk safety and quality assurance—30.0 FTE positions.....		4,219,200
GROSS APPROPRIATION		<u>\$ 16,597,400</u>

Appropriated from:

Federal revenues:

HHS-FDA		1,175,800
USDA, multiple grants		134,200

Special revenue funds:

Consumer and industry food safety education fund.....		318,700
Dairy and food safety fund		3,366,500
State general fund/general purpose		<u>\$ 11,602,200</u>

Sec. 105. ANIMAL INDUSTRY

Full-time equated classified positions	60.0	
Animal disease prevention and response—60.0 FTE positions		\$ 8,836,600
Indemnification - livestock depredation		50,000
GROSS APPROPRIATION		<u>\$ 8,886,600</u>

Appropriated from:

Federal revenues:

HHS-FDA		45,900
USDA, multiple grants		519,500

Special revenue funds:

Agriculture licensing and inspection fees		40,400
Animal welfare fund.....		217,400
State general fund/general purpose		<u>\$ 8,063,400</u>

Sec. 106. PESTICIDE AND PLANT PEST MANAGEMENT

Full-time equated classified positions	86.0	
Pesticide and plant pest management—81.0 FTE positions.....		\$ 12,181,800
Producer security/grain dealers—5.0 FTE positions		646,700
GROSS APPROPRIATION		<u>\$ 12,828,500</u>

Appropriated from:

Federal revenues:

Department of interior.....		222,600
EPA, multiple grants.....		525,700
HHS-FDA		320,700
USDA, multiple grants		832,100

Special revenue funds:

Private - slow-the-spread foundation.....		20,700
Agriculture licensing and inspection fees		3,818,700
Commodity inspection fees		437,100
Freshwater protection fund.....		151,900
Grain dealers fee fund.....		606,400
Horticulture fund		38,300
Industry support funds.....		243,000
State general fund/general purpose		<u>\$ 5,611,300</u>

Sec. 107. ENVIRONMENTAL STEWARDSHIP

Full-time equated classified positions	55.0	
Environmental stewardship—8.0 FTE positions		\$ 1,246,100
Michigan agriculture environmental assurance program—15.0 FTE positions.....		4,284,100
Farmland and open space preservation—7.0 FTE positions		905,700
Qualified forest program—9.0 FTE positions		2,535,000
Commercial forestry audit program		150,000
Local conservation districts.....		2,173,800
Migrant labor housing—9.0 FTE positions.....		1,214,300
Right-to-farm—3.0 FTE positions.....		569,000

	For Fiscal Year Ending Sept. 30, 2015
Intercounty drain—4.0 FTE positions	475,100
GROSS APPROPRIATION	\$ 13,553,100
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDEQ, biosolids	101,400
Federal revenues:	
Department of interior	120,600
EPA, multiple grants	305,600
USDA, multiple grants	917,000
Special revenue funds:	
Agricultural preservation fund	584,000
Freshwater protection fund	5,013,000
Migratory labor housing fund	164,600
Private forestland enhancement fund	35,000
State general fund/general purpose	\$ 6,311,900
Sec. 108. LABORATORY PROGRAM	
Full-time equated classified positions	90.0
Laboratory services—36.0 FTE positions	\$ 5,409,200
USDA monitoring—13.0 FTE positions	1,598,600
Consumer protection program—41.0 FTE positions	6,083,100
GROSS APPROPRIATION	\$ 13,090,900
Appropriated from:	
Interdepartmental grant revenues:	
IDG from LARA (LCC), liquor quality testing fees	213,500
Federal revenues:	
EPA, multiple grants	168,900
HHS-FDA	613,100
USDA, multiple grants	1,599,500
Special revenue funds:	
Agriculture equine industry development fund	611,700
Agriculture licensing and inspection fees	77,400
Gasoline inspection and testing fund	2,562,300
Refined petroleum fund	3,691,700
Renewable fuels fund	51,800
Testing fees	288,400
Weights and measures regulation fees	1,002,200
State general fund/general purpose	\$ 2,210,400
Sec. 109. AGRICULTURE DEVELOPMENT	
Full-time equated classified positions	14.0
Agriculture development—11.0 FTE positions	\$ 3,579,500
Food and agriculture industry growth initiative	1,000,000
Grape and wine program—3.0 FTE positions	828,500
Rural development value-added grants	1,050,000
GROSS APPROPRIATION	\$ 6,458,000
Appropriated from:	
Federal revenues:	
USDA, multiple grants	2,300,000
Special revenue funds:	
Industry support funds	131,900
Nonretail liquor fees	783,400
State general fund/general purpose	\$ 3,242,700
Sec. 110. FAIRS AND EXPOSITIONS	
Full-time equated classified positions	1.0
Fairs and racing—1.0 FTE position	\$ 356,700
Shows and expositions	50,000
County fairs capital improvement grants	320,000

	For Fiscal Year Ending Sept. 30, 2015
Purses and supplements - fairs/licensed tracks	708,300
Licensed tracks - light horse racing	40,300
Light horse racing - breeders' awards.....	20,000
Standardbred breeders' awards.....	285,900
Standardbred purses and supplements - licensed tracks.....	527,800
Standardbred sire stakes	239,000
Thoroughbred supplements - licensed tracks	385,900
Thoroughbred breeders' awards	358,600
Thoroughbred sire stakes.....	244,800
GROSS APPROPRIATION	\$ 3,537,300
Appropriated from:	
Special revenue funds:	
Agriculture equine industry development fund.....	3,167,300
State general fund/general purpose	\$ 370,000
Sec. 111. ONE-TIME BASIS ONLY	
Food and agriculture industry growth initiative	\$ 2,000,000
Muskegon farmers market	200,000
Ottawa County agriculture incubator	500,000
GROSS APPROPRIATION	\$ 2,700,000
Appropriated from:	
State general fund/general purpose	\$ 2,700,000

PART 2
PROVISIONS CONCERNING APPROPRIATIONS
FOR FISCAL YEAR 2014-2015

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 2014-2015 is \$73,919,600.00 and state spending from state resources to be paid to local units of government for fiscal year 2014-2015 is \$4,750,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

Environmental stewardship.....	\$ 209,000
Michigan agriculture environment assurance program.....	2,000,000
Local conservation districts.....	1,041,000
Qualified forest program	1,500,000
TOTAL.....	\$ 4,750,000

Sec. 202. The appropriations authorized under part 1 and this part are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in part 1 and this part:

- (a) "Department" means the department of agriculture and rural development.
- (b) "Director" means the director of the department.
- (c) "EPA" means the United States environmental protection agency.
- (d) "Fiscal agencies" means the Michigan house fiscal agency and the Michigan senate fiscal agency.
- (e) "FTE" means full-time equated.
- (f) "HHS-FDA" means the United States department of health and human services - food and drug administration.
- (g) "IDG" means interdepartmental grant.
- (h) "LARA" means the Michigan department of licensing and regulatory affairs.
- (i) "LCC" means the Michigan liquor control commission.
- (j) "MDEQ" means the Michigan department of environmental quality.
- (k) "MDNR" means the Michigan department of natural resources.
- (l) "MOU" means memorandum of understanding.
- (m) "Subcommittees" means all members of the subcommittees of the house and senate appropriations committees with jurisdiction over the budget for the department.
- (n) "TB" means tuberculosis.
- (o) "USDA" means the United States department of agriculture.

Sec. 205. (1) For each new program or program expansion for which funds in excess of \$500,000.00 are appropriated in part 1, the department shall identify specific benchmarks intended to measure the performance or return on taxpayer investment of the program and its associated expenditures. Not later than November 1, 2014, the department shall report the proposed benchmarks to the house and senate appropriations subcommittees for that department, the house and senate fiscal agencies, and the state budget director. The department shall provide an update on its progress in achieving those benchmarks at an appropriations subcommittee meeting called for the purpose of discussing benchmarks and their status.

(2) It is the intent of the legislature that, beginning with the budget for the fiscal year ending September 30, 2016, any proposal for a new program or an expansion of an existing program in excess of \$500,000.00 initiated by the executive branch or the legislature shall include, as part of the original proposal or budget request, a list of benchmarks intended to measure the performance or return on taxpayer investment of the program or spending increase.

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

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

Sec. 207. The department shall cooperate with the department of technology, management, and budget to maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following:

- (a) Fiscal year-to-date expenditures by category.
- (b) Fiscal year-to-date expenditures by appropriation unit.
- (c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.
- (d) The number of active department employees by job classification.
- (e) Job specifications and wage rates.

Sec. 208. The departments and agencies receiving appropriations in part 1 shall use the Internet to fulfill the reporting requirements of this part. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on an Internet or Intranet site.

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. Preference shall be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality. In addition, preference shall be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 210. The director 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. 212. The department and agencies receiving appropriations in part 1 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. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 215. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 218. The departments and agencies receiving appropriations in part 1 shall prepare a report on out-of-state travel expenses not later than January 1 of each year. The travel report shall be a listing of all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the house and senate appropriations committees, the house and senate fiscal agencies, and the state budget director. The report shall include the following information:

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

Sec. 228. Not later than November 30, the state budget office shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the prior fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the chairpersons of the senate and house of representatives standing committees on appropriations and the senate and house fiscal agencies.

Sec. 229. Within 14 days after the release of the executive budget recommendation, the department shall cooperate with the state budget office to provide the senate and house appropriations chairs, the senate and house appropriations subcommittees on agriculture and rural development, respectively, and the senate and house fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2014 and September 30, 2015.

Sec. 230. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those outside services that the attorney general authorizes.

Sec. 231. The department shall maintain, on a publicly accessible website, a department scorecard that identifies, tracks, and regularly updates key metrics that are used to monitor and improve the agency's performance.

Sec. 232. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2015 is \$11,651,400.00. From this amount, total agency appropriations for pension-related legacy costs are estimated at \$6,512,000.00. Total agency appropriations for retiree health care legacy costs are estimated at \$5,139,400.00.

DEPARTMENTWIDE

Sec. 301. (1) Pursuant to the appropriations in part 1, the department may receive and expend revenue and use that revenue to cover necessary expenses related to publications, audit and licensing functions, livestock sales, certification of nursery stock, and laboratory analyses as specified in the following:

- (a) Management services publications.
 - (b) Management services audit and licensing functions.
 - (c) Pesticide and plant pest management propagation and certification of virus-free foundation stock.
 - (d) Pesticide and plant pest management grading services.
 - (e) Laboratory support testing for testing horses in draft horse pulling contests at county fairs when local jurisdictions request state assistance.
 - (f) Laboratory support analyses to determine foreign substances in horses engaged in racing or pulling contests at tracks.
 - (g) Laboratory support analyses of food, livestock, and agricultural products for disease, foreign products for disease, toxic materials, foreign substances, and quality standards.
 - (h) Laboratory support test samples for other agencies and organizations.
 - (i) Fruit and vegetable inspection at shipping and termination points and processing plants.
- (2) The department shall notify the subcommittees and the fiscal agencies 30 days prior to proposing changes in fees authorized under this section or under section 5 of 1915 PA 91, MCL 285.35.

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

Sec. 302. Of the funds appropriated in part 1 that are other than line-item grants, the department shall not provide grants to local government agencies, institutions of higher education, or nonprofit organizations unless the department provides notice of the grant to the subcommittees and fiscal agencies at least 10 days before the grant is issued. The grants shall be used to support research or other related activities for the purpose of enhancing the agricultural industries in this state.

FOOD AND DAIRY

Sec. 402. Not later than April 1, the department shall provide a report to the subcommittees and the fiscal agencies describing significant food-borne outbreaks and emergencies, including any enforcement actions taken related to food safety during the immediately preceding fiscal year.

ANIMAL INDUSTRY

Sec. 451. From the funds appropriated in part 1 for bovine tuberculosis, the department shall pay for all whole herd testing costs and individual animal testing costs in the modified accredited zone to maintain split-state status requirements. These costs include indemnity and compensation for injury causing death or downer to animals.

Sec. 453. (1) Of the funds appropriated in part 1, the department may provide for indemnity as provided for pursuant to the animal industry act, 1988 PA 466, MCL 287.701 to 287.746, not to exceed \$100,000.00 per order from any line item for the current fiscal year. Before the department provides for an indemnification under this section, the department shall report the reason for the indemnification, the amount of the indemnification, and to whom the indemnification is to be paid. The report shall be given to the subcommittees and the fiscal agencies.

(2) The department of agriculture and rural development shall make an indemnification payment for the fair market value of livestock killed by a wolf, coyote, or cougar, if the kill is verified by the department of natural resources. The

fair market value of the livestock shall be determined pursuant to the indemnification procedures prescribed in the animal industry act, 1988 PA 466, MCL 287.701 to 287.746.

(3) The funds appropriated in part 1 for indemnification - livestock depredation are appropriated for indemnification payments and related department costs under subsection (2). On or before March 1 of the current fiscal year, the department shall report to the subcommittees and the fiscal agencies on costs incurred in the previous 2 fiscal years for indemnification payments to producers made under subsection (2) and related department costs.

Sec. 454. The department shall use its resources to collaborate with the USDA to obtain TB-free status for the area of the Lower Peninsula that is zoned as modified accredited advanced. The department shall also aggressively work toward eradicating bovine TB in the modified accredited zone. The department shall also convene a workgroup to work toward eradicating bovine TB in the modified accredited zone.

Sec. 456. Of the funds appropriated in part 1, no funds shall be used to enforce the mandatory electronic animal identification program for any domestic animals other than cattle until specific procedures and guidelines for electronic animal identification are outlined in statute.

Sec. 457. On or before October 15 of the current fiscal year and on a quarterly basis thereafter, the department shall report to the senate and house agriculture committees, the subcommittees, and the fiscal agencies on the department's progress toward meeting the USDA requirements as outlined in the March 2007 bovine TB program review. The report shall include, but is not limited to, information and data on: wildlife risk mitigation plan implementation in the modified accredited zone; implementation of a movement certificate process; progress toward annual surveillance test requirements set out in the June 2007 MOU; efforts to work with slaughter facilities in Michigan, as well as those that slaughter a significant number of animals from Michigan; educational programs and information for Michigan's livestock community; any other item the legislature should be aware of that will promote or hinder efforts to achieve bovine TB-free status for Michigan.

Sec. 458. From the funds appropriated in part 1 for animal industry, the department shall provide inspection and testing of aquaculture facilities and aquaculture researchers as provided under section 7 of the Michigan aquaculture development act, 1996 PA 199, MCL 286.877. It is the intent of the legislature that the department shall work with aquaculture facilities and aquaculture researchers to identify, contain, and eradicate viral hemorrhagic septicemia in this state.

Sec. 459. It is the intent of the legislature that the department shall not conduct whole herd bovine TB testing on any 1 herd in a TB-free zone more often than every 4 years or re-test until all other herds in their county have been tested, unless involved in an epidemiological investigation, there is an outbreak within a 10 radius mile area, or is not on a verified wildlife risk mitigated premises. If there is an outbreak within a 10 radius mile area, protocols outlined by the current memorandum of understanding with the USDA shall be used.

ENVIRONMENTAL STEWARDSHIP

Sec. 601. The part 1 appropriation line item environmental stewardship shall be used to support department agriculture pollution prevention programs, including groundwater and freshwater protection programs under part 87 of the Michigan natural resources and environmental protection act, 1994 PA 451, MCL 324.8701 to 324.8717, and technical assistance in implementing conservation grants available under the federal farm bill of 2014.

Sec. 603. The appropriation in part 1 for local conservation districts shall be allocated in the following manner:

(a) Of the total appropriation, local conservation districts shall receive funds to carry out the functions of environmental conservation and protection programs within that district. The amount of money allocated under this subdivision shall not be used by local conservation districts to replace any funds received from local sources.

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

Sec. 604. (1) Federal revenues authorized by and available from the federal government in excess of the appropriation in part 1 under section 107 are appropriated and may be received and expended by the department for purposes authorized under state law and subject to federal requirements.

(2) The department shall notify the subcommittees and fiscal agencies prior to expending federal revenues received and appropriated under subsection (1).

Sec. 605. No funds other than those appropriated in part 1 for the Michigan agriculture environmental assurance program shall be expended for administration or implementation of the Michigan agriculture environmental assurance program.

Sec. 607. (1) It is the intent of the legislature that the department continue its activities in support of intercounty drainage districts as provided in chapter 5 of the drain code of 1956, 1956 PA 40, MCL 280.101 to 280.106.

(2) The department shall work with representatives of intercounty drainage districts to develop a mutually agreeable method of funding department costs associated with the intercounty drainage program.

Sec. 608. (1) The appropriations in part 1 for qualified forest affidavit program are for the purpose of increasing the knowledge of nonindustrial private forestland owners of sound forest management practices and increasing the amount of commercial timber production from those lands.

(2) The department shall work in partnership with stakeholder groups and other state and federal agencies to increase the active management of nonindustrial private forestland to foster the growth of Michigan's timber product industry.

Sec. 609. From the appropriation in part 1 for commercial forestry audit program, it is the intent of the legislature to provide grant funding to the qualified nonprofit sustainable forestry initiative to work with public and private forestland owners to conduct site visits and prepare an analysis and audit of statewide best management practices for water quality and the related forest ecosystem, including native plant and animal species and wildlife habitat. The best management practices audit shall be performed by an audit team composed of qualified professionals, including, but not limited to, the department, the department of environmental quality, university faculty, and conservation groups.

AGRICULTURE DEVELOPMENT

Sec. 701. (1) The department shall establish and administer a rural development value-added grant program. The program shall promote the expansion of value-added agricultural production, processing, and access within the state.

(2) The department shall award grants on a competitive basis from the funds appropriated in part 1 for rural development value-added grants. Grantees will be required to provide a cash match and identify measurable project outcomes. Eligible grantees may include, but are not limited to, individuals, partnerships, cooperatives, private or public corporations, and local units of government.

(3) A joint evaluation committee shall be selected by the director with representatives with agriculture, business, and economic development expertise. The joint evaluation committee shall identify criteria, evaluate applications, and provide recommendations to the director for final approval of grant awards.

(4) The department may expend money from the funds appropriated in part 1 for the rural development value-added grants for administering the program.

(5) The unexpended portion of the rural development value-added grant program is considered a work project appropriation in accordance with the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

(6) The department shall provide an interim report no later than March 15 of the current fiscal year and a year-end report no later than September 30 of the current fiscal year to the subcommittees and the fiscal agencies, including the grantees, award amount, match funding, and project outcomes.

(7) Notwithstanding any other provisions of this section, the department shall award a \$200,000.00 rural development value-added grant to the Eastern Michigan food bank for completion of its new food hub facility.

Sec. 706. Not later than April 1 of the current fiscal year, the department shall provide a report to the subcommittees and the fiscal agencies describing the department's agriculture development and export market development activities. The report shall identify grants awarded during the prior fiscal year, including a description of federal or private funds made available as a result of department activities.

Sec. 709. (1) Not later than April 1 of the current fiscal year, the department shall provide a report to the subcommittees and the fiscal agencies describing the activities of the grape and wine industry council established under section 303 of the Michigan liquor control act of 1998, 1998 PA 58, MCL 436.1303.

(2) The report shall include all of the following:

(a) Council activities and accomplishments for the previous fiscal year.

(b) Council expenditures for the previous fiscal year by category of administration, industry support, research and education grants, and promotion and consumer education.

(c) Grants awarded during the prior fiscal year and the results of research grant projects completed during the prior fiscal year.

Sec. 711. (1) The department shall establish and administer the food and agriculture industry growth initiative. The program shall use a grant process to support research, education, and technical assistance efforts focused on removing barriers and leveraging opportunities identified by those in the food and agriculture industry as critical to business development and growth within the state.

(2) In addition to the funds appropriated in part 1, the department of agriculture and rural development may receive and expend funds received from outside sources for the food and agriculture industry growth initiative.

(3) The director shall establish a consortium of interested parties including those involved in the food and agriculture industry sector to develop the program priorities described in subsection (1).

(4) The department shall award grants from the funds appropriated in part 1 or received from outside sources under subsection (2) for food and agriculture industry growth initiative grants. Grantees will be required to identify measurable project outcomes.

(5) A joint evaluation committee selected by the director shall evaluate applications and provide recommendations to the director for final approval of grant awards.

(6) The department may expend money from the funds appropriated in part 1 for the food and agriculture industry growth initiative for administering the program.

(7) Notwithstanding other provisions of this section, of the funds appropriated in part 1 for food and agriculture industry growth initiative, \$250,000.00 shall be designated for a regional public private partnership consisting of Michigan Technological University and at least 1 pulp and paper manufacturing operation focused on removing existing barriers and leveraging opportunities directly related to combined heat and power co-located with sustainable agricultural food processing operations.

FAIRS AND EXPOSITIONS

Sec. 801. All appropriations from the agriculture equine industry development fund shall be spent on equine-related purposes. No funds from the agriculture equine industry development fund shall be expended for nonequine-related purposes without prior approval of the legislature.

Sec. 802. All appropriations from the agriculture equine industry development fund, except for the Michigan gaming control board's regulatory expenses and the department's expenses to administer horse racing programs and laboratory analysis, shall be reduced proportionately if revenues to the agriculture equine industry development fund decline during the preceding fiscal year to a level lower than the amounts appropriated in part 1.

Sec. 803. (1) In the event there is no live thoroughbred race meet in 2014 or 2015, all purse money and program money appropriated for the thoroughbred industry in fiscal year 2013-2014 and fiscal year 2014-2015 shall be held in escrow for a period not to exceed 18 months, or until a thoroughbred race meet license is applied for and granted by the Michigan gaming control board.

(2) In the event there is no live standardbred race meet in 2014 or 2015, all purse money and program money appropriated for the standardbred industry in fiscal year 2013-2014 and fiscal year 2014-2015 shall be held in escrow for a period not to exceed 18 months, or until a standardbred race meet license is applied for and granted by the Michigan gaming control board.

Sec. 804. It is the intent of the legislature that the Michigan gaming control board shall use actual expenditure data in determining the actual regulatory costs of conducting racing dates and shall provide that data to the senate and house of representatives appropriations subcommittees on agriculture and rural development and general government and the fiscal agencies by November 1 of the current fiscal year. The Michigan gaming control board shall not be reimbursed for more than the actual regulatory cost of conducting race dates. If a certified horsemen's organization funds more than the actual regulatory cost, the balance shall remain in the agriculture equine industry development fund to be used to fund subsequent race dates conducted by race meeting licensees with which the certified horsemen's organization has contracts. If a certified horsemen's organization funds less than the actual regulatory costs of the additional horse racing dates, the Michigan gaming control board shall reduce the number of future race dates conducted by race meeting licensees with which the certified horsemen's organization has contracts. Prior to the reduction in the number of authorized race dates due to budget deficits, the executive director of the Michigan gaming control board shall provide notice to the certified horsemen's organizations with an opportunity to respond with alternatives. In determining actual costs, the Michigan gaming control board shall take into account that each specific breed may require different regulatory mechanisms.

Sec. 805. (1) The department shall establish and administer a county fairs capital improvement grant program. The program shall assist in the promotion of building improvements or other capital improvements at county fairgrounds of the state.

(2) The department shall award grants on a competitive basis to county fair organizations from the funds appropriated in part 1 for county fairs capital improvements grants. Grantees will be required to provide a dollar-for-dollar cash match with grant awards and identify measurable project outcomes.

(3) The department shall identify criteria, evaluate applications, and provide recommendations to the director for final approval of grant awards.

(4) The department may expend money from the funds appropriated in part 1 for the county fairs capital improvement grants for administering the program.

(5) The unexpended portion of the county fairs capital improvement grant program is considered a work project appropriation in accordance with the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

(6) The department shall provide a year-end report no later than December 1, 2015 to the subcommittees and the fiscal agencies, including the grantees, award amount, match funding, and project outcomes.

Sec. 806. (1) The amount appropriated in part 1 for shows and expositions shall be expended for the purpose of financial support, promotion, prizes, and premiums of equine, livestock, and other agricultural commodity expositions in Michigan.

(2) The department shall award grants for the purposes stipulated in subsection (1) on a competitive basis to persons organizing shows and expositions from the funds appropriated in part 1 for shows and expositions. Grantees will be required to provide a dollar-for-dollar cash match with grant awards and identify measurable project outcomes.

(3) The department shall identify criteria, evaluate applications, and provide recommendations to the director for final approval of grant awards.

(4) The unexpended portion of the appropriation for shows and expositions is considered a work project appropriation in accordance with the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

(5) The department shall provide a year-end report no later than December 1, 2015 to the subcommittees and the fiscal agencies, including the grantees, award amount, match funding, and project outcomes.

ONE-TIME BASIS APPROPRIATIONS ONLY

Sec. 1101. The 1-time appropriations in part 1 for food and agriculture industry growth initiative shall be expended in accordance with the requirements of section 711 of this part.

PART 2A
PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS
FOR FISCAL YEAR 2015-2016

GENERAL SECTIONS

Sec. 1201. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, 2016 for the line items listed in part 1. The fiscal year 2015-2016 appropriations are anticipated to be the same as those for fiscal year 2014-2015, except that the line items will be adjusted for changes in caseload and related costs, federal fund match rates, economic factors, and available revenue. These adjustments will be determined after the January 2015 consensus revenue estimating conference.

ARTICLE IV
DEPARTMENT OF COMMUNITY HEALTH
PART 1
LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of community health for the fiscal year ending September 30, 2015, from the following funds:

**DEPARTMENT OF COMMUNITY HEALTH
APPROPRIATION SUMMARY**

Full-time equated unclassified positions.....	6.0	
Full-time equated classified positions	3,648.1	
Average population	893.0	
GROSS APPROPRIATION		\$ 18,215,375,900
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		9,425,900
ADJUSTED GROSS APPROPRIATION		\$ 18,205,950,000
Federal revenues:		
Total federal revenues.....		12,539,355,700
Social security act, temporary assistance for needy families.....		18,330,400
Special revenue funds:		
Total local revenues		220,102,400
Total private revenues.....		127,056,600
Merit award trust fund.....		68,334,700
Roads and risks reserve fund		60,900,000
Autism coverage fund.....		5,500,000
Total other state restricted revenues		1,926,668,800
State general fund/general purpose		\$ 3,239,701,400

Sec. 102. DEPARTMENTWIDE ADMINISTRATION

Full-time equated unclassified positions.....	6.0	
Full-time equated classified positions	190.7	
Director and other unclassified—6.0 FTE positions		\$ 724,700
Departmental administration and management—180.7 FTE positions		27,088,800
Worker’s compensation program		5,000,500
Rent and building occupancy		10,268,900
Developmental disabilities council and projects—10.0 FTE positions		3,042,200
Human trafficking intervention services.....		200,000
GROSS APPROPRIATION		\$ 46,325,100

Appropriated from:

Federal revenues:		
Total federal revenues.....		15,472,900
Special revenue funds:		
Total private revenues.....		35,200
Total other state restricted revenues		829,800
State general fund/general purpose		\$ 29,987,200

Sec. 103. BEHAVIORAL HEALTH PROGRAM ADMINISTRATION AND SPECIAL PROJECTS

Full-time equated classified positions	103.0	
Behavioral health program administration—102.0 FTE positions		\$ 51,172,900
Gambling addiction—1.0 FTE position		3,003,900
Protection and advocacy services support.....		194,400
Community residential and support services.....		592,100

	For Fiscal Year Ending Sept. 30, 2015
Federal and other special projects	2,839,200
Family support subsidy	18,149,900
Housing and support services.....	13,238,800
GROSS APPROPRIATION	\$ 89,191,200
Appropriated from:	
Federal revenues:	
Total federal revenues.....	39,567,400
Social security act, temporary assistance for needy families.....	18,330,400
Special revenue funds:	
Total private revenues.....	200,000
Total other state restricted revenues	3,003,900
State general fund/general purpose	\$ 28,089,500
Sec. 104. BEHAVIORAL HEALTH SERVICES	
Full-time equated classified positions	9.5
Medicaid mental health services	\$ 2,323,857,900
Community mental health non-Medicaid services	97,050,400
Mental health services for special populations	8,842,800
Medicaid substance use disorder services.....	45,867,300
CMHSP, purchase of state services contracts.....	139,465,600
Civil service charges	1,499,300
Federal mental health block grant—2.5 FTE positions.....	15,445,500
State disability assistance program substance use disorder services.....	2,018,800
Community substance use disorder prevention, education, and treatment.....	73,811,800
Children’s waiver home care program.....	21,544,900
Nursing home PAS/ARR-OBRA—7.0 FTE positions.....	12,260,600
Children with serious emotional disturbance waiver.....	12,647,900
Health homes.....	900,000
Healthy Michigan plan - behavioral health	274,331,900
GROSS APPROPRIATION	\$ 3,029,544,700
Appropriated from:	
Interdepartmental grant revenues:	
Interdepartmental grant from the department of human services.....	6,351,500
Federal revenues:	
Total federal revenues.....	1,937,773,000
Special revenue funds:	
Total local revenues.....	25,228,900
Total other state restricted revenues	22,506,200
State general fund/general purpose	\$ 1,037,685,100
Sec. 105. STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL HEALTH SERVICES	
Total average population.....	893.0
Full-time equated classified positions	2,130.9
Caro Regional Mental Health Center - psychiatric hospital - adult—461.3 FTE positions.....	\$ 56,257,100
Average population	185.0
Kalamazoo Psychiatric Hospital - adult—466.1 FTE positions.....	64,409,100
Average population	189.0
Walter P. Reuther Psychiatric Hospital - adult—420.8 FTE positions.....	55,919,900
Average population	234.0
Hawthorn Center - psychiatric hospital - children and adolescents—226.4 FTE positions.....	28,778,000
Average population	75.0
Center for forensic psychiatry—556.3 FTE positions.....	72,695,200
Average population	210.0
Revenue recapture	750,000
IDEA, federal special education.....	120,000
Special maintenance	332,500
Purchase of medical services for residents of hospitals and centers.....	445,600

	For Fiscal Year Ending Sept. 30, 2015
Gifts and bequests for patient living and treatment environment	1,000,000
GROSS APPROPRIATION	\$ 280,707,400
Appropriated from:	
Federal revenues:	
Total federal revenues.....	34,724,400
Special revenue funds:	
CMHSP, purchase of state services contracts.....	139,465,600
Other local revenues	19,493,800
Total private revenues.....	1,000,000
Total other state restricted revenues	18,871,300
State general fund/general purpose	\$ 67,152,300
Sec. 106. PUBLIC HEALTH ADMINISTRATION	
Full-time equated classified positions	100.4
Public health administration—7.3 FTE positions.....	\$ 1,574,000
Health and wellness initiatives—11.7 FTE positions.....	8,950,000
Vital records and health statistics—81.4 FTE positions	11,483,500
GROSS APPROPRIATION	\$ 22,007,500
Appropriated from:	
Interdepartmental grant revenues:	
Interdepartmental grant from the department of human services.....	1,208,200
Federal revenues:	
Total federal revenues.....	3,657,000
Special revenue funds:	
Total other state restricted revenues	12,053,900
State general fund/general purpose	\$ 5,088,400
Sec. 107. HEALTH POLICY	
Full-time equated classified positions	64.8
Certificate of need program administration—12.3 FTE positions	\$ 2,785,200
Emergency medical services program—23.0 FTE positions.....	6,421,800
Health innovation grants.....	1,500,000
Health policy administration—24.1 FTE positions	3,112,700
Michigan essential health provider.....	3,591,300
Minority health grants and contracts.....	612,700
Nurse education and research program—3.0 FTE positions.....	774,400
Primary care services—1.4 FTE positions	4,067,900
Rural health services—1.0 FTE position	1,555,500
GROSS APPROPRIATION	\$ 24,421,500
Appropriated from:	
Interdepartmental grant revenues:	
Interdepartmental grant from the department of licensing and regulatory affairs.....	774,400
Interdepartmental grant from the department of treasury, Michigan state hospital finance authority.....	116,200
Federal revenues:	
Total federal revenues.....	7,994,500
Special revenue funds:	
Total private revenues.....	865,000
Total other state restricted revenues	6,565,700
State general fund/general purpose	\$ 8,105,700
Sec. 108. LABORATORY SERVICES	
Full-time equated classified positions	100.0
Laboratory services—100.0 FTE positions	\$ 19,043,200
GROSS APPROPRIATION	\$ 19,043,200
Appropriated from:	
Interdepartmental grant revenues:	
Interdepartmental grant from the department of environmental quality	975,600

	For Fiscal Year Ending Sept. 30, 2015
Federal revenues:	
Total federal revenues.....	2,298,100
Special revenue funds:	
Total other state restricted revenues.....	8,993,900
State general fund/general purpose.....	\$ 6,775,600
Sec. 109. EPIDEMIOLOGY AND INFECTIOUS DISEASE	
Full-time equated classified positions.....	144.9
AIDS surveillance and prevention program.....	\$ 1,854,100
Bioterrorism preparedness—52.0 FTE positions.....	30,094,200
Epidemiology administration—41.6 FTE positions.....	11,845,700
Healthy homes program—8.0 FTE positions.....	4,386,200
Immunization program—12.8 FTE positions.....	15,022,300
Newborn screening follow-up and treatment services—10.5 FTE positions.....	6,748,800
Sexually transmitted disease control program—20.0 FTE positions.....	6,252,900
Tuberculosis control and prevention.....	867,000
GROSS APPROPRIATION.....	\$ 77,071,200
Appropriated from:	
Federal revenues:	
Total federal revenues.....	58,971,700
Special revenue funds:	
Total private revenues.....	338,800
Total other state restricted revenues.....	11,110,500
State general fund/general purpose.....	\$ 6,650,200
Sec. 110. LOCAL HEALTH ADMINISTRATION AND GRANTS	
Full-time equated classified positions.....	2.0
Essential local public health services.....	\$ 40,886,100
Implementation of 1993 PA 133, MCL 333.17015.....	20,000
Local health services—2.0 FTE positions.....	537,300
Medicaid outreach cost reimbursement to local health departments.....	9,000,000
GROSS APPROPRIATION.....	\$ 50,443,400
Appropriated from:	
Federal revenues:	
Total federal revenues.....	9,537,300
Special revenue funds:	
Total local revenues.....	5,150,000
State general fund/general purpose.....	\$ 35,756,100
Sec. 111. CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION	
Full-time equated classified positions.....	96.0
AIDS prevention, testing, and care programs—31.7 FTE positions.....	\$ 70,427,500
Cancer prevention and control program—12.0 FTE positions.....	15,009,000
Chronic disease control and health promotion administration—29.4 FTE positions.....	4,139,900
Diabetes and kidney program—8.0 FTE positions.....	1,893,300
Injury control intervention project.....	1,350,000
Smoking prevention program—12.0 FTE positions.....	2,111,000
Violence prevention—2.9 FTE positions.....	1,824,000
GROSS APPROPRIATION.....	\$ 96,754,700
Appropriated from:	
Federal revenues:	
Total federal revenues.....	49,169,800
Special revenue funds:	
Total private revenues.....	38,778,400
Total other state restricted revenues.....	5,535,000
State general fund/general purpose.....	\$ 3,271,500
Sec. 112. FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES	
Full-time equated classified positions.....	65.6

	For Fiscal Year Ending Sept. 30, 2015
Childhood lead program—2.5 FTE positions.....	\$ 1,236,200
Dental programs—3.0 FTE positions.....	1,647,600
Dental program for persons with developmental disabilities	151,000
Family, maternal, and children’s health services administration—46.1 FTE positions	7,817,800
Family planning local agreements.....	8,310,700
Local MCH services.....	7,018,100
Pregnancy prevention program.....	602,100
Prenatal care outreach and service delivery support—14.0 FTE positions.....	19,685,700
Special projects.....	6,832,900
Sudden infant death syndrome program.....	321,300
GROSS APPROPRIATION	\$ 53,623,400
Appropriated from:	
Federal revenues:	
Total federal revenues.....	41,805,000
Special revenue funds:	
Total local revenues.....	75,000
Total private revenues.....	874,500
State general fund/general purpose	\$ 10,868,900
Sec. 113. WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAM	
Full-time equated classified positions	45.0
Women, infants, and children program administration and special projects—45.0 FTE positions..	\$ 17,923,200
Women, infants, and children program local agreements and food costs	256,285,000
GROSS APPROPRIATION	\$ 274,208,200
Appropriated from:	
Federal revenues:	
Total federal revenues.....	213,130,300
Special revenue funds:	
Total private revenues.....	61,077,900
State general fund/general purpose	\$ 0
Sec. 114. CHILDREN’S SPECIAL HEALTH CARE SERVICES	
Full-time equated classified positions	46.8
Children’s special health care services administration—44.0 FTE positions.....	\$ 5,582,100
Bequests for care and services—2.8 FTE positions.....	1,528,800
Outreach and advocacy.....	5,510,000
Nonemergency medical transportation	1,505,900
Medical care and treatment	187,931,700
GROSS APPROPRIATION	\$ 202,058,500
Appropriated from:	
Federal revenues:	
Total federal revenues.....	106,258,400
Special revenue funds:	
Total private revenues.....	1,009,300
Total other state restricted revenues	3,857,400
State general fund/general purpose	\$ 90,933,400
Sec. 115. CRIME VICTIM SERVICES COMMISSION	
Full-time equated classified positions	13.0
Grants administration services—13.0 FTE positions	\$ 2,128,100
Justice assistance grants	15,000,000
Crime victim rights services grants.....	16,870,000
GROSS APPROPRIATION	\$ 33,998,100
Appropriated from:	
Federal revenues:	
Total federal revenues.....	18,696,900

	For Fiscal Year Ending Sept. 30, 2015
Special revenue funds:	
Total other state restricted revenues	15,301,200
State general fund/general purpose	\$ 0
Sec. 116. OFFICE OF SERVICES TO THE AGING	
Full-time equated classified positions	40.0
Office of services to aging administration—40.0 FTE positions	\$ 7,600,700
Community services	39,013,900
Nutrition services	39,044,000
Foster grandparent volunteer program.....	2,233,600
Retired and senior volunteer program.....	627,300
Senior companion volunteer program	1,604,400
Employment assistance.....	3,500,000
Respite care program.....	5,868,700
GROSS APPROPRIATION	\$ 99,492,600
Appropriated from:	
Federal revenues:	
Total federal revenues.....	57,534,600
Special revenue funds:	
Total private revenues.....	677,500
Merit award trust fund.....	4,068,700
Total other state restricted revenues	1,400,000
State general fund/general purpose	\$ 35,811,800
Sec. 117. MEDICAL SERVICES ADMINISTRATION	
Full-time equated classified positions	495.5
Medical services administration—435.5 FTE positions.....	\$ 79,697,800
Healthy Michigan plan administration—36.0 FTE positions	49,353,800
Facility inspection contract	132,800
MIChild administration	3,500,000
Electronic health record incentive program—24.0 FTE positions	144,233,600
GROSS APPROPRIATION	\$ 276,918,000
Appropriated from:	
Federal revenues:	
Total federal revenues.....	233,720,400
Special revenue funds:	
Total local revenues.....	105,900
Total private revenues.....	100,000
Total other state restricted revenues	331,700
State general fund/general purpose	\$ 42,660,000
Sec. 118. MEDICAL SERVICES	
Hospital services and therapy.....	\$ 1,251,951,200
Hospital disproportionate share payments.....	45,000,000
Physician services.....	393,821,100
Medicare premium payments	408,503,400
Pharmaceutical services.....	303,791,800
Home health services.....	5,804,700
Hospice services.....	111,982,500
Transportation.....	23,288,200
Auxiliary medical services	7,268,800
Dental services	200,341,500
Ambulance services.....	11,000,000
Long-term care services	1,393,963,800
Integrated care organizations.....	478,495,500
Medicaid home- and community-based services waiver	325,318,000
Adult home help services	302,440,800
Personal care services.....	12,237,000
Program of all-inclusive care for the elderly	66,672,600
Autism services	25,171,800
Health plan services	4,905,539,800

	For Fiscal Year Ending Sept. 30, 2015
Health insurer fee reserve fund	87,057,500
MIChild program.....	71,220,100
Special indigent care payments	10,000,000
Federal Medicare pharmaceutical program	150,883,900
Maternal and child health.....	20,279,500
Healthy Michigan plan	2,376,690,900
Subtotal basic medical services program	12,988,724,400
School-based services.....	112,102,700
Special Medicaid reimbursement.....	321,831,500
Subtotal special medical services payments.....	433,934,200
GROSS APPROPRIATION	\$ 13,422,658,600
Appropriated from:	
Federal revenues:	
Total federal revenues.....	9,656,901,100
Special revenue funds:	
Total local revenues	30,583,200
Total private revenues.....	2,100,000
Merit award trust fund.....	64,266,000
Roads and risks reserve fund	60,900,000
Total other state restricted revenues	1,814,320,300
State general fund/general purpose	\$ 1,793,588,000
Sec. 119. INFORMATION TECHNOLOGY	
Information technology services and projects.....	\$ 37,002,700
Michigan Medicaid information system.....	50,201,100
GROSS APPROPRIATION	\$ 87,203,800
Appropriated from:	
Federal revenues:	
Total federal revenues.....	45,480,400
Special revenue funds:	
Total private revenues.....	20,000,000
Total other state restricted revenues	1,988,000
State general fund/general purpose	\$ 19,735,400
Sec. 120. ONE-TIME BASIS ONLY APPROPRIATIONS	
University autism programs.....	\$ 7,000,000
Autism family assistance services.....	1,500,000
Pay for success contracts.....	1,500,000
Bone marrow transplant registry	250,000
Child and adolescent health services.....	2,000,000
Mental health commission recommendations.....	8,962,500
Dental clinic program.....	4,092,300
Healthy kids dental computer project.....	3,000,000
Statewide trauma system	1,300,000
Senior Olympics.....	100,000
GROSS APPROPRIATION	\$ 29,704,800
Appropriated from:	
Federal revenues:	
Total federal revenues.....	6,662,500
Special revenue funds:	
Autism coverage fund.....	5,500,000
State general fund/general purpose	\$ 17,542,300

PART 2
PROVISIONS CONCERNING APPROPRIATIONS
FOR FISCAL YEAR 2014-2015

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 2014-2015 is \$5,301,104,900.00 and state spending from state resources to be paid

to local units of government for fiscal year 2014-2015 is \$1,108,135,300.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF COMMUNITY HEALTH

BEHAVIORAL HEALTH PROGRAM ADMINISTRATION

Community residential and support services.....	\$	757,200
Housing and support services.....		812,800

BEHAVIORAL HEALTH SERVICES

State disability assistance program substance use disorder services.....	\$	2,018,000
Community substance use disorder prevention, education, and treatment programs.....		14,553,400
Medicaid mental health services		772,083,300
Community mental health non-Medicaid services		97,050,400
Mental health services for special populations		8,842,800
Medicaid substance use disorder services.....		15,806,200
Children's waiver home care program.....		6,056,200
Nursing home PAS/ARR-OBRA		2,725,300

PUBLIC HEALTH ADMINISTRATION

Health and wellness initiatives	\$	3,584,600
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HEALTH POLICY

Primary care services	\$	413,900
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LABORATORY SERVICES

Laboratory services	\$	16,200
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EPIDEMIOLOGY AND INFECTIOUS DISEASE

Sexually transmitted disease control program.....	\$	175,200
Immunization program		1,123,500

LOCAL HEALTH ADMINISTRATION AND GRANTS

Implementation of 1993 PA 133, MCL 333.17015.....	\$	5,000
Essential local public health services.....		35,736,100

CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION

AIDS prevention, testing, and care programs	\$	1,600,100
Cancer prevention and control program		94,700
Chronic disease and health promotion administration		12,000

FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES

Prenatal care outreach and service delivery support.....	\$	1,500,000
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CHILDREN'S SPECIAL HEALTH CARE SERVICES

Medical care and treatment	\$	939,700
Outreach and advocacy.....		2,226,000

CRIME VICTIM SERVICES COMMISSION

Crime victim rights services grants.....	\$	7,200,600
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OFFICE OF SERVICES TO THE AGING

Community services	\$	16,533,500
Nutrition services		10,587,000
Foster grandparent volunteer program.....		657,100
Retired and senior volunteer program.....		173,900
Senior companion volunteer program		348,800
Respite care program.....		5,115,000

MEDICAL SERVICES

Dental services	\$	990,600
Long-term care services		84,754,000
Transportation.....		1,359,300
Hospital services and therapy.....		2,344,700
Physician services.....		9,938,200

TOTAL OF PAYMENTS TO LOCAL UNITS OF GOVERNMENT \$ 1,108,135,300

Sec. 202. The appropriations authorized under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this part and part 1:

(a) "AIDS" means acquired immunodeficiency syndrome.

(b) "CMHSP" means a community mental health services program as that term is defined in section 100a of the mental health code, 1974 PA 258, MCL 330.1100a.

(c) "Current fiscal year" means the fiscal year ending September 30, 2015.

- (d) "Department" means the department of community health.
 - (e) "Director" means the director of the department.
 - (f) "DSH" means disproportionate share hospital.
 - (g) "EPSDT" means early and periodic screening, diagnosis, and treatment.
 - (h) "Federal poverty level" means the poverty guidelines published annually in the federal register by the United States department of health and human services under its authority to revise the poverty line under 42 USC 9902.
 - (i) "FTE" means full-time equated.
 - (j) "GME" means graduate medical education.
 - (k) "Health plan" means, at a minimum, an organization that meets the criteria for delivering the comprehensive package of services under the department's comprehensive health plan.
 - (l) "HEDIS" means healthcare effectiveness data and information set.
 - (m) "HIV" means human immunodeficiency virus.
 - (n) "HMO" means health maintenance organization.
 - (o) "IDEA" means the individuals with disabilities education act, 20 USC 1400 to 1482.
 - (p) "MCH" means maternal and child health.
 - (q) "MICHild" means the program described in section 1670.
 - (r) "PAS/ARR-OBRA" means the preadmission screening and annual resident review required under the omnibus budget reconciliation act of 1987, section 1919(e)(7) of the social security act, 42 USC 1396r.
 - (s) "PIHP" means a governmental entity designated by the department as a regional entity or a specialty prepaid inpatient health plan for Medicaid mental health services, services to individuals with developmental disabilities, and substance use disorder services. Regional entities are described in section 204b of the mental health code, 1974 PA 258, MCL 330.1204b. Specialty prepaid inpatient health plans are described in section 232b of the mental health code, 1974 PA 258, MCL 330.1232b.
 - (t) "Temporary assistance for needy families" means part A of title IV of the social security act, 42 USC 601 to 619.
 - (u) "Title X" means title X of the public health service act, 42 USC 300 to 300a-8, that establishes grants to states for family planning services.
 - (v) "Title XVIII" and "Medicare" mean title XVIII of the social security act, 42 USC 1395 to 1395kkk-1.
 - (w) "Title XIX" and "Medicaid" mean title XIX of the social security act, 42 USC 1396 to 1396w-5.
- Sec. 204. (1) For each new program or program expansion for which funds in excess of \$500,000.00 are appropriated in part 1, the department shall identify specific benchmarks intended to measure the performance or return on taxpayer investment of the program and its associated expenditures. Not later than November 1, 2014, the department shall report the proposed benchmarks to the house and senate appropriations subcommittees for that department, the house and senate fiscal agencies, and the state budget director. The department shall provide an update on its progress in achieving those benchmarks at an appropriations subcommittee meeting called for the purpose of discussing benchmarks and their status.
- (2) It is the intent of the legislature that, beginning with the budget for the fiscal year ending September 30, 2016, any proposal for a new program or an expansion of an existing program in excess of \$500,000.00 initiated by the executive branch or the legislature shall include, as part of the original proposal or budget request, a list of benchmarks intended to measure the performance or return on taxpayer investment of the program or spending increase.
- 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 part 1 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 \$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 part 1 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 part 1 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 \$40,000,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.
- Sec. 207. The department shall maintain, on a public accessible website, a department scorecard that identifies, tracks, and regularly updates key metrics that are used to monitor and improve the department's performance.
- Sec. 208. The departments and agencies receiving appropriations in part 1 shall use the Internet to fulfill the reporting requirements of this part and part 1. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on the Internet or Intranet site.
- 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. Preference shall be given to goods or services, or both, manufactured or provided by Michigan businesses if they are competitively priced and of comparable quality. In addition, preference shall be given to goods or services, or both, that are manufactured or

provided by Michigan businesses owned and operated by veterans if they are competitively priced and of comparable quality.

Sec. 210. The director and the director of the office of services to the aging 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. The director and the director of the office of services to the aging 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. If the revenue collected by the department from fees and collections exceeds the amount appropriated in part 1, the revenue may be carried forward with the approval of the state budget director into the subsequent fiscal year. The revenue carried forward under this section shall be used as the first source of funds in the subsequent fiscal year.

Sec. 212. (1) On or before February 1 of the current fiscal year, the department shall report to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director on the detailed name and amounts of federal, restricted, private, and local sources of revenue that support the appropriations in each of the line items in part 1.

(2) Upon the release of the next fiscal year executive budget recommendation, the department shall report to the same parties in subsection (1) on the amounts and detailed sources of federal, restricted, private, and local revenue proposed to support the total funds appropriated in each of the line items in part 1 of the next fiscal year executive budget proposal.

Sec. 213. The state departments, agencies, and commissions receiving tobacco tax funds and healthy Michigan funds from part 1 shall report by April 1 of the current fiscal year to the senate and house appropriations committees, the senate and house fiscal agencies, and the state budget director on the following:

(a) Detailed spending plan by appropriation line item including description of programs and a summary of organizations receiving these funds.

(b) Description of allocations or bid processes including need or demand indicators used to determine allocations.

(c) Eligibility criteria for program participation and maximum benefit levels where applicable.

(d) Outcome measures used to evaluate programs, including measures of the effectiveness of these programs in improving the health of Michigan residents.

(e) Any other information considered necessary by the house of representatives or senate appropriations committees or the state budget director.

Sec. 216. (1) 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.

(2) The department's ability to satisfy appropriation deductions in part 1 shall not be limited to collections and accruals pertaining to services provided in the current fiscal year, but shall also include reimbursements, refunds, adjustments, and settlements from prior years.

Sec. 218. The department shall include the following in its annual list of proposed basic health services as required in part 23 of the public health code, 1978 PA 368, MCL 333.2301 to 333.2321:

(a) Immunizations.

(b) Communicable disease control.

(c) Sexually transmitted disease control.

(d) Tuberculosis control.

(e) Prevention of gonorrhea eye infection in newborns.

(f) Screening newborns for the conditions listed in section 5431 of the public health code, 1978 PA 368, MCL 333.5431, or recommended by the newborn screening quality assurance advisory committee created under section 5430 of the public health code, 1978 PA 368, MCL 333.5430.

(g) Community health annex of the Michigan emergency management plan.

(h) Prenatal care.

Sec. 219. (1) The department may contract with the Michigan public health institute for the design and implementation of projects and for other public health-related activities prescribed in section 2611 of the public health code, 1978 PA 368, MCL 333.2611. The department may develop a master agreement with the institute to carry out these purposes for up to a 3-year period. The department shall report to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director on or before January 1 of the current fiscal year all of the following:

(a) A detailed description of each funded project.

(b) The amount allocated for each project, the appropriation line item from which the allocation is funded, and the source of financing for each project.

(c) The expected project duration.

(d) A detailed spending plan for each project, including a list of all subgrantees and the amount allocated to each subgrantee.

(2) On or before September 30 of the current fiscal year, the department shall provide to the same parties listed in subsection (1) a copy of all reports, studies, and publications produced by the Michigan public health institute, its subcontractors, or the department with the funds appropriated in part 1 and allocated to the Michigan public health institute.

Sec. 223. The department may establish and collect fees for publications, videos and related materials, conferences, and workshops. Collected fees shall be used to offset expenditures to pay for printing and mailing costs of the publications, videos and related materials, and costs of the workshops and conferences. The department shall not collect fees under this section that exceed the cost of the expenditures.

Sec. 252. The appropriations in part 1 for healthy Michigan plan-behavioral health, healthy Michigan plan administration, and healthy Michigan plan are contingent on the provisions of the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, that were contained in 2013 PA 107 not being amended, repealed, or otherwise altered to eliminate the healthy Michigan plan. If that occurs, then, upon the effective date of the amendatory act that amends, repeals, or otherwise alters those provisions, the remaining funds in the healthy Michigan plan-behavioral health, healthy Michigan plan administration, and healthy Michigan plan line items shall only be used to pay previously incurred costs and any remaining appropriations shall not be allotted to support those line items.

Sec. 264. (1) Upon submission of a Medicaid waiver, a Medicaid state plan amendment, or a similar proposal to the centers for Medicare and Medicaid services, the department shall notify the house and senate appropriations subcommittees on community health and the house and senate fiscal agencies of the submission.

(2) The department shall provide written or verbal biannual reports to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies summarizing the status of any new or ongoing discussions with the centers for Medicare and Medicaid services or the federal department of health and human services regarding potential or future Medicaid waiver applications.

(3) The department shall inform the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies of any alterations or adjustments made to the published plan for integrated care for individuals who are dual Medicare/Medicaid eligibles when the final version of the plan has been submitted to the federal centers for Medicare and Medicaid services or the federal department of health and human services.

(4) At least 30 days before implementation of the plan for integrated care for individuals who are dual Medicare/Medicaid eligibles, the department shall submit the plan to the legislature for review.

Sec. 266. The departments and agencies receiving appropriations in part 1 shall prepare a report on out-of-state travel expenses not later than January 1 of each year. The travel report shall be a listing of all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the senate and house appropriations committees, the house and senate fiscal agencies, and the state budget director. The report shall include the following information:

(a) The dates of each travel occurrence.

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

Sec. 267. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 270. Within 180 days after receipt of the notification from the attorney general's office of a legal action in which expenses had been recovered pursuant to section 106(4) of the social welfare act, 1939 PA 280, MCL 400.106, or any other statute under which the department has the right to recover expenses, the department shall submit a written report to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget office which includes, at a minimum, all of the following:

(a) The total amount recovered from the legal action.

(b) The program or service for which the money was originally expended.

(c) Details on the disposition of the funds recovered such as the appropriation or revenue account in which the money was deposited.

(d) A description of the facts involved in the legal action.

Sec. 276. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those outside services that the attorney general authorizes.

Sec. 282. (1) The department shall work with the department of technology, management, and budget to establish an automated annual metric collection, validation, and reporting system for contracts via the state's e-procurement system by September 30 of the current fiscal year. The department shall report the status of this work and a project plan to the house and senate appropriations subcommittees on community health and the house and senate fiscal agencies by November 1 and May 1 of the current fiscal year.

(2) By June 30, 2016, the automated system established in subsection (1) shall be able to generate a report to the house and senate appropriations subcommittees on community health and the house and senate fiscal agencies that presents performance metrics on all new or existing contracts at renewal of \$1,000,000.00 or more funded only with state general fund/general purpose or state restricted resources. The performance metrics shall include, at a minimum, service delivery volumes and provider or beneficiary outcomes.

Sec. 287. Not later than November 30, the state budget office shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the prior fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the chairpersons of the senate and house appropriations committees, and the senate and house fiscal agencies.

Sec. 288. (1) Beginning October 1 of the current fiscal year, no less than 90% of a new department contract supported solely from state restricted funds or general fund/general purpose funds and designated in this part or part 1 for a specific entity for the purpose of providing services to individuals shall be expended for such services after the first year of the contract.

(2) The department may allow a contract to exceed the limitation on administrative and services costs if it can be demonstrated that an exception should be made to the provision in subsection (1).

(3) By September 30 of the current fiscal year, the department shall report to the house and senate appropriations subcommittees on community health, house and senate fiscal agencies, and state budget office on the rationale for all exceptions made to the provision in subsection (1) and the number of contracts terminated due to violations of subsection (1).

Sec. 292. The department shall cooperate with the department of technology, management, and budget to maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following:

- (a) Fiscal year-to-date expenditures by category.
- (b) Fiscal year-to-date expenditures by appropriation unit.
- (c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.
- (d) The number of active department employees by job classification.
- (e) Job specifications and wage rates.

Sec. 296. Within 14 days after the release of the executive budget recommendation, the department shall cooperate with the state budget office to provide the senate and house appropriations chairs, the senate and house appropriations subcommittees on community health, and the senate and house fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2014 and September 30, 2015.

Sec. 297. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2015 are \$89,124,600.00. From this amount, total agency appropriations for pension-related legacy costs are estimated at \$449,676,000.00. Total agency appropriations for retiree health care legacy costs are estimated at \$39,448,600.00.

Sec. 298. From the funds appropriated in part 1 for the Michigan Medicaid information system line item, \$20,000,000.00 in private revenue will be allocated for the Michigan-Illinois alliance Medicaid management information systems project.

Sec. 299. No state department or agency shall issue a request for proposal (RFP) for a contract in excess of \$5,000,000.00, unless the department or agency has first considered issuing a request for information (RFI) or a request for qualification (RFQ) relative to that contract to better enable the department or agency to learn more about the market for the products or services that are the subject of the RFP. The department or agency shall notify the department of technology, management, and budget of the evaluation process used to determine if an RFI or RFQ was not necessary prior to issuing the RFP.

BEHAVIORAL HEALTH SERVICES

Sec. 401. Funds appropriated in part 1 are intended to support a system of comprehensive community mental health services under the full authority and responsibility of local CMHSPs or PIHPs in accordance with the mental health code, 1974 PA 258, MCL 330.1001 to 330.2106, the Medicaid provider manual, federal Medicaid waivers, and all other applicable federal and state laws.

Sec. 402. (1) From funds appropriated in part 1, final authorizations to CMHSPs or PIHPs shall be made upon the execution of contracts between the department and CMHSPs or PIHPs. The contracts shall contain an approved plan and budget as well as policies and procedures governing the obligations and responsibilities of both parties to the contracts. Each contract with a CMHSP or PIHP that the department is authorized to enter into under this subsection shall include a provision that the contract is not valid unless the total dollar obligation for all of the contracts between the department and the CMHSPs or PIHPs entered into under this subsection for the current fiscal year does not exceed the amount of money appropriated in part 1 for the contracts authorized under this subsection.

(2) The department shall immediately report to the senate and house appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director if either of the following occurs:

- (a) Any new contracts with CMHSPs or PIHPs that would affect rates or expenditures are enacted.

(b) Any amendments to contracts with CMHSPs or PIHPs that would affect rates or expenditures are enacted.

(3) The report required by subsection (2) shall include information about the changes and their effects on rates and expenditures.

Sec. 403. (1) From the funds appropriated in part 1 for mental health services for special populations, the department may require each contractor to provide data and information on performance-related metrics. These metrics may include, but are not limited to, all of the following:

(a) Each contractor or subcontractor shall have a mission that is consistent with the purpose of multicultural integration funding.

(b) Each contractor shall validate that any subcontractors utilized within these appropriations share the same mission as the lead agency receiving funding.

(c) Each contractor or subcontractor shall demonstrate cost-effectiveness.

(d) Each contractor or subcontractor shall ensure its ability to leverage private dollars to strengthen and maximize service provision.

(e) Each contractor or subcontractor shall provide timely and accurate reports regarding the number of clients served, units of service provision, and ability to meet its stated goals.

(2) The department shall require an annual report from the contractors that receive mental health services for special populations funding. The annual report, due 60 days following the end of the contract period, shall include specific information on services and programs provided, the client base to which the services and programs were provided, information on any wraparound services provided, and the expenditures for those services. The department shall provide the annual reports to the senate and house appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget office.

(3) The department of human services and the department shall convene a workgroup to discuss and make recommendations on including accreditation in the contractor specifications and potentially moving toward competitive bidding. Each contractor required to provide data per this section shall be invited to participate in the workgroup.

Sec. 404. (1) Not later than May 31 of the current fiscal year, the department shall provide a report on the community mental health services programs, PIHPs, regional entities designated by the department as PIHPs, and managing entities for substance use disorders to the members of the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director that includes the information required by this section.

(2) The report shall contain information for each CMHSP, PIHP, regional entity designated by the department as a PIHP, and managing entity for substance use disorders and a statewide summary, each of which shall include at least the following information:

(a) A demographic description of service recipients which, minimally, shall include reimbursement eligibility, client population, age, ethnicity, housing arrangements, and diagnosis.

(b) Per capita expenditures by client population group.

(c) Financial information that, minimally, includes a description of funding authorized; expenditures by client group and fund source; and cost information by service category, including administration and funds specified for outside contracts. Service category includes all department-approved services.

(d) Data describing service outcomes that includes, but is not limited to, an evaluation of consumer satisfaction, consumer choice, and quality of life concerns including, but not limited to, housing and employment.

(e) Information about access to community mental health services programs that includes, but is not limited to, the following:

(i) The number of people receiving requested services.

(ii) The number of people who requested services but did not receive services.

(f) The number of second opinions requested under the code and the determination of any appeals.

(g) An analysis of information provided by CMHSPs in response to the needs assessment requirements of the mental health code, 1974 PA 258, MCL 330.1001 to 330.2106, including information about the number of individuals in the service delivery system who have requested and are clinically appropriate for different services.

(h) Lapses and carryforwards during the immediately preceding fiscal year for CMHSPs, PIHPs, regional entities designated by the department as PIHPs, and managing entities for substance use disorders.

(i) Information about contracts for both administrative and mental health services entered into by CMHSPs, PIHPs, regional entities designated by the department as PIHPs, and managing entities for substance use disorders with providers and others, including, but not limited to, all of the following:

(i) The amount of the contract, organized by type of service provided.

(ii) Payment rates, organized by the type of service provided.

(iii) Administrative costs, including contract and consultant costs, for services provided to CMHSPs, PIHPs, regional entities designated by the department as PIHPs, and managing entities for substance use disorders.

(j) Information on the community mental health Medicaid managed care program, including, but not limited to, both of the following:

(i) Expenditures by each CMHSP, PIHP, regional entity designated by the department as a PIHP, and managing entity for substance use disorders organized by Medicaid eligibility group, including per eligible individual expenditure averages.

(ii) Performance indicator information required to be submitted to the department in the contracts with CMHSPs, PIHPs, regional entities designated by the department as PIHPs, and managing entities for substance use disorders.

(k) An estimate of the number of direct care workers in local residential settings and paraprofessional and other nonprofessional direct care workers in settings where skill building, community living supports and training, and personal care services are provided by CMHSPs, PIHPs, regional entities designated by the department as PIHPs, and managing entities for substance use disorders as of September 30 of the prior fiscal year employed directly or through contracts with provider organizations.

(3) The department shall include data reporting requirements listed in subsection (2) in the annual contract with each individual CMHSP, PIHP, regional entity designated by the department as a PIHP, and managing entity for substance use disorders.

(4) The department shall take all reasonable actions to ensure that the data required are complete and consistent among all CMHSPs, PIHPs, regional entities designated by the department as PIHPs, and managing entities for substance use disorders.

Sec. 406. (1) The funds appropriated in part 1 for the state disability assistance substance use disorder services program shall be used to support per diem room and board payments in substance use disorder residential facilities. Eligibility of clients for the state disability assistance substance use disorder services program shall include needy persons 18 years of age or older, or emancipated minors, who reside in a substance use disorder treatment center.

(2) The department shall reimburse all licensed substance use disorder programs eligible to participate in the program at a rate equivalent to that paid by the department of human services to adult foster care providers. Programs accredited by department-approved accrediting organizations shall be reimbursed at the personal care rate, while all other eligible programs shall be reimbursed at the domiciliary care rate.

Sec. 407. (1) The amount appropriated in part 1 for substance use disorder prevention, education, and treatment grants shall be expended to coordinate care and services provided to individuals with severe and persistent mental illness and substance use disorder diagnoses.

(2) The department shall approve managing entity fee schedules for providing substance use disorder services and charge participants in accordance with their ability to pay.

(3) The managing entity shall continue current efforts to collaborate on the delivery of services to those clients with mental illness and substance use disorder diagnoses with the goal of providing services in an administratively efficient manner.

Sec. 408. (1) By April 1 of the current fiscal year, the department shall report the following data from the prior fiscal year on substance use disorder prevention, education, and treatment programs to the senate and house appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget office:

(a) Expenditures stratified by department-designated community mental health entity, by central diagnosis and referral agency, by fund source, by subcontractor, by population served, and by service type. Additionally, data on administrative expenditures by department-designated community mental health entity shall be reported.

(b) Expenditures per state client, with data on the distribution of expenditures reported using a histogram approach.

(c) Number of services provided by central diagnosis and referral agency, by subcontractor, and by service type. Additionally, data on length of stay, referral source, and participation in other state programs.

(d) Collections from other first- or third-party payers, private donations, or other state or local programs, by department-designated community mental health entity, by subcontractor, by population served, and by service type.

(2) The department shall take all reasonable actions to ensure that the required data reported are complete and consistent among all department-designated community mental health entities.

Sec. 410. The department shall assure that substance use disorder treatment is provided to applicants and recipients of public assistance through the department of human services who are required to obtain substance use disorder treatment as a condition of eligibility for public assistance.

Sec. 411. (1) The department shall ensure that each contract with a CMHSP or PIHP requires the CMHSP or PIHP to implement programs to encourage diversion of individuals with serious mental illness, serious emotional disturbance, or developmental disability from possible jail incarceration when appropriate.

(2) Each CMHSP or PIHP shall have jail diversion services and shall work toward establishing working relationships with representative staff of local law enforcement agencies, including county prosecutors' offices, county sheriffs' offices, county jails, municipal police agencies, municipal detention facilities, and the courts. Written interagency agreements describing what services each participating agency is prepared to commit to the local jail diversion effort and the procedures to be used by local law enforcement agencies to access mental health jail diversion services are strongly encouraged.

Sec. 412. The department shall contract directly with the Salvation Army harbor light program to provide non-Medicaid substance use disorder services.

Sec. 418. On or before the tenth of each month, the department shall report to the senate and house appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director on the amount of funding paid to PIHPs to support the Medicaid managed mental health care program in the preceding month. The

information shall include the total paid to each PIHP, per capita rate paid for each eligibility group for each PIHP, and number of cases in each eligibility group for each PIHP, and year-to-date summary of eligibles and expenditures for the Medicaid managed mental health care program.

Sec. 424. Each PIHP that contracts with the department to provide services to the Medicaid population shall adhere to the following timely claims processing and payment procedure for claims submitted by health professionals and facilities:

(a) A “clean claim” as described in section 111i of the social welfare act, 1939 PA 280, MCL 400.111i, shall be paid within 45 days after receipt of the claim by the PIHP. A clean claim that is not paid within this time frame shall bear simple interest at a rate of 12% per annum.

(b) A PIHP shall state in writing to the health professional or facility any defect in the claim within 30 days after receipt of the claim.

(c) A health professional and a health facility have 30 days after receipt of a notice that a claim or a portion of a claim is defective within which to correct the defect. The PIHP shall pay the claim within 30 days after the defect is corrected.

Sec. 428. Each PIHP shall provide, from internal resources, local funds to be used as a bona fide part of the state match required under the Medicaid program in order to increase capitation rates for PIHPs. These funds shall not include either state funds received by a CMHSP for services provided to non-Medicaid recipients or the state matching portion of the Medicaid capitation payments made to a PIHP.

Sec. 435. A county required under the provisions of the mental health code, 1974 PA 258, MCL 330.1001 to 330.2106, to provide matching funds to a CMHSP for mental health services rendered to residents in its jurisdiction shall pay the matching funds in equal installments on not less than a quarterly basis throughout the fiscal year, with the first payment being made by October 1 of the current fiscal year.

Sec. 494. (1) Contingent upon federal approval, if a CMHSP, PIHP, or subcontracting provider agency is reviewed and accredited by a national accrediting entity for behavioral health care services, the department, by April 1 of the current fiscal year, shall consider that CMHSP, PIHP, or subcontracting provider agency in compliance with state program review and audit requirements that are addressed and reviewed by that national accrediting entity.

(2) By June 1 of the current fiscal year, the department shall report to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget office all of the following:

(a) A list of each CMHSP, PIHP, and subcontracting provider agency that is considered in compliance with state program review and audit requirements under subsection (1).

(b) For each CMHSP, PIHP, or subcontracting provider agency described in subdivision (a), all of the following:

(i) The state program review and audit requirements that the CMHSP, PIHP, or subcontracting provider agency is considered in compliance with.

(ii) The national accrediting entity that reviewed and accredited the CMHSP, PIHP, or subcontracting provider agency.

(3) The department shall continue to comply with state and federal law and shall not initiate an action that negatively impacts beneficiary safety.

(4) As used in this section, “national accrediting entity” means the joint commission on accreditation of healthcare organizations, the commission on accreditation of rehabilitation facilities, the council of accreditation, the utilization review accreditation commission, the national committee for quality assurance, or other appropriate entity, as approved by the department.

Sec. 495. From the funds appropriated in part 1 for behavioral health program administration, \$3,350,000.00 is intended to address the recommendations of the mental health diversion council.

Sec. 497. The population data used in determining the distribution of substance use disorder block grant funds shall be from the most recent federal census.

Sec. 502. (1) The department shall continue developing an outreach program on fetal alcohol syndrome services. The department shall report to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies by April 1 of the current fiscal year on efforts to prevent and combat fetal alcohol syndrome as well as deficiencies in efforts to reduce the incidence of fetal alcohol syndrome.

(2) The department shall explore federal grant funding to address prevention services for fetal alcohol syndrome and reduce alcohol consumption among pregnant women. The department shall submit a progress report to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies by April 1 of the current fiscal year on efforts to secure federal grants.

Sec. 503. The department shall notify the Michigan association of community mental health boards when developing policies and procedures that will impact PIHPs or CMHSPs.

Sec. 504. (1) The department shall create a workgroup to make recommendations to achieve more uniformity in capitation payments made to the PIHPs.

(2) The workgroup shall include but not be limited to representatives of the department, PIHPs, and CMHSPs.

(3) The department shall provide the workgroup’s recommendations to the senate and house appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director by March 1 of the current fiscal year.

Sec. 505. For the purposes of special projects involving high-need children or adults, including the not guilty by reason of insanity population, the department may contract directly with providers of services to these identified populations.

Sec. 506. No later than November 30 of the current fiscal year, the department shall provide the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget office with the most recent cost data information submitted by the CMHSPs on how the funds appropriated in part 1 for the community mental health services non-Medicaid services line item were expended by each CMHSP. At a minimum, the information must include CMHSPs general fund/general purpose costs for each of the following categories: administration, prevention, jail diversion and treatment services, MICHild program, children's waiver home care program, children with serious emotional disturbance waiver program, services provided to individuals with mental illness and developmental disabilities who are not eligible for Medicaid, and the Medicaid spend down population.

STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL HEALTH SERVICES

Sec. 601. The department shall continue a revenue recapture project to generate additional revenues from third parties related to cases that have been closed or are inactive. A portion of revenues collected through project efforts may be used for departmental costs and contractual fees associated with these retroactive collections and to improve ongoing departmental reimbursement management functions.

Sec. 602. The purpose of gifts and bequests for patient living and treatment environments is to use additional private funds to provide specific enhancements for individuals residing at state-operated facilities. Use of the gifts and bequests shall be consistent with the stipulation of the donor. The expected completion date for the use of gifts and bequests donations is within 3 years unless otherwise stipulated by the donor.

Sec. 605. (1) The department shall not implement any closures or consolidations of state hospitals, centers, or agencies until CMHSPs or PIHPs have programs and services in place for those individuals currently in those facilities and a plan for service provision for those individuals who would have been admitted to those facilities.

(2) All closures or consolidations are dependent upon adequate department-approved CMHSP and PIHP plans that include a discharge and aftercare plan for each individual currently in the facility. A discharge and aftercare plan shall address the individual's housing needs. A homeless shelter or similar temporary shelter arrangements are inadequate to meet the individual's housing needs.

(3) Four months after the certification of closure required in section 19(6) of the state employees' retirement act, 1943 PA 240, MCL 38.19, the department shall provide a closure plan to the house and senate appropriations subcommittees on community health and the state budget director.

(4) Upon the closure of state-run operations and after transitional costs have been paid, the remaining balances of funds appropriated for that operation shall be transferred to CMHSPs or PIHPs responsible for providing services for individuals previously served by the operations.

Sec. 606. The department may collect revenue for patient reimbursement from first- and third-party payers, including Medicaid and local county CMHSP payers, to cover the cost of placement in state hospitals and centers. The department is authorized to adjust financing sources for patient reimbursement based on actual revenues earned. If the revenue collected exceeds current year expenditures, the revenue may be carried forward with approval of the state budget director. The revenue carried forward shall be used as a first source of funds in the subsequent year.

Sec. 608. Effective October 1 of the current fiscal year, the department, in consultation with the department of technology, management, and budget, may maintain a bid process to identify 1 or more private contractors to provide food service and custodial services for the administrative areas at any state hospital identified by the department as capable of generating savings through the outsourcing of such services.

PUBLIC HEALTH ADMINISTRATION

Sec. 650. By October 1 of the current fiscal year, the department shall provide to the senate and house appropriations subcommittees on community health a report that includes detailed information regarding the current process by which fish consumption advisories are created and revised. The department shall include all of the following information in the report:

(a) The triggers to begin the process for developing the fish consumption advisories, such as evidence of human disease, fish residue data, and biomonitoring data.

(b) The process for developing and modifying a fish consumption advisory, including the data inputs used, the rationale behind the selection of particular fish for collection, whether the process has been independently reviewed and validated by a scientific panel or benchmarked in any way, and the reasons for the lack of any independent review, validation, or benchmarking.

(c) The type of data specific to a particular body of water that would be needed to modify a current fish consumption advisory, including the data quality criteria that are used to determine if data are suitable for use in the assessment and exclusions to bodies of data and the justifications for such exclusions.

(d) Information on the ways stakeholder input is incorporated into the fish consumption advisory process prior to an advisory being issued.

(e) Information on how advisory analyses are documented, including how uncertainty analyses are conducted and reported, with information as to whether these evaluations are publicly available and, if not available, an explanation of why any such evaluations are not publicly available.

Sec. 651. The department shall work with the Michigan health endowment fund corporation established pursuant to section 653 of the nonprofit health care corporation reform act, 1980 PA 350, MCL 550.1653, to explore ways to expand health and wellness programs.

Sec. 654. From the funds appropriated in part 1 for health and wellness initiatives, \$1,000,000.00 shall be allocated for a school children's healthy exercise program to promote and advance physical health for school children in kindergarten through grade 8. The department shall recommend model programs for sites to implement that incorporate evidence-based best practices. The department shall grant no less than 1/2 of the funds appropriated in part 1 for before- and after-school programs. The department shall establish guidelines for program sites, which may include schools, community-based organizations, private facilities, recreation centers, or other similar sites. The program format shall encourage local determination of site activities and shall encourage local inclusion of youth in the decision-making regarding site activities. Program goals shall include children experiencing improved physical health and access to physical activity opportunities, the reduction of obesity, providing a safe place to play and exercise, and nutrition education. To be eligible to participate, program sites shall provide a 20% match to the state funding, which may be provided in full, or in part, by a corporation, foundation, or private partner. The department shall seek financial support from corporate, foundation, or other private partners for the program or for individual program sites.

HEALTH POLICY

Sec. 709. (1) The funds appropriated in part 1 for the Michigan essential health care provider program may also provide loan repayment for dentists that fit the criteria established by part 27 of the public health code, 1978 PA 368, MCL 333.2701 to 333.2727.

(2) From the funds appropriated in part 1 for the Michigan essential health provider program, the department may reduce the local and private share of the loan and repayment costs to 25% for primary care physicians, particularly obstetricians and gynecologists working in underserved areas.

Sec. 712. From the funds appropriated in part 1 for primary care services, \$250,000.00 shall be allocated to free health clinics operating in the state. The department shall distribute the funds equally to each free health clinic. For the purpose of this appropriation, "free health clinics" means nonprofit organizations that use volunteer health professionals to provide care to uninsured individuals.

Sec. 713. The department shall continue support of multicultural agencies that provide primary care services from the funds appropriated in part 1.

Sec. 715. The department shall evaluate options for incentivizing students attending medical schools in this state to meet their primary care residency requirements in this state and ultimately, for some period of time, to remain in this state and serve as primary care physicians.

Sec. 717. (1) The department may award health innovation grants to address emerging issues and encourage cutting edge advances in health care including strategic partners in both the public and private sectors.

(2) The unexpended funds appropriated for the health innovation grants are considered work project appropriations, and any unencumbered or unallotted funds are carried forward into the following fiscal year. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project to be carried forward is to address emerging issues and encourage cutting edge advances in health care including strategic partners in both the public and private sectors.

(b) The project will be accomplished by providing incentive grants.

(c) The estimated cost of this project phase is identified in the appropriation line item.

(d) The tentative completion date for the work project is September 30, 2019.

EPIDEMIOLOGY AND INFECTIOUS DISEASE

Sec. 851. (1) From the funds appropriated in part 1 for the healthy homes program, no less than \$1,750,000.00 shall be allocated for lead abatement of homes.

(2) The department shall coordinate its lead abatement efforts with the Michigan community action agency association, specifically on the issue of window replacement.

Sec. 852. The department shall develop a plan designed to improve Michigan's childhood and adolescent immunization rates. The department shall engage organizations working to provide immunizations and education about the value of vaccines, including, but not limited to, statewide organizations representing health care providers, local public health departments, child health interest groups, and private foundations with a mission to increase immunization rates.

LOCAL HEALTH ADMINISTRATION AND GRANTS

Sec. 901. The amount appropriated in part 1 for implementation of the 1993 additions of or amendments to sections 9161, 16221, 16226, 17014, 17015, and 17515 of the public health code, 1978 PA 368, MCL 333.9161, 333.16221, 333.16226, 333.17014, 333.17015, and 333.17515, shall be used to reimburse local health departments for costs incurred related to implementation of section 17015(18) of the public health code, 1978 PA 368, MCL 333.17015.

Sec. 902. If a county that has participated in a district health department or an associated arrangement with other local health departments takes action to cease to participate in such an arrangement after October 1 of the current fiscal year, the department shall have the authority to assess a penalty from the local health department's operational accounts in an amount equal to no more than 6.25% of the local health department's essential local public health services funding. This penalty shall only be assessed to the local county that requests the dissolution of the health department.

Sec. 904. (1) Funds appropriated in part 1 for essential local public health services shall be prospectively allocated to local health departments to support immunizations, infectious disease control, sexually transmitted disease control and prevention, hearing screening, vision services, food protection, public water supply, private groundwater supply, and on-site sewage management. Food protection shall be provided in consultation with the department of agriculture and rural development. Public water supply, private groundwater supply, and on-site sewage management shall be provided in consultation with the department of environmental quality.

(2) Local public health departments shall be held to contractual standards for the services in subsection (1).

(3) Distributions in subsection (1) shall be made only to counties that maintain local spending in the current fiscal year of at least the amount expended in fiscal year 1992-1993 for the services described in subsection (1).

CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION

Sec. 1001. From the funds appropriated in part 1 for chronic disease control and health promotion administration, \$150,000.00 is appropriated for Alzheimer's disease services and shall be remitted to the Alzheimer's association-Michigan chapters for the purpose of carrying out a pilot project in Macomb, Monroe, and St. Joseph Counties. The fiduciary for the funds is the Alzheimer's association-greater Michigan chapter. The Alzheimer's association shall provide enhanced services, including 24/7 helpline, continued care consultation, and support groups, to individuals with Alzheimer's disease or dementia and their families in the 3 counties, and partner with a Michigan public university to study whether provision of such in-home support services significantly delays the need for residential long-term care services for individuals with Alzheimer's disease or dementia. The study must also consider potential cost savings related to the delay of long-term care services, if a delay is shown.

FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES

Sec. 1103. By January 3 of the current fiscal year the department shall annually issue to the legislature, and to the public on the Internet, a report providing estimated public funds administered by the department for family planning, sexually transmitted infection prevention and treatment, and pregnancies and births, as well as demographics collected by the department as voluntarily self-reported by individuals utilizing those services. The department shall provide the actual expenditures by marital status or, where actual expenditures are not available, shall provide estimated expenditures by marital status. The department may utilize the Plan First application (Form MSA 1582), MICHild, and Healthy Kids application (DCH 0373) or Assistance Application (DHS 1171) or any other official application for public assistance for medical coverage to determine the actual or estimated public expenditures based on marital status.

Sec. 1104. (1) Before April 1 of the current fiscal year, the department shall submit a report to the house and senate fiscal agencies and the state budget director on planned allocations from the amounts appropriated in part 1 for local MCH services, prenatal care outreach and service delivery support, family planning local agreements, and pregnancy prevention programs. Using applicable federal definitions, the report shall include information on all of the following:

(a) Funding allocations.

(b) Actual number of women, children, and adolescents served and amounts expended for each group for the immediately preceding fiscal year.

(c) A breakdown of the expenditure of these funds between urban and rural communities.

(2) The department shall ensure that the distribution of funds through the programs described in subsection (1) takes into account the needs of rural communities.

(3) For the purposes of this section, "rural" means a county, city, village, or township with a population of 30,000 or less, including those entities if located within a metropolitan statistical area.

Sec. 1106. Each family planning program receiving federal title X family planning funds under 42 USC 300 to 300a-8 shall be in compliance with all performance and quality assurance indicators that the office of population affairs within the United States department of health and human services specifies in the program guidelines for project grants for family planning services. An agency not in compliance with the indicators shall not receive supplemental or reallocated funds.

Sec. 1108. The department shall not use state restricted funds or state general funds appropriated in part 1 in the pregnancy prevention program or family planning local agreements appropriation line items for abortion counseling, referrals, or services.

Sec. 1109. (1) From the amounts appropriated in part 1 for dental programs, funds shall be allocated to the Michigan dental association for the administration of a volunteer dental program that provides dental services to the uninsured.

(2) Not later than December 1 of the current fiscal year, the department shall report to the senate and house appropriations subcommittees on community health and the senate and house standing committees on health policy the number of individual patients treated, number of procedures performed, and approximate total market value of those procedures from the immediately preceding fiscal year.

Sec. 1136. From the funds appropriated in part 1 for prenatal care outreach and service delivery support, \$800,000.00 shall be allocated for a pregnancy and parenting support services program, which program must promote childbirth, alternatives to abortion, and grief counseling. The department shall establish a program with a qualified contractor that will contract with qualified service providers to provide free counseling, support, and referral services to eligible women during pregnancy through 12 months after birth. As appropriate, the goals for client outcomes shall include an increase in client support, an increase in childbirth choice, an increase in adoption knowledge, an improvement in parenting skills,

and improved reproductive health through abstinence education. The contractor of the program shall provide for program training, client educational material, program marketing, and annual service provider site monitoring. The department shall submit a report to the house and senate appropriations subcommittees on community health and the house and senate fiscal agencies by April 1 of the current fiscal year on the number of clients served.

Sec. 1137. From the funds appropriated in part 1 for prenatal care outreach and service delivery support, not less than \$500,000.00 of funding shall be allocated for evidence-based programs to reduce infant mortality including nurse family partnership programs. The funds shall be used for enhanced support and education to nursing teams or other teams of qualified health professionals, client recruitment in areas designated as underserved for obstetrical and gynecological services and other high-need communities, strategic planning to expand and sustain programs, and marketing and communications of programs to raise awareness, engage stakeholders, and recruit nurses.

Sec. 1138. The department shall allocate funds appropriated in section 113 of part 1 for family, maternal, and children's health services pursuant to section 1 of 2002 PA 360, MCL 333.1091.

Sec. 1139. (1) By November 1, 2014, the department shall work jointly with the department of human services and the Michigan state housing development authority to appoint members to a joint task force to review housing rehabilitation, energy and weatherization, and hazard abatement program policies and to make recommendations for integrating and coordinating project delivery with the goals of serving more families and achieving better outcomes by maximizing state and federal resources. The joint task force must include all of the following:

- (a) A representative of the department.
- (b) A representative of the healthy homes section, lead safe home program.
- (c) A construction management specialist.
- (d) A representative of the community development division.
- (e) A representative of the Michigan state housing development authority.
- (f) An energy and weatherization staff representative from the department of human services.
- (g) A local weatherization operator.
- (h) A certified lead professional or a certified lead contractor.
- (i) Representatives from at least 2 community organizations that address harmful housing conditions.

(2) The department and the Michigan state housing development authority shall organize the initial meeting of the task force and shall provide administrative support for the task force.

(3) By March 1, 2015, the task force described in subsection (1) shall provide to the house and senate chairs of the appropriations subcommittees for the department and the department of human services, the senate and house fiscal agencies, and the senate and house policy offices a report of its findings and recommendations.

Sec. 1140. From the funds appropriated in part 1 for prenatal care outreach and service delivery support, equal consideration shall be given to all eligible evidence-based providers in all regions in contracting for rural health visitation services.

WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAM

Sec. 1151. By January 1 of the current fiscal year, the department shall provide to the senate and house appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget office a report on the number of complaints received regarding access to generic peanut butter by county, and a report on savings gained from implementing the generic peanut butter purchasing requirement within the women, infants, and children food and nutrition program.

CHILDREN'S SPECIAL HEALTH CARE SERVICES

Sec. 1202. The department may do 1 or more of the following:

- (a) Provide special formula for eligible clients with specified metabolic and allergic disorders.
- (b) Provide medical care and treatment to eligible patients with cystic fibrosis who are 21 years of age or older.
- (c) Provide medical care and treatment to eligible patients with hereditary coagulation defects, commonly known as hemophilia, who are 21 years of age or older.
- (d) Provide human growth hormone to eligible patients.

Sec. 1205. From the funds appropriated in part 1 for medical care and treatment, the department is authorized to spend up to \$500,000.00 for the continued development and expansion of telemedicine capacity to allow families with children in the children's special health care services program to access specialty providers more readily and in a more timely manner.

CRIME VICTIM SERVICES COMMISSION

Sec. 1302. From the funds appropriated in part 1 for justice assistance grants, up to \$200,000.00 shall be allocated for expansion of forensic nurse examiner programs to facilitate training for improved evidence collection for the prosecution of sexual assault. The funds shall be used for program coordination and training.

OFFICE OF SERVICES TO THE AGING

Sec. 1403. (1) By February 1 of the current fiscal year, the office of services to the aging shall require each region to report to the office of services to the aging and to the legislature home-delivered meals waiting lists based upon standard criteria. Determining criteria shall include all of the following:

- (a) The recipient's degree of frailty.

- (b) The recipient's inability to prepare his or her own meals safely.
 - (c) Whether the recipient has another care provider available.
 - (d) Any other qualifications normally necessary for the recipient to receive home-delivered meals.
- (2) Data required in subsection (1) shall be recorded only for individuals who have applied for participation in the home-delivered meals program and who are initially determined as likely to be eligible for home-delivered meals.

Sec. 1417. The department shall provide to the senate and house appropriations subcommittees on community health, senate and house fiscal agencies, and state budget director a report by March 30 of the current fiscal year that contains all of the following:

- (a) The total allocation of state resources made to each area agency on aging by individual program and administration.
- (b) Detail expenditure by each area agency on aging by individual program and administration including both state-funded resources and locally-funded resources.

Sec. 1421. From the funds appropriated in part 1 for community services, \$1,100,000.00 shall be allocated to area agencies on aging for locally determined needs.

MEDICAL SERVICES ADMINISTRATION

Sec. 1501. The unexpended funds appropriated in part 1 for the electronic health records incentive program are considered work project appropriations, and any unencumbered or unallotted funds are carried forward into the following fiscal year. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

- (a) The purpose of the project to be carried forward is to implement the Medicaid electronic health record program that provides financial incentive payments to Medicaid health care providers to encourage the adoption and meaningful use of electronic health records to improve quality, increase efficiency, and promote safety.
- (b) The projects will be accomplished according to the approved federal advanced planning document.
- (c) The estimated cost of this project phase is identified in the appropriation line item.
- (d) The tentative completion date for the work project is September 30, 2019.

Sec. 1502. The department shall spend available work project revenue plus any associated federal match to create and develop a transparency database website. This funding is contingent upon enactment of enabling legislation.

Sec. 1503. From the funds appropriated in part 1 for Healthy Michigan plan administration, the department shall establish an accounting structure within the Michigan administrative information network that will allow expenditures associated with the administration of the Healthy Michigan plan to be identified.

MEDICAL SERVICES

Sec. 1601. The cost of remedial services incurred by residents of licensed adult foster care homes and licensed homes for the aged shall be used in determining financial eligibility for the medically needy. Remedial services include basic self-care and rehabilitation training for a resident.

Sec. 1603. (1) The department may establish a program for individuals to purchase medical coverage at a rate determined by the department.

(2) The department may receive and expend premiums for the buy-in of medical coverage in addition to the amounts appropriated in part 1.

(3) The premiums described in this section shall be classified as private funds.

Sec. 1605. The protected income level for Medicaid coverage determined pursuant to section 106(1)(b)(iii) of the social welfare act, 1939 PA 280, MCL 400.106, shall be 100% of the related public assistance standard.

Sec. 1606. For the purpose of guardian and conservator charges, the department may deduct up to \$60.00 per month as an allowable expense against a recipient's income when determining medical services eligibility and patient pay amounts.

Sec. 1607. (1) An applicant for Medicaid, whose qualifying condition is pregnancy, shall immediately be presumed to be eligible for Medicaid coverage unless the preponderance of evidence in her application indicates otherwise. The applicant who is qualified as described in this subsection shall be allowed to select or remain with the Medicaid participating obstetrician of her choice.

(2) An applicant qualified as described in subsection (1) shall be given a letter of authorization to receive Medicaid covered services related to her pregnancy. All qualifying applicants shall be entitled to receive all medically necessary obstetrical and prenatal care without preauthorization from a health plan. All claims submitted for payment for obstetrical and prenatal care shall be paid at the Medicaid fee-for-service rate in the event a contract does not exist between the Medicaid participating obstetrical or prenatal care provider and the managed care plan. The applicant shall receive a listing of Medicaid physicians and managed care plans in the immediate vicinity of the applicant's residence.

(3) In the event that an applicant, presumed to be eligible pursuant to subsection (1), is subsequently found to be ineligible, a Medicaid physician or managed care plan that has been providing pregnancy services to an applicant under this section is entitled to reimbursement for those services until such time as they are notified by the department that the applicant was found to be ineligible for Medicaid.

(4) If the preponderance of evidence in an application indicates that the applicant is not eligible for Medicaid, the department shall refer that applicant to the nearest public health clinic or similar entity as a potential source for receiving pregnancy-related services.

(5) The department shall develop an enrollment process for pregnant women covered under this section that facilitates the selection of a managed care plan at the time of application.

(6) The department shall mandate enrollment of women, whose qualifying condition is pregnancy, into Medicaid managed care plans.

(7) The department shall encourage physicians to provide women, whose qualifying condition for Medicaid is pregnancy, with a referral to a Medicaid participating dentist at the first pregnancy-related appointment.

Sec. 1611. (1) For care provided to medical services recipients with other third-party sources of payment, medical services reimbursement shall not exceed, in combination with such other resources, including Medicare, those amounts established for medical services-only patients. The medical services payment rate shall be accepted as payment in full. Other than an approved medical services co-payment, no portion of a provider's charge shall be billed to the recipient or any person acting on behalf of the recipient. Nothing in this section shall be considered to affect the level of payment from a third-party source other than the medical services program. The department shall require a nonenrolled provider to accept medical services payments as payment in full.

(2) Notwithstanding subsection (1), medical services reimbursement for hospital services provided to dual Medicare/medical services recipients with Medicare part B coverage only shall equal, when combined with payments for Medicare and other third-party resources, if any, those amounts established for medical services-only patients, including capital payments.

Sec. 1620. (1) For fee-for-service recipients who do not reside in nursing homes, the pharmaceutical dispensing fee shall be \$2.75 or the pharmacy's usual or customary cash charge, whichever is less. For nursing home residents, the pharmaceutical dispensing fee shall be \$3.00 or the pharmacy's usual or customary cash charge, whichever is less.

(2) The department shall require a prescription co-payment for Medicaid recipients of \$1.00 for a generic drug and \$3.00 for a brand-name drug, except as prohibited by federal or state law or regulation.

Sec. 1629. The department shall utilize maximum allowable cost pricing for generic drugs that is based on wholesaler pricing to providers that is available from at least 2 wholesalers who deliver in the state of Michigan.

Sec. 1631. (1) The department shall require co-payments on dental, podiatric, and vision services provided to Medicaid recipients, except as prohibited by federal or state law or regulation.

(2) Except as otherwise prohibited by federal or state law or regulations, the department shall require Medicaid recipients to pay the following co-payments:

- (a) Two dollars for a physician office visit.
- (b) Three dollars for a hospital emergency room visit.
- (c) Fifty dollars for the first day of an inpatient hospital stay.
- (d) One dollar for an outpatient hospital visit.

Sec. 1641. An institutional provider that is required to submit a cost report under the medical services program shall submit cost reports completed in full within 5 months after the end of its fiscal year.

Sec. 1657. (1) Reimbursement for medical services to screen and stabilize a Medicaid recipient, including stabilization of a psychiatric crisis, in a hospital emergency room shall not be made contingent on obtaining prior authorization from the recipient's HMO. If the recipient is discharged from the emergency room, the hospital shall notify the recipient's HMO within 24 hours of the diagnosis and treatment received.

(2) If the treating hospital determines that the recipient will require further medical service or hospitalization beyond the point of stabilization, that hospital shall receive authorization from the recipient's HMO prior to admitting the recipient.

(3) Subsections (1) and (2) do not require an alteration to an existing agreement between an HMO and its contracting hospitals and do not require an HMO to reimburse for services that are not considered to be medically necessary.

Sec. 1659. The following sections of this part are the only ones that shall apply to the following Medicaid managed care programs, including the comprehensive plan, MICHoice long-term care plan, and the mental health, substance use disorder, and developmentally disabled services program: 404, 411, 418, 428, 494, 1607, 1657, 1662, 1699, 1764, 1765, 1815, 1820, 1850, 1881, and 1888.

Sec. 1662. (1) The department shall assure that an external quality review of each contracting HMO is performed that results in an analysis and evaluation of aggregated information on quality, timeliness, and access to health care services that the HMO or its contractors furnish to Medicaid beneficiaries.

(2) The department shall require Medicaid HMOs to provide EPSDT utilization data through the encounter data system, and HEDIS well child health measures in accordance with the national committee for quality assurance prescribed methodology.

(3) The department shall provide a copy of the analysis of the Medicaid HMO annual audited HEDIS reports and the annual external quality review report to the senate and house of representatives appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director, within 30 days of the department's receipt of the final reports from the contractors.

Sec. 1670. (1) The appropriation in part 1 for the MICHild program is to be used to provide comprehensive health care to all children under age 19 who reside in families with income at or below 212% of the federal poverty level, who are uninsured and have not had coverage by other comprehensive health insurance within 6 months of making application for

MiChild benefits, and who are residents of this state. The department shall develop detailed eligibility criteria through the medical services administration public concurrence process, consistent with the provisions of this part and part 1. Health coverage for children in families between 160% and 212% of the federal poverty level shall be provided through a state-based private health care program.

(2) The department may provide up to 1 year of continuous eligibility to children eligible for the MiChild program unless the family fails to pay the monthly premium, a child reaches age 19, or the status of the children's family changes and its members no longer meet the eligibility criteria as specified in the federally approved MiChild state plan.

(3) Children whose category of eligibility changes between the Medicaid and MiChild programs shall be assured of keeping their current health care providers through the current prescribed course of treatment for up to 1 year, subject to periodic reviews by the department if the beneficiary has a serious medical condition and is undergoing active treatment for that condition.

(4) To be eligible for the MiChild program, a child must be residing in a family with an adjusted gross income of less than or equal to 212% of the federal poverty level. The department's verification policy shall be used to determine eligibility.

(5) The department shall contract with Medicaid health plans to provide physical health services to MiChild enrollees. The department may continue to obtain physical health services for MiChild enrollees from health maintenance organizations and preferred provider organizations currently under contract for whatever duration is needed as determined by the department. The department shall contractually require that health plans pay out-of-network providers at the department fee schedule. The department shall contract with qualified dental plans to provide dental coverage for MiChild enrollees.

(6) The department may enter into contracts to obtain certain MiChild services from community mental health service programs.

(7) The department may make payments on behalf of children enrolled in the MiChild program from the line-item appropriation associated with the program as described in the MiChild state plan approved by the United States department of health and human services, or from other medical services.

(8) The department shall assure that an external quality review of each MiChild contractor, as described in subsection (5), is performed, which analyzes and evaluates the aggregated information on quality, timeliness, and access to health care services that the contractor furnished to MiChild beneficiaries.

(9) The department shall develop an automatic enrollment algorithm that is based on quality and performance factors.

(10) MiChild services shall include treatment for autism spectrum disorders as defined in the federally approved Medicaid state plan.

Sec. 1673. The department may establish premiums for MiChild eligible individuals in families with income above 150% of the federal poverty level. The monthly premiums shall not be less than \$10.00 or exceed \$15.00 for a family.

Sec. 1677. The MiChild program shall provide all benefits available under the Michigan benchmark plan that are delivered through contracted providers and consistent with federal law, including, but not limited to, the following medically necessary services:

(a) Inpatient mental health services, other than substance use disorder treatment services, including services furnished in a state-operated mental hospital and residential or other 24-hour therapeutically planned structured services.

(b) Outpatient mental health services, other than substance use disorder services, including services furnished in a state-operated mental hospital and community-based services.

(c) Durable medical equipment and prosthetic and orthotic devices.

(d) Dental services as outlined in the approved MiChild state plan.

(e) Substance use disorder treatment services that may include inpatient, outpatient, and residential substance use disorder treatment services.

(f) Care management services for mental health diagnoses.

(g) Physical therapy, occupational therapy, and services for individuals with speech, hearing, and language disorders.

(h) Emergency ambulance services.

Sec. 1682. (1) The department shall implement enforcement actions as specified in the nursing facility enforcement provisions of section 1919 of title XIX, 42 USC 1396r.

(2) In addition to the appropriations in part 1, the department is authorized to receive and spend penalty money received as the result of noncompliance with medical services certification regulations. Penalty money, characterized as private funds, received by the department shall increase authorizations and allotments in the long-term care accounts.

(3) Any unexpended penalty money, at the end of the year, shall carry forward to the following year.

Sec. 1692. (1) The department is authorized to pursue reimbursement for eligible services provided in Michigan schools from the federal Medicaid program. The department and the state budget director are authorized to negotiate and enter into agreements, together with the department of education, with local and intermediate school districts regarding the sharing of federal Medicaid services funds received for these services. The department is authorized to receive and disburse funds to participating school districts pursuant to such agreements and state and federal law.

(2) From the funds appropriated in part 1 for medical services school-based services payments, the department is authorized to do all of the following:

(a) Finance activities within the medical services administration related to this project.

(b) Reimburse participating school districts pursuant to the fund-sharing ratios negotiated in the state-local agreements authorized in subsection (1).

(c) Offset general fund costs associated with the medical services program.

Sec. 1693. The special Medicaid reimbursement appropriation in part 1 may be increased if the department submits a medical services state plan amendment pertaining to this line item at a level higher than the appropriation. The department is authorized to appropriately adjust financing sources in accordance with the increased appropriation.

Sec. 1694. From the funds appropriated in part 1 for special Medicaid reimbursement, \$378,000.00 of general fund/general purpose revenue and any associated federal match shall be distributed for poison control services to an academic health care system that includes a children's hospital that has a high indigent care volume.

Sec. 1699. (1) The department may make separate payments in the amount of \$45,000,000.00 directly to qualifying hospitals serving a disproportionate share of indigent patients and to hospitals providing GME training programs. If direct payment for GME and DSH is made to qualifying hospitals for services to Medicaid clients, hospitals shall not include GME costs or DSH payments in their contracts with HMOs.

(2) The department shall allocate \$45,000,000.00 in DSH funding using the distribution methodology used in fiscal year 2003-2004.

(3) By September 30 of the current fiscal year, the department shall report to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies on the new distribution of funding to each eligible hospital from the GME and DSH pools.

Sec. 1724. The department shall allow licensed pharmacies to purchase injectable drugs for the treatment of respiratory syncytial virus for shipment to physicians' offices to be administered to specific patients. If the affected patients are Medicaid eligible, the department shall reimburse pharmacies for the dispensing of the injectable drugs and reimburse physicians for the administration of the injectable drugs.

Sec. 1757. The department shall direct the department of human services to obtain proof from all Medicaid recipients that they are legal United States citizens or otherwise legally residing in this country and that they are residents of this state before approving Medicaid eligibility.

Sec. 1764. The department shall annually certify rates paid to Medicaid health plans and specialty prepaid inpatient health plans as being actuarially sound in accordance with federal requirements and shall provide a copy of the rate certification and approval immediately to the house and senate appropriations subcommittees on community health and the house and senate fiscal agencies.

Sec. 1765. There shall be established a health insurer fee reserve fund of \$30,000,000.00 general fund/general purpose and associated federal match to provide funding to Medicaid health plans for the cost of the 2015 insurance provider's fee under section 9010 of the patient protection and affordable care act, Public Law 111-148, as amended by the health care and education reconciliation act of 2010, Public Law 111-152. Funds will be expended as provided for in this section only after the internal revenue service finalizes the 2015 percent assessment of the fee and the state budget director approves the amount of reimbursement from the fund. The state budget director shall provide notification to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies at least 15 days before exercising the authority under this section. Upon notification by the state budget director, the funds shall be available for use as a source of financing for Medicaid health plan payments.

Sec. 1775. If the state's application for a waiver to implement managed care for dual Medicare/Medicaid eligibles is approved by the federal government, the department shall provide quarterly reports to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies on progress in implementing the waiver.

Sec. 1800. From the \$85,000,000.00 increase in funding in part 1 for outpatient disproportionate share hospital payments, the department shall explore establishing a Medicaid value pool that rewards and incentivizes hospitals providing low-cost and high-quality Medicaid services. The department shall convene a workgroup of hospitals to assist in the development of the metrics utilized to determine value, and shall report to the senate and house appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director on the results of the workgroup by April 1 of the current fiscal year.

Sec. 1801. Beginning January 1, 2015, from the funds appropriated in part 1 for physician services and health plan services, the department shall use \$25,000,000.00 in general fund/general purpose plus associated federal match to increase Medicaid rates for primary care services provided only by primary care providers. For the purpose of this section, a primary care provider is a physician, or a practitioner working under the personal supervision of a physician, who is board-eligible or certified with a specialty designation of family medicine, general internal medicine, or pediatric medicine, or a provider who provides the department with documentation of equivalency. Providers performing a service and whose primary practice is as a non-primary-care subspecialty is not eligible for the increase. The department shall establish policies that most effectively limit the increase to primary care providers for primary care services only.

Sec. 1802. From the funds appropriated in part 1, a lump-sum payment shall be made to hospitals that qualified for rural hospital access payments in fiscal year 2013-2014 and that provide obstetrical care in the current fiscal year. The payment shall be calculated as \$830.00 for each obstetrical care case payment and each newborn care case payment for all such cases billed by the qualified hospitals for fiscal year 2012-2013 and shall be paid through the Medicaid health plan hospital rate adjustment process by January 1 of the current fiscal year.

Sec. 1804. The department, in cooperation with the department of human services and the department of military and veterans affairs, shall work with the federal public assistance reporting information system to identify Medicaid recipients who are veterans and who may be eligible for federal veterans health care benefits or other benefits.

Sec. 1815. From the funds appropriated in part 1 for health plan services, the department shall not implement a capitation withhold as part of the overall capitation rate schedule that exceeds the 0.19% withhold administered during fiscal year 2008-2009.

Sec. 1820. (1) In order to avoid duplication of efforts, the department shall utilize applicable national accreditation review criteria to determine compliance with corresponding state requirements for Medicaid health plans that have been reviewed and accredited by a national accrediting entity for health care services.

(2) Upon submission by Medicaid health plans of a listing of program requirements that are part of the state program review criteria but are not reviewed by an applicable national accrediting entity, the department shall review the listing and provide a recommendation to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget office as to whether or not state program review should continue. The Medicaid health plans may request the department to convene a workgroup to fulfill this section.

(3) The department shall continue to comply with state and federal law and shall not initiate an action that negatively impacts beneficiary safety.

(4) As used in this section, "national accrediting entity" means the national committee for quality assurance, the utilization review accreditation committee, or other appropriate entity, as approved by the department.

(5) By July 1 of the current fiscal year, the department shall provide a progress report to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget office on implementation of this section.

Sec. 1837. The department shall explore utilization of telemedicine and telepsychiatry as strategies to increase access to services for Medicaid recipients in medically underserved areas.

Sec. 1842. (1) Subject to the availability of funds, the department shall adjust the hospital outpatient Medicaid reimbursement rate for qualifying hospitals as provided in this section. The Medicaid reimbursement rate for qualifying hospitals shall be adjusted to provide each qualifying hospital with its actual cost of delivering outpatient services to Medicaid recipients.

(2) As used in this section, "qualifying hospital" means a hospital that has not more than 50 staffed beds and is either located outside a metropolitan statistical area or in a metropolitan statistical area but within a city, village, or township with a population of not more than 12,000 according to the official 2010 federal decennial census and within a county with a population of not more than 165,000 according to the official 2010 federal decennial census.

Sec. 1846. From the funds appropriated in part 1 for graduate medical education, the department shall distribute the funds with an emphasis on the following health care workforce goals:

(a) The encouragement of the training of physicians in specialties, including primary care, that are necessary to meet the future needs of residents of this state.

(b) The training of physicians in settings that include ambulatory sites and rural locations.

Sec. 1848. It is the intent of the legislature that the healthy kids dental program be expanded in fiscal year 2015-2016 to cover Kent, Oakland, and Wayne counties.

Sec. 1850. The department may allow Medicaid health plans to assist with the redetermination process through outreach activities to ensure continuation of Medicaid eligibility and enrollment in managed care. This may include mailings, telephone contact, or face-to-face contact with beneficiaries enrolled in the individual Medicaid health plan. Health plans may offer assistance in completing paperwork for beneficiaries enrolled in their plan.

Sec. 1854. The department may work with a provider of kidney dialysis services and renal care as authorized under section 2703 of the patient protection and affordable care act, Public Law 111-148, to develop a chronic condition health home program for Medicaid enrollees identified with chronic kidney disease and who are beginning dialysis. If initiated, the department shall develop metrics that evaluate program effectiveness and submit a report by June 1 of the current fiscal year to the senate and house appropriations subcommittees on community health. Metrics shall include cost savings and clinical outcomes.

Sec. 1858. Medicaid services shall include treatment for autism spectrum disorders as defined in the federally approved Medicaid state plan. Such alternatives may be coordinated with the Medicaid health plans and the Michigan association of health plans.

Sec. 1861. (1) The department shall conduct a review of the efficiency and effectiveness of the current nonemergency transportation system funded in part 1. For nonemergency transportation services provided outside the current broker coverage, the review is contingent on available detailed travel data, including methods of travel, number of people served,

travel distances, number of trips, and costs of trips. The department shall report the results of the review required under this subsection to the house and senate appropriations subcommittees on community health and the house and senate fiscal agencies no later than September 30 of the current fiscal year.

(2) The department shall create a pilot nonemergency transportation system in at least 2 counties with priority given to Berrien and Muskegon Counties to provide nonemergency transportation services encouraging use of nonprofit entities. The transportation providers selected by the department are responsible for ensuring that federal and state safety and training standards are met.

Sec. 1862. From the funds appropriated in part 1, the department shall increase payment rates for Medicaid obstetrical services to 95% of Medicare levels effective October 1, 2014.

Sec. 1865. Upon federal approval of the department's proposal for integrated care for individuals who are dual Medicare/Medicaid eligibles, the department shall provide the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies its plan and organizational chart for administering and providing oversight of this proposal. The plan shall include information on how the department intends to organize staff in an integrated manner to ensure that key components of the proposal are implemented effectively.

Sec. 1866. (1) From the funds appropriated in part 1 for hospital services and therapy, \$12,000,000.00 in general fund/general purpose revenue and any associated federal match shall be awarded to hospitals that meet criteria established by the department for services to low-income rural residents. One of the reimbursement components of the distribution formula shall be assistance with labor and delivery services.

(2) No hospital or hospital system shall receive more than 10.0% of the total funding referenced in subsection (1).

(3) To allow hospitals to understand their rural payment amounts under this section, the department shall provide hospitals with the methodology for distribution under this section and provide each hospital with its applicable data that are used to determine the payment amounts by August 1 of the current fiscal year. The department shall publish the distribution of payments for the current fiscal year and the immediately preceding fiscal year.

(4) The department shall report to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies on the distribution of funds referenced in subsection (1) by April 1 of the current fiscal year.

Sec. 1870. The department shall work in collaboration with Michigan-based medical schools that choose to participate in the creation of a graduate medical education consortium known as MIDocs. The purpose of MIDocs is to develop freestanding residency training programs in primary care and other ambulatory care-based specialties. MIDocs shall design residency training programs to address physician shortage needs in this state, including placing physicians post-residency in underserved communities across this state. MIDocs shall give special consideration to small and rural hospitals with a GME program director. MIDocs' voting members will include any Michigan-based university with a medical school or an affiliated faculty practice physician group that is making a substantial contribution to MIDocs programs. The department shall be a permanent nonvoting member of MIDocs. The department, in collaboration with MIDocs voting members, may also appoint nonvoting members to MIDocs to represent various stakeholders. As the sponsoring institution and fiduciary, MIDocs shall assure initial and continued accreditation from the accreditation council for graduate medical education or ACGME, financial accountability, clinical quality, and compliance. The department shall require an annual report from MIDocs detailing per resident costs for medical training and clinical quality measures. The department shall create MIDocs no later than January 10, 2015. MIDocs shall provide the department with a report proposing the creation of new residency programs and an actionable plan for retaining consortium related students post-residency, especially in underserved communities. From the funds appropriated in part 1, \$500,000.00 is allocated to prepare the report, legally create the consortium, prepare to obtain ACGME accreditation, and develop new residency programs.

Sec. 1874. The department may explore ways to work with private providers to develop fraud management solutions to reduce fraud, waste, and abuse in this state's Medicaid program.

Sec. 1878. In any project negotiated with the federal government for integrated health care of individuals dually enrolled in Medicaid and Medicare, the department shall seek to assure the existence of an ombudsman program that is not associated with any project service manager or provider. For activities to be undertaken by the ombudsman program, the department shall include, but is not limited to, assisting beneficiaries with navigating complaint and dispute resolution mechanisms, identifying problems in the project's complaint and dispute resolution mechanisms, and reporting to the executive and legislative branches on any such problems and potential solutions for them.

Sec. 1879. In any program of integrated service for persons dually enrolled in Medicaid and Medicare that the department negotiates with the federal government, the department shall seek to use the Medicare Part D benefit for prescription drug coverage.

Sec. 1881. The department shall create a default eligibility and enrollment determination for newborns so that newborns are assigned to the same Medicaid health plan as the mother at the time of birth.

Sec. 1883. For the purposes of more effectively managing inpatient care for Medicaid health plans and Medicaid fee-for-service, the department shall consider developing an appropriate policy and rate for observation stays.

Sec. 1886. The department shall work in conjunction with the workgroup established by the department of human services to determine how the state can maximize Medicaid claims for community-based and outpatient treatment

services to foster care children and adjudicated youths who are placed in community-based treatment programs. The department shall report to the senate and house appropriations subcommittees on community health, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office by March 1 of the current fiscal year on the findings of the workgroup.

Sec. 1888. The department shall establish contract performance standards associated with the capitation withhold provisions under section 1815 for Medicaid health plans at least 3 months in advance of the implementation of those standards. The determination of whether performance standards have been met shall be based primarily on recognized concepts such as 1-year continuous enrollment and the healthcare effectiveness data and information set, HEDIS, audited data.

Sec. 1890. From the funds appropriated in part 1 for pharmaceutical services, the department shall ensure Medicaid recipients access to breast pumps to support and encourage breastfeeding. The department shall adjust Medicaid policy to, at a minimum, provide an individual double electric style pump to a breastfeeding mother when a physician prescribes such a device based on diagnosis of mother or infant. If the distribution method for pumps or other equipment is a department contract with durable medical equipment providers, the department shall guarantee providers stock and rent to Medicaid recipients without delay or undue restriction.

Sec. 1892. The department shall conduct a workgroup jointly with the department of human services, the department of transportation, the department of corrections, the strategic fund in the department of treasury, and members from both the senate and house of representatives to determine if the state can maximize its services and funding for transportation for low-income, elderly, and disabled individuals through consolidating all of the current transportation services for these populations under 1 department.

Sec. 1893. (1) The department, jointly with the department of human services, shall explore the feasibility of securing federal Medicaid funds for children in need of secure residential treatment in this state. The departments shall include an examination of the public juvenile detention facilities or private secure residential facilities in this state as possible treatment sites.

(2) If the exploration determines that federal Medicaid funds are available for services to this population, the department, jointly with the department of human services, shall develop a plan to provide stabilization services, assessment, and treatment accordingly.

(3) By December 1 of the current fiscal year, the department, jointly with the department of human services, shall provide a progress report to the senate and house subcommittees on community health and the senate and house fiscal agencies outlining all of the following:

- (a) The findings of the initial exploration.
- (b) A comparison of similar services provided by juvenile rehabilitation centers that receive Medicaid funds in other states, including, but not limited to, the Woodside Juvenile Rehabilitation Center in the State of Vermont, with those provided in public juvenile detention facilities or private secure residential facilities in this state.
- (c) Any barriers to securing Medicaid funds for such services in this state.
- (d) Recommendations for future action, if any.

Sec. 1896. (1) From the funds appropriated in part 1 and upon the receipt of private matching funds, the department shall allocate up to \$35,000.00 to identify the impact of gestational diabetes and reduce the impact of the condition on the Medicaid program. These steps shall include all of the following:

- (a) Reviewing Medicaid claims information and data to determine the average cost of a case of gestational diabetes in comparison to the cost of a noncomplicated pregnancy and the cost of pregnancy for a woman with gestational diabetes.
- (b) Determining the percentage and number of pregnant women screened for gestational diabetes per established medical criteria.
- (c) Determining the percentage and number of pregnant women diagnosed with gestational diabetes in the Medicaid program each year in comparison to all pregnant women in the Medicaid program.

(2) By September 30 of the current fiscal year, the department shall submit a report to the legislature on steps taken and proposed to increase the screening rate for gestational diabetes in the Medicaid program, to reduce the number of women with undiagnosed gestational diabetes giving birth in the Medicaid program, to increase the number of pregnant women with gestational diabetes receiving appropriate medical care in the Medicaid program, and steps taken to improve the health of unborn and newborn children of women diagnosed with gestational diabetes.

Sec. 1897. (1) From the funds appropriated in part 1, the department shall take steps to identify the performance of the Medicaid program on all diabetes-specific performance measures as measured by the national committee for quality assurance and the utilization review accreditation commission. These steps shall include:

- (a) Reviewing Medicaid claims information and data to determine the performance of the Medicaid program's fee for service and managed care plans for diabetes-specific and diabetes-related measures as assessed by the national committee for quality assurance and the utilization review accreditation commission over the past 5 years.
- (b) Comparing the claims information and data to the national averages for diabetes-specific and diabetes-related measures as assessed by the national committee for quality assurance and the utilization review accreditation commission over the past 5 years.

(c) Identifying areas of strength and deficiencies for these measures specific to the Medicaid program.

(2) By September 30 of the current fiscal year, the department shall submit a report on steps taken and proposed to improve national committee for quality assurance and utilization review accreditation commission measure scores for all forms of diabetes within the Medicaid program to the legislature.

Sec. 1899. From the funds appropriated in part 1 for personal care services, the department shall increase the personal care services rate by 6% effective October 1 of the current fiscal year.

ONE-TIME BASIS ONLY APPROPRIATIONS

Sec. 1902. (1) From the funds appropriated in part 1 for university autism programs, the department shall make the following allocations:

- (a) \$1,000,000.00 to the Eastern Michigan University autism center.
- (b) \$500,000.00 to the Central Michigan University central assessment lending library.
- (c) \$500,000.00 to the Oakland University center for autism research, education, and support.
- (d) \$4,000,000.00 to the Western Michigan University autism center of excellence.
- (e) \$1,000,000.00 to Michigan State University autism services.

(2) From the funds appropriated in part 1 for autism family assistance services, \$1,500,000.00 shall be allocated to the autism alliance for autism support services designed to aid individuals and families in choosing treatment and other service options.

Sec. 1904. From the funds appropriated in part 1 for the statewide trauma system, the department shall allocate funds to establish and operate statewide systems for trauma, stroke, ST segment elevation myocardial infarction, perinatal, and other time-dependent systems of care.

Sec. 1905. From the funds appropriated in part 1 for bone marrow transplant registry, \$250,000.00 shall be allocated to Michigan Blood, the partner of the match registry of the national marrow donor program. The funds shall be used to offset ongoing tissue typing expenses associated with donor recruitment and collection services and to expand those services to better serve the citizens of this state.

Sec. 1906. (1) The department may initiate pay for success pilot projects to identify and deliver services to improve outcomes and lower costs for government services in this state. From the funds appropriated in part 1 for pay for success contracts, the department may initiate contracts with private and not-for-profit vendors, selected through a competitive bid process, to implement these pilot projects. Payments shall not be issued to funding intermediaries or vendors until contractual performance measures have been achieved and project savings have been confirmed by a third-party evaluator, certified by the department and approved by the state budget director.

(2) Unexpended funds appropriated in part 1 for pay for success contracts are designated as work project appropriations, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for the pay for success contracts under this section until the projects have been completed. All of the following are in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

- (a) The purpose of the projects is to coordinate cost-saving projects to the state with public-private partnerships.
- (b) The projects will be carried out through contracts with private and not-for-profit vendors.
- (c) The estimated cost of this work project is \$1,500,000.00.
- (d) The estimated work project completion date is September 30, 2019.

PART 2A
 PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS
 FOR FISCAL YEAR 2015-2016

GENERAL SECTIONS

Sec. 2001. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, 2016 for the line items listed in part 1. The fiscal year 2015-2016 appropriations are anticipated to be the same as those for fiscal year 2014-2015, except that the line items will be adjusted for changes in caseload and related costs, federal fund match rates, economic factors, and available revenue. These adjustments will be determined after the January 2015 consensus revenue estimating conference.

ARTICLE V
 DEPARTMENT OF CORRECTIONS
 PART 1
 LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of corrections for the fiscal year ending September 30, 2015, from the following funds:

**DEPARTMENT OF CORRECTIONS
 APPROPRIATION SUMMARY**

Average population.....	44,997	
Full-time equated unclassified positions.....	16.0	
Full-time equated classified positions	14,179.3	
GROSS APPROPRIATION.....		\$ 2,040,521,700

	For Fiscal Year Ending Sept. 30, 2015
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	225,000
ADJUSTED GROSS APPROPRIATION	\$ 2,040,296,700
Federal revenues:	
Total federal revenues.....	5,081,000
Special revenue funds:	
Total local revenues.....	8,547,700
Total private revenues.....	0
Total other state restricted revenues.....	45,869,600
State general fund/general purpose	\$ 1,980,798,400
Sec. 102. EXECUTIVE	
Full-time equated unclassified positions..... 16.0	
Full-time equated classified positions 13.0	
Unclassified positions—16.0 FTE positions	\$ 1,724,200
Executive direction—13.0 FTE positions.....	3,115,900
GROSS APPROPRIATION	\$ 4,840,100
Appropriated from:	
State general fund/general purpose	\$ 4,840,100
Sec. 103. PRISONER RE-ENTRY AND COMMUNITY SUPPORT	
Prisoner re-entry local service providers.....	\$ 13,708,600
Prisoner re-entry MDOC programs	11,124,000
Prisoner re-entry federal grants.....	250,000
Prisoner re-entry legal services	149,000
Jail mental health transition pilot program	1,000,000
Public safety initiative.....	4,500,000
Goodwill flip the script	2,500,000
GROSS APPROPRIATION	\$ 33,231,600
Appropriated from:	
Federal revenues:	
DOJ, prisoner reintegration	250,000
State general fund/general purpose	\$ 32,981,600
Sec. 104. BUDGET AND OPERATIONS ADMINISTRATION	
Full-time equated classified positions 173.0	
Budget and operations administration—173.0 FTE positions.....	\$ 22,193,400
New custody staff training	9,075,800
Compensatory buyout and union leave bank.....	100
Worker’s compensation.....	18,000,000
Rent	2,317,800
Equipment and special maintenance.....	7,359,600
Administrative hearings officers.....	3,339,700
Judicial data warehouse user fees	50,000
Sheriffs’ coordinating and training office	100,000
Prosecutorial and detainer expenses.....	5,001,000
County jail reimbursement program.....	14,847,100
GROSS APPROPRIATION	\$ 82,284,500
Appropriated from:	
Special revenue funds:	
Jail reimbursement program fund.....	5,900,000
Special equipment fund.....	5,800,000
Local corrections officer training fund.....	100,000
Correctional industries revolving fund.....	602,600
State general fund/general purpose	\$ 69,881,900
Sec. 105. FIELD OPERATIONS ADMINISTRATION	
Full-time equated classified positions 1,954.3	
Field operations—1,821.9 FTE positions.....	\$ 198,982,300
Parole board operations—41.0 FTE positions.....	4,829,700

	For Fiscal Year Ending Sept. 30, 2015
Parole/probation services.....	940,000
Community re-entry centers—12.4 FTE positions.....	8,152,800
Electronic monitoring center—56.0 FTE positions.....	13,365,400
Community corrections administration—6.0 FTE positions.....	763,300
Substance abuse testing and treatment services—17.0 FTE positions.....	21,794,200
Residential services.....	15,475,500
Community corrections comprehensive plans and services.....	12,158,000
Felony drunk driver jail reduction and community treatment program.....	1,440,100
Interdepartmental grant to the department of human services for swift and sure.....	1,000,000
GROSS APPROPRIATION.....	\$ 278,901,300
Appropriated from:	
Federal revenues:	
DOJ, office of justice programs, RSAT.....	185,400
Special revenue funds:	
Local - community tether program reimbursement.....	201,300
Re-entry center offender reimbursements.....	23,900
Parole and probation oversight fees.....	4,341,500
Parole and probation oversight fees set-aside.....	1,361,300
Tether program participant contributions.....	2,432,100
State general fund/general purpose.....	\$ 270,355,800
Sec. 106. CORRECTIONAL FACILITIES ADMINISTRATION	
Full-time equated classified positions.....	781.4
Correctional facilities administration—61.0 FTE positions.....	\$ 11,239,800
Prison food service.....	52,558,900
Transportation—210.0 FTE positions.....	25,073,500
Central records—53.0 FTE positions.....	5,607,500
Inmate legal services.....	790,900
Loans to parolees.....	20,000
Housing inmates in federal institutions.....	611,000
Prison store operations—63.0 FTE positions.....	5,657,600
Prison industries operations—123.0 FTE positions.....	12,297,400
Federal school lunch program.....	812,800
Leased beds and alternatives to leased beds.....	5,250,000
Public works programs.....	1,000,000
Cost-effective housing initiative.....	100
Inmate housing fund.....	100
Education program—271.4 FTE positions.....	35,305,900
GROSS APPROPRIATION.....	\$ 156,225,500
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDHS, Maxey/Woodland Center food service.....	225,000
Federal revenues:	
DAG-FNS, national school lunch.....	812,800
DED-OESE, title 1.....	404,900
DED-OVAE, adult education.....	354,300
DED-OSERS.....	115,500
DED, vocational education equipment.....	152,600
DED, youthful offender/Specter grant.....	202,400
DOJ-BOP, federal prisoner reimbursement.....	411,000
DOJ, prison rape elimination act grant.....	660,400
SSA-SSI, incentive payment.....	268,400
Special revenue funds:	
Correctional industries revolving fund.....	12,297,400
Public works user fees.....	1,000,000
Resident stores.....	5,657,600
State general fund/general purpose.....	\$ 133,663,200

For Fiscal Year
Ending Sept. 30,
2015

Sec. 107. HEALTH CARE

Full-time equated classified positions	1,468.9	
Health care administration—22.0 FTE positions		\$ 3,650,700
Prisoner health care services		75,180,400
Vaccination program.....		691,200
Interdepartmental grant to human services, eligibility specialists		100,000
Mental health services and support—363.0 FTE positions.....		58,785,200
Clinical complexes—1,077.9 FTE positions		148,715,800
Healthy Michigan plan administration—6.0 FTE positions.....		1,079,700
GROSS APPROPRIATION		\$ 288,203,000
Appropriated from:		
Federal revenues:		
Federal revenues and reimbursements		248,800
Special revenue funds:		
Prisoner health care copayments		253,200
State general fund/general purpose		\$ 287,701,000

Sec. 108. CORRECTIONAL FACILITIES

Average population	44,997	
Full-time equated classified positions	9,788.7	
Alger correctional facility - Munising—261.2 FTE positions		\$ 30,934,700
Average population	889	
Baraga correctional facility - Baraga—295.8 FTE positions		34,936,800
Average population	884	
Bellamy Creek correctional facility - Ionia—390.2 FTE positions		43,429,700
Average population	1,850	
Earnest C. Brooks correctional facility - Muskegon—444.7 FTE positions.....		50,309,500
Average population	2,512	
Carson City correctional facility - Carson City—424.4 FTE positions		47,780,500
Average population	2,440	
Central Michigan correctional facility - St. Louis—391.6 FTE positions		45,888,900
Average population	2,554	
Chippewa correctional facility - Kincheloe—435.1 FTE positions.....		49,076,400
Average population	2,282	
Cooper street correctional facility - Jackson—260.1 FTE positions.....		29,056,200
Average population	1,799	
G. Robert Cotton correctional facility - Jackson—392.9 FTE positions		43,831,500
Average population	1,841	
Detroit detention center—63.1 FTE positions.....		8,346,400
Detroit re-entry center—216.2 FTE positions		26,149,300
Average population	1,044	
Charles E. Egeler correctional facility - Jackson—372.7 FTE positions.....		44,501,900
Average population	1,376	
Richard A. Handlon correctional facility - Ionia—246.4 FTE positions		28,568,700
Average population	1,373	
Gus Harrison correctional facility - Adrian—444.1 FTE positions		48,846,500
Average population	2,342	
Ionia correctional facility - Ionia—287.8 FTE positions		33,187,000
Average population	654	
Kinross correctional facility - Kincheloe—323.8 FTE positions		37,781,900
Average population	1,799	
Lakeland correctional facility - Coldwater—275.2 FTE positions.....		32,721,200
Average population	1,336	
Macomb correctional facility - New Haven—297.0 FTE positions.....		34,500,300
Average population	1,376	
Marquette branch prison - Marquette—321.7 FTE positions.....		38,752,600
Average population	1,201	

	For Fiscal Year Ending Sept. 30, 2015
Michigan reformatory - Ionia—310.7 FTE positions.....	34,800,400
Average population.....	1,338
Muskegon correctional facility - Muskegon—202.5 FTE positions.....	23,557,800
Average population.....	1,338
Newberry correctional facility - Newberry—201.1 FTE positions	23,958,900
Average population.....	978
Oaks correctional facility - Eastlake—291.4 FTE positions	34,097,200
Average population.....	1,156
Ojibway correctional facility - Marenisco—202.1 FTE positions	22,871,900
Average population.....	1,090
Parnall correctional facility - Jackson—259.5 FTE positions.....	28,221,900
Average population.....	1,678
Pugsley correctional facility - Kingsley—210.9 FTE positions.....	24,539,700
Average population.....	1,342
Saginaw correctional facility - Freeland—275.9 FTE positions	32,623,300
Average population.....	1,480
Special alternative incarceration program (Camp Cassidy Lake)—119.0 FTE positions	13,893,700
Average population.....	400
St. Louis correctional facility - St. Louis—310.9 FTE positions	36,662,700
Average population.....	1,226
Thumb correctional facility - Lapeer—284.4 FTE positions	33,115,400
Average population.....	1,219
Womens Huron Valley correctional complex - Ypsilanti—502.9 FTE positions.....	58,686,800
Average population.....	1,872
Woodland correctional facility - Whitmore Lake—285.4 FTE positions.....	33,110,200
Average population.....	328
Northern region administration and support—47.0 FTE positions	4,299,300
Southern region administration and support—141.0 FTE positions	17,568,200
Ionia and Jackson area utilities	8,579,600
GROSS APPROPRIATION	\$ 1,139,187,000
Appropriated from:	
Federal revenues:	
DOJ, state criminal alien assistance program.....	1,014,500
Special revenue funds:	
Local revenues.....	8,346,400
State restricted revenues and reimbursements	100,000
State general fund/general purpose	\$ 1,129,726,100
Sec. 109. INFORMATION TECHNOLOGY	
Information technology services and projects.....	\$ 24,562,800
GROSS APPROPRIATION	\$ 24,562,800
Appropriated from:	
State general fund/general purpose	\$ 24,562,800
Sec. 110. CAPITAL OUTLAY	
Capital outlay - security improvements.....	\$ 6,000,000
GROSS APPROPRIATION	\$ 6,000,000
Appropriated from:	
Special revenue funds:	
Special equipment fund.....	6,000,000
State general fund/general purpose	\$ 0
Sec. 111. ONE-TIME APPROPRIATIONS	
Education program - one-time enhancement costs.....	\$ 1,045,300
Field operations - one-time mobilization costs	440,600
Neal, et al. settlement agreement	25,000,000
70 x 7 life recovery - Muskegon pilot	600,000
GROSS APPROPRIATION	\$ 27,085,900
Appropriated from:	
State general fund/general purpose	\$ 27,085,900

PART 2
PROVISIONS CONCERNING APPROPRIATIONS
FOR FISCAL YEAR 2014-2015

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 2014-2015 is \$2,026,668,000.00 and state spending from state resources to be paid to local units of government for fiscal year 2014-2015 is \$115,714,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF CORRECTIONS

Field operations - assumption of county probation staff.....	\$ 60,543,300
Community corrections comprehensive plans and services	12,158,000
Community re-entry centers	1,500,000
Residential services	15,475,500
County jail reimbursement program.....	14,847,100
Felony drunk driver jail reduction and community treatment program	1,440,100
Leased beds and alternatives to leased beds	5,250,000
Public safety initiative	4,500,000
TOTAL.....	\$ 115,714,000

Sec. 202. The appropriations authorized under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this part and part 1:

(a) "Administrative segregation" means confinement for maintenance of order or discipline to a cell or room apart from accommodations provided for inmates who are participating in programs of the facility.

(b) "Cost per prisoner" means the sum total of the funds appropriated under part 1 for the following, divided by the projected prisoner population in fiscal year 2014-2015:

(i) Correctional facilities.

(ii) Northern and southern region administration and support.

(iii) Clinical complexes.

(iv) Prisoner health care services.

(v) Health care administration.

(vi) Vaccination program.

(vii) Prison food service and federal school lunch program.

(viii) Transportation.

(ix) Inmate legal services.

(x) Correctional facilities administration.

(xi) Central records.

(xii) Mental health services and support.

(xiii) Worker's compensation.

(xiv) New custody staff training.

(xv) Prison store operations.

(xvi) Education program.

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

(d) "DAG-FNS" means the DAG food and nutrition service.

(e) "DED" means the United States department of education.

(f) "DED-OESE" means the DED office of elementary and secondary education.

(g) "DED-OSERS" means the DED office of special education and rehabilitative services.

(h) "DED-OVAE" means the DED office of vocational and adult education.

(i) "Department" or "MDOC" means the Michigan department of corrections.

(j) "DOJ" means the United States department of justice.

(k) "DOJ-BOP" means the DOJ bureau of prisons.

(l) "DOJ-OJP" means the DOJ office of justice programs.

(m) "Evidence-based practices" or "EBP" means a decision-making process that integrates the best available research, clinician expertise, and client characteristics.

(n) "FTE" means full-time equated.

(o) "GED" means general educational development certificate.

(p) "Goal" means the intended or projected result of a comprehensive corrections plan or community corrections program to reduce repeat offending, criminogenic and high-risk behaviors, prison commitment rates, to reduce the length of stay in a jail, or to improve the utilization of a jail.

(q) "GPS" means global positioning system.

- (r) "HIV" means human immunodeficiency virus.
- (s) "IDG" means interdepartmental grant.
- (t) "IDT" means intradepartmental transfer.
- (u) "Jail" means a facility operated by a local unit of government for the physical detention and correction of persons charged with or convicted of criminal offenses.
- (v) "MDCH" means the Michigan department of community health.
- (w) "MDHS" means the Michigan department of human services.
- (x) "MDSP" means the Michigan department of state police.
- (y) "Medicaid benefit" means a benefit paid or payable under a program for medical assistance under the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b.
- (z) "Objective risk and needs assessment" means an evaluation of an offender's criminal history; the offender's noncriminal history; and any other factors relevant to the risk the offender would present to the public safety, including, but not limited to, having demonstrated a pattern of violent behavior, and a criminal record that indicates a pattern of violent offenses.
- (aa) "OCC" means the office of community corrections.
- (bb) "Offender eligibility criteria" means particular criminal violations, state felony sentencing guidelines descriptors, and offender characteristics developed by advisory boards and approved by local units of government that identify the offenders suitable for community corrections programs funded through the office of community corrections.
- (cc) "Offender success" means that an offender has, with the support of the community, intervention of the field agent, and benefit of any participation in programs and treatment, made an adjustment while at liberty in the community such that he or she has not been sentenced to or returned to prison for the conviction of a new crime or the revocation of probation or parole.
- (dd) "Offender target population" means felons or misdemeanants who would likely be sentenced to imprisonment in a state correctional facility or jail, who would not likely increase the risk to the public safety based on an objective risk and needs assessment that indicates that the offender can be safely treated and supervised in the community.
- (ee) "Offender who would likely be sentenced to imprisonment" means either of the following:
 - (i) A felon or misdemeanor who receives a sentencing disposition that appears to be in place of incarceration in a state correctional facility or jail, according to historical local sentencing patterns.
 - (ii) A currently incarcerated felon or misdemeanor who is granted early release from incarceration to a community corrections program or who is granted early release from incarceration as a result of a community corrections program.
- (ff) "Programmatic success" means that the department program or initiative has ensured that the offender has accomplished all of the following:
 - (i) Obtained employment, has enrolled or participated in a program of education or job training, or has investigated all bona fide employment opportunities.
 - (ii) Obtained housing.
 - (iii) Obtained a state identification card.
- (gg) "Recidivism" means the return of an individual to prison within 3 years after he or she is released either with a new sentence to prison or as a technical violator of parole conditions.
- (hh) "RSAT" means residential substance abuse treatment.
- (ii) "Serious emotional disturbance" means that term as defined in section 100d(2) of the mental health code, 1974 PA 328, MCL 330.1100d.
- (jj) "Serious mental illness" means that term as defined in section 100d(3) of the mental health code, 1974 PA 328, MCL 330.1100d.
- (kk) "SSA" means the United States social security administration.
- (ll) "SSA-SSI" means SSA supplemental security income.

Sec. 204. (1) It is the intent of the legislature that annual financial savings from the department's budget appropriation be invested in the following areas: early childhood education, K-12 education, higher education, local law enforcement entities through revenue sharing, and roads.

(2) It is the intent of the legislature that the investments outlined in subsection (1) from savings found in the department's budget are utilized in order to reduce high crime rates in the state.

Sec. 206. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 207. State employees shall be given the opportunity to competitively bid on services that are or were provided by state employees. If the contract is awarded to any state employee, he or she ceases being an employee of the state.

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

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. Preference shall be

given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality. In addition, preference should be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 211. The department may charge fees and collect revenues in excess of appropriations in part 1 not to exceed the cost of offender services and programming, employee meals, parolee loans, academic/vocational services, custody escorts, compassionate visits, union steward activities, and public works programs and services provided to local units of government. The revenues and fees collected are appropriated for all expenses associated with these services and activities.

Sec. 212. On a quarterly basis, the department shall report on the number of full-time equated positions in pay status by civil service classification to the senate and house appropriations subcommittees on corrections, the legislative corrections ombudsman, and the senate and house fiscal agencies. This report shall include a detailed accounting of the long-term vacancies that exist within each department. As used in this subsection, "long-term vacancy" means any full-time equated position that has not been filled at any time during the past 24 calendar months.

Sec. 214. The department 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. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 216. The department shall prepare a report on out-of-state travel expenses not later than January 1 of each year. The travel report shall be a listing of all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the senate and house standing committees on appropriations, the legislative corrections ombudsman, the senate and house fiscal agencies, and the state budget director. The report shall include the following information:

(a) The dates of each travel occurrence.

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

Sec. 219. (1) Any contract for prisoner telephone services entered into after the effective date of this section shall include a condition that fee schedules for prisoner telephone calls, including rates and any surcharges other than those necessary to meet special equipment costs, be the same as fee schedules for calls placed from outside of correctional facilities.

(2) Revenues appropriated and collected for special equipment funds shall be considered state restricted revenue. Of this revenue, \$2,000,000.00 shall be used for programming that is a condition of parole, such as violence prevention programming, sexual offender programming, and thinking for a change, with particular emphasis on individuals who are past their earliest release dates. Any remaining balance shall be used for special equipment and security projects. Unexpended funds remaining at the close of the fiscal year shall not lapse to the general fund but shall be carried forward and be available for appropriation in subsequent fiscal years.

(3) The department shall submit a report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, the legislative corrections ombudsman, and the state budget director by February 1 outlining revenues and expenditures from special equipment funds. The report shall include all of the following:

(a) A list of all individual projects and purchases financed with special equipment funds in the immediately preceding fiscal year, the amounts expended on each project or purchase, and the name of each vendor the products or services were purchased from.

(b) A list of planned projects and purchases to be financed with special equipment funds during the current fiscal year, the amounts to be expended on each project or purchase, and the name of each vendor for which the products or services were purchased.

(c) A review of projects and purchases planned for future fiscal years from special equipment funds.

Sec. 220. Not later than November 30, the state budget office shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the chairpersons of the senate and house of representatives standing committees on appropriations and the senate and house fiscal agencies.

Sec. 221. The department shall cooperate with the department of technology, management, and budget to maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following for the department:

(a) Fiscal year-to-date expenditures by category.

(b) Fiscal year-to-date expenditures by appropriation unit.

(c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.

(d) The number of active department employees by job classification.

(e) Job specifications and wage rates.

Sec. 223. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$10,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 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 part 1 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 \$2,000,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 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 \$2,000,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 229. Within 14 days after the release of the executive budget recommendation, the department shall cooperate with the state budget office to provide the chairpersons of the senate and house appropriations committees, the chairpersons of the senate and house appropriations subcommittees on corrections, and the senate and house fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2014 and September 30, 2015.

Sec. 230. Funds appropriated in part 1 shall not be used by the department to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those outside services that the attorney general authorizes.

Sec. 231. The department shall maintain, on a publicly accessible website, a department scorecard that identifies, tracks, and regularly updates key metrics that are used to monitor and improve the departments's performance.

Sec. 232. The department shall issue a report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the legislative corrections ombudsman by October 1 that includes the security levels of all prisoners who were classified as past their earliest release date as of March 1 of the prior fiscal year.

Sec. 238. It is the intent of the legislature that the department make additional efforts to sell, rent, or otherwise repurpose closed correctional facilities.

Sec. 239. It is the intent of the legislature that the department establish and maintain a management-to-staff ratio of not more than 1 supervisor for each 8 employees at the department's central office in Lansing and at both the northern and southern region administration offices.

Sec. 246. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2015 are \$351,595,400.00. From this amount, total department appropriations for pension-related legacy costs are estimated at \$196,513,200.00. Total department appropriations for retiree health care legacy costs are estimated at \$155,082,200.00.

Sec. 247. (1) For each new program or program expansion for which funds in excess of \$500,000.00 are appropriated in part 1, the department shall identify specific benchmarks intended to measure the performance or return on taxpayer investment of the program and its associated expenditures.

(2) By November 1, the department shall report the proposed benchmarks to the senate and house appropriations subcommittees on corrections, to the senate and house fiscal agencies, and to the state budget director.

(3) The department shall provide an update on its progress in achieving those benchmarks at an appropriations subcommittee meeting called for the purpose of discussing benchmarks and their status.

(4) It is the intent of the legislature that, beginning with the budget for the fiscal year ending September 30, 2016, any proposal for a new program or an expansion of an existing program in excess of \$500,000.00 initiated by the executive branch or the legislature shall include, as part of the original proposal or budget request, a list of benchmarks intended to measure the performance or return on taxpayer investment of the program or spending increase.

EXECUTIVE

Sec. 301. For 3 years after a felony offender is released from the department's jurisdiction, the department shall maintain the offender's file on the offender tracking information system and make it publicly accessible in the same manner as the file of the current offender. However, the department shall immediately remove the offender's file from the offender tracking information system upon determination that the offender was wrongfully convicted and the offender's file is not otherwise required to be maintained on the offender tracking information system.

Sec. 304. The director of the department shall maintain a staff savings initiative program to invite employees to submit suggestions for saving costs for the department.

Sec. 305. By March 1, the department shall report to the senate and house appropriations subcommittees on corrections, the legislative corrections ombudsman, the senate and house fiscal agencies, and the state budget director on the number of prisoners who committed suicide during the previous calendar year. To the extent permitted by law, the report shall include all of the following information:

(a) The prisoner's age, offense, sentence, and admission date.

- (b) Each prisoner's facility and unit.
- (c) A description of the circumstances of the suicide.
- (d) The date of the suicide.
- (e) Whether the suicide occurred in a housing unit, a segregation unit, a mental health unit, or elsewhere on the grounds of the facility.
- (f) Whether the prisoner had been denied parole and the date of any denial.
- (g) Details on the department's responses to each suicide, including immediate on-site responses and subsequent internal investigations.
- (h) A description of any monitoring and psychiatric interventions that had been undertaken prior to the prisoner's suicide, including any changes in placement or mental health care.
- (i) Whether the prisoner had previously attempted suicide.

PRISONER RE-ENTRY AND COMMUNITY SUPPORT

Sec. 401. The department shall submit 3-year and 5-year prison population projection updates concurrent with submission of the executive budget to the senate and house appropriations subcommittees on corrections, the legislative corrections ombudsman, the senate and house fiscal agencies, and the state budget director. The report shall include explanations of the methodology and assumptions used in developing the projection updates.

Sec. 402. (1) It is the intent of the legislature that the funds appropriated in part 1 for prisoner re-entry programs be expended for the purpose of reducing victimization by reducing repeat offending through the following prisoner re-entry programming:

- (a) The provision of employment or employment services and job training.
- (b) The provision of housing assistance.
- (c) Referral to mental health services.
- (d) Referral to substance abuse services.
- (e) Referral to public health services.
- (f) Referral to education.
- (g) Referral to any other services necessary for successful reintegration.

(2) By March 1, the department shall provide a report on prisoner re-entry expenditures and allocations to the members of the senate and house appropriations subcommittees on corrections, the legislative corrections ombudsman, the senate and house fiscal agencies, and the state budget director. At a minimum, the report shall include information on both of the following:

- (a) Details on prior-year expenditures, including amounts spent on each project funded, itemized by service provided and service provider.
- (b) Allocations and planned expenditures for each project funded and for each project to be funded, itemized by service to be provided and service provider. The department shall provide an amended report quarterly, if any revisions to allocations or planned expenditures occurred during that quarter.

Sec. 403. (1) The department shall undertake a request for proposal to institute a LEAN process in determining ways to reduce the backlog for programming for prisoners who are within 6 months of their earliest release date (ERD). The programming that the LEAN process shall prioritize is: Violence Prevention Programming (VPP), Sex Offender Programming (SOP), and Thinking For Change.

(2) The LEAN process shall also look into ways of instituting LEAN principles which may lead to the elimination of the backlog for ERD prisoners from continuing to occur.

(3) Not later than 1 month after completion of a LEAN process evaluation, the department shall provide a report to the senate and house appropriations subcommittees on corrections, the legislative corrections ombudsman, and the senate and house fiscal agencies detailing the outcomes of the LEAN process, the department's progress in achieving the reduction in providing programming, and the department's plan for implementing efficiency standards identified in the LEAN process throughout the department.

Sec. 404. (1) The department may hire additional staff on a temporary basis to assist with instituting LEAN process principles, as identified in section 403. The temporary staff shall be hired to provide programming if the number of prisoners who are past their earliest release date and have not received programming is backlogged more than 50 prisoners in the entire department facility system. The temporary staff shall be retained until the backlog has dropped below 50 prisoners for 2 consecutive months throughout the department facility system.

(2) The role of the temporary staff shall be to provide necessary programming for those individuals who are past their earliest release date.

(3) The financial savings provided through the reduction of past earliest release date prisoners, as identified through the LEAN process undertaken by the department, shall be directed for the use of hiring the additional temporary staff.

Sec. 405. By March 1, the department shall report to the senate and house appropriations subcommittees on corrections, the legislative corrections ombudsman, the senate and house fiscal agencies, and the state budget director on substance abuse testing and treatment program objectives, outcome measures, and results, including program impact on offender success and programmatic success as those terms are defined in section 203.

Sec. 406. From the funds appropriated in part 1, the department shall provide an interdepartmental grant to the department of human services to expand the swift and sure sanctions program through Michigan rehabilitative services. The department shall allocate not less than \$1,000,000.00 for the purpose described in this section and shall establish an interagency agreement with the department of human services and judicial branch to carry out this purpose. These funds shall be used to contract with accredited, community-based rehabilitation organizations for job placement and other support services and to assist individuals who have a history of probation and parole violations, who have exceptional mental health needs, and who meet the profile of the current customer base of Michigan rehabilitative services and shall not be used for individuals who are currently incarcerated.

Sec. 407. (1) By June 30, the department shall place the statistical report from the immediately preceding calendar year on an Internet site. The statistical report shall include, but not be limited to, the information as provided in the 2004 statistical report.

(2) It is the intent of the legislature that starting with calendar year 2010, the statistical report be placed on an Internet site within 6 months after the end of each calendar year.

Sec. 408. The department shall measure the recidivism rates of offenders.

Sec. 409. (1) The department shall engage with state agencies and local entities to coordinate services and shall use appropriations provided in part 1 for re-entry and vocational education programs designed through collaboration with Michigan's workforce development system. The department shall ensure that the collaboration provides relevant professional development opportunities to prisoners to ensure that the programs are high quality, demand driven, locally receptive, and responsive to the needs of communities where the prisoners are expected to reside after their release from correctional facilities. The programs shall begin upon the intake of the prisoner into a department facility.

(2) It is the intent of the legislature that the workforce development programming continue through the entire duration of the prisoner's incarceration to encourage employment upon release.

(3) By March 1, the department shall provide a report to the senate and house appropriations subcommittees on corrections, the legislative corrections ombudsman, and the senate and house fiscal agencies detailing the results of the workforce development program.

Sec. 410. (1) The funds included in part 1 for community corrections comprehensive plans and services are to encourage the development through technical assistance grants, implementation, and operation of community corrections programs that enhance offender success and that also may serve as an alternative to incarceration in a state facility or jail. The comprehensive corrections plans shall include an explanation of how the public safety will be maintained, the goals for the local jurisdiction, offender target populations intended to be affected, offender eligibility criteria for purposes outlined in the plan, and how the plans will meet the following objectives, consistent with section 8(4) of the community corrections act, 1988 PA 511, MCL 791.408:

(a) Reduce admissions to prison of offenders who would likely be sentenced to imprisonment, including probation violators.

(b) Improve the appropriate utilization of jail facilities, the first priority of which is to open jail beds intended to house otherwise prison-bound felons, and the second priority being to appropriately utilize jail beds so that jail crowding does not occur.

(c) Open jail beds through the increase of pretrial release options.

(d) Reduce the readmission to prison of parole violators.

(e) Reduce the admission or readmission to prison of offenders, including probation violators and parole violators, for substance abuse violations.

(f) Contribute to offender success, as that term is defined in section 203.

(2) The award of community corrections comprehensive plans and residential services funds shall be based on criteria that include, but are not limited to, the prison commitment rate by category of offenders, trends in prison commitment rates and jail utilization, historical trends in community corrections program capacity and program utilization, and the projected impact and outcome of annual policies and procedures of programs on offender success, prison commitment rates, and jail utilization.

(3) Funds awarded for residential services in part 1 shall provide for a per diem reimbursement of not more than \$47.50 for nonaccredited facilities, or of not more than \$48.50 for facilities that have been accredited by the American corrections association or a similar organization as approved by the department.

Sec. 411. The comprehensive corrections plans shall also include, where appropriate, descriptive information on the full range of sanctions and services that are available and utilized within the local jurisdiction and an explanation of how jail beds, residential services, the special alternative incarceration program, probation detention centers, the electronic monitoring program for probationers, and treatment and rehabilitative services will be utilized to support the objectives and priorities of the comprehensive corrections plans and the purposes and priorities of section 8(4) of the community corrections act, 1988 PA 511, MCL 791.408, that contribute to the success of offenders. The plans shall also include, where appropriate, provisions that detail how the local communities plan to respond to sentencing guidelines found in chapter XVII of the code of criminal procedure, 1927 PA 175, MCL 777.1 to 777.69, and use the county jail reimbursement program under section 414. The state community corrections board shall encourage local community

corrections advisory boards to include in their comprehensive corrections plans strategies to collaborate with local alcohol and drug treatment agencies of the MDCH for the provision of alcohol and drug screening, assessment, case management planning, and delivery of treatment to alcohol- and drug-involved offenders.

Sec. 412. (1) As part of the March biannual report specified in section 12(2) of the community corrections act, 1988 PA 511, MCL 791.412, that requires an analysis of the impact of that act on prison admissions and jail utilization, the department shall submit to the senate and house appropriations subcommittees on corrections, the legislative corrections ombudsman, the senate and house fiscal agencies, and the state budget director the following information for each county and counties consolidated for comprehensive corrections plans:

(a) Approved technical assistance grants and comprehensive corrections plans including each program and level of funding, the utilization level of each program, and profile information of enrolled offenders.

(b) If federal funds are made available, the number of participants funded, the number served, the number successfully completing the program, and a summary of the program activity.

(c) Status of the community corrections information system and the jail population information system.

(d) Data on residential services, including participant data, participant sentencing guideline scores, program expenditures, average length of stay, and bed utilization data.

(e) Offender disposition data by sentencing guideline range, by disposition type, by prior record variable score, by number and percent statewide and by county, current year, and comparisons to the previous 3 years.

(f) Data on the use of funding made available under the felony drunk driver jail reduction and community treatment program.

(2) The report required under subsection (1) shall include the total funding allocated, program expenditures, required program data, and year-to-date totals.

Sec. 413. (1) The department shall identify and coordinate information regarding the availability of and the demand for community corrections programs, jail-based community corrections programs, jail-based probation violation sanctions, and all state-required jail data.

(2) The department is responsible for the collection, analysis, and reporting of all state-required jail data.

(3) As a prerequisite to participation in the programs and services offered through the department, counties shall provide necessary jail data to the department.

Sec. 414. (1) The department shall administer a county jail reimbursement program from the funds appropriated in part 1 for the purpose of reimbursing counties for housing in jails certain felons who otherwise would have been sentenced to prison.

(2) The county jail reimbursement program shall reimburse counties for convicted felons in the custody of the sheriff if the conviction was for a crime committed on or after January 1, 1999 and 1 of the following applies:

(a) The felon's sentencing guidelines recommended range upper limit is more than 18 months, the felon's sentencing guidelines recommended range lower limit is 12 months or less, the felon's prior record variable score is 35 or more points, and the felon's sentence is not for commission of a crime in crime class G or crime class H or a nonperson crime in crime class F under chapter XVII of the code of criminal procedure, 1927 PA 175, MCL 777.1 to 777.69.

(b) The felon's minimum sentencing guidelines range minimum is more than 12 months under the sentencing guidelines described in subdivision (a).

(c) The felon was sentenced to jail for a felony committed while he or she was on parole and under the jurisdiction of the parole board and for which the sentencing guidelines recommended range for the minimum sentence has an upper limit of more than 18 months.

(3) State reimbursement under this subsection shall be \$60.00 per diem per diverted offender for offenders with a presumptive prison guideline score, \$50.00 per diem per diverted offender for offenders with a straddle cell guideline for a group 1 crime, and \$35.00 per diem per diverted offender for offenders with a straddle cell guideline for a group 2 crime. Reimbursements shall be paid for sentences up to a 1-year total.

(4) As used in this subsection:

(a) "Group 1 crime" means a crime in 1 or more of the following offense categories: arson, assault, assaultive other, burglary, criminal sexual conduct, homicide or resulting in death, other sex offenses, robbery, and weapon possession as determined by the department of corrections based on specific crimes for which counties received reimbursement under the county jail reimbursement program in fiscal year 2007 and fiscal year 2008, and listed in the county jail reimbursement program document titled "FY 2007 and FY 2008 Group One Crimes Reimbursed", dated March 31, 2009.

(b) "Group 2 crime" means a crime that is not a group 1 crime, including larceny, fraud, forgery, embezzlement, motor vehicle, malicious destruction of property, controlled substance offense, felony drunk driving, and other nonassaultive offenses.

(c) "In the custody of the sheriff" means that the convicted felon has been sentenced to the county jail and is either housed in the county jail or has been released from jail and is being monitored through the use of the sheriff's electronic monitoring system.

(5) County jail reimbursement program expenditures shall not exceed the amount appropriated in part 1 for the county jail reimbursement program. Payments to counties under the county jail reimbursement program shall be made in the

order in which properly documented requests for reimbursements are received. A request shall be considered to be properly documented if it meets MDOC requirements for documentation. By October 15, the department shall distribute the documentation requirements to all counties.

Sec. 416. Allowable uses of felony drunk driver jail reduction and community treatment program funding shall include reimbursing counties for transportation, treatment costs, and housing felony drunk drivers during a period of assessment for treatment and case planning. Reimbursements for housing during the assessment process shall be at the rate of \$43.50 per day per offender, up to a maximum of 5 days per offender.

Sec. 417. (1) By March 1, the department shall report to the members of the senate and house appropriations subcommittees on corrections, the legislative corrections ombudsman, the senate and house fiscal agencies, and the state budget director on each of the following programs from the previous fiscal year:

(a) The county jail reimbursement program.

(b) The felony drunk driver jail reduction and community treatment program.

(c) Any new initiatives to control prison population growth funded or proposed to be funded under part 1.

(2) For each program listed under subsection (1), the report shall include information on each of the following:

(a) Program objectives and outcome measures, including, but not limited to, the number of offenders who successfully completed the program, and the number of offenders who successfully remained in the community during the 3 years following termination from the program.

(b) Expenditures by location.

(c) The impact on jail utilization.

(d) The impact on prison admissions.

(e) Other information relevant to an evaluation of the program.

Sec. 418. (1) The department shall collaborate with the state court administrative office on facilitating changes to Michigan court rules that would require the court to collect at the time of sentencing the state operator's license, state identification card, or other documentation used to establish the identity of the individual to be admitted to the department. The department shall maintain those documents in the prisoner's personal file.

(2) The department shall cooperate with MDCH to create and maintain a process by which prisoners can obtain their Michigan birth certificates if necessary. The department shall describe a process for obtaining birth certificates from other states, and in situations where the prisoner's effort fails, the department shall assist in obtaining the birth certificate.

(3) The department shall collaborate with the department of military and veterans affairs to create and maintain a process by which prisoners can obtain a copy of their DD Form 214 or other military discharge documentation if necessary.

Sec. 419. (1) The department shall provide weekly electronic mail reports to the senate and house appropriations subcommittees on corrections, the legislative corrections ombudsman, the senate and house fiscal agencies, and the state budget director on prisoner, parolee, and probationer populations by facility, and prison capacities.

(2) The department shall provide monthly electronic mail reports to the senate and house appropriations subcommittees on corrections, the legislative corrections ombudsman, the senate and house fiscal agencies, and the state budget director. The reports shall include information on end-of-month prisoner populations in county jails, the net operating capacity according to the most recent certification report, identified by date, and end-of-month data, year-to-date data, and comparisons to the prior year for the following:

(a) Community residential program populations, separated by centers and electronic monitoring.

(b) Parole populations.

(c) Probation populations, with identification of the number in special alternative incarceration.

(d) Prison and camp populations, with separate identification of the number in special alternative incarceration and the number of lifers.

(e) Parole board activity, including the numbers and percentages of parole grants and parole denials.

(f) Prisoner exits, identifying transfers to community placement, paroles from prisons and camps, paroles from community placement, total movements to parole, prison intake, prisoner deaths, prisoners discharging on the maximum sentence, and other prisoner exits.

(g) Prison intake and returns, including probation violators, new court commitments, violators with new sentences, escaper new sentences, total prison intake, returns from court with additional sentences, community placement returns, technical parole violator returns, and total returns to prison and camp.

Sec. 420. By March 1, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house judiciary committees, the legislative corrections ombudsman, the senate and house fiscal agencies, and the state budget director on performance data and efforts to improve efficiencies relative to departmental staffing, health care services, food service, prisoner transportation, mental health care services, and pharmaceutical costs.

Sec. 421. From the funds appropriated in part 1 for jail mental health transition pilot program, \$1,000,000.00 is intended to address the recommendations of the mental health diversion council.

Sec. 431. Upon offender request, the department shall ensure that prior to release from prison, each offender has possession of a set of clothing that would be appropriate and suitable for wearing to an interview for employment.

Sec. 434. The department shall explore opportunities to collaborate with Michigan colleges and universities on establishing programs that will employ parolees in agricultural settings.

Sec. 435. (1) From the funds appropriated in part 1 for prisoner re-entry legal services, the department shall contract with the legal aid of western Michigan office in Kent County and the legal aid and defender office in Oakland County to establish 2 pilot projects. The purpose of the pilot projects is to provide outreach, education, and legal representation to former offenders in areas such as employment, housing, income stability, and child custody and other domestic matters.

(2) The legal aid and defender office in Oakland County shall provide prisoner re-entry legal services to former offenders in Wayne County.

(3) The department, in collaboration with legal aid of western Michigan and the legal aid and defender office, shall submit a report by April 1 that documents the number of new cases accepted, the types of cases, and case outcomes for completed work. The report shall be submitted to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, the legislative corrections ombudsman, and the state budget director.

(4) Unexpended funds remaining at the close of the fiscal year shall not lapse to the general fund but shall be carried forward and be available for appropriation in subsequent fiscal years.

Sec. 436. (1) The department shall establish a workgroup with representatives from the Genesee County sheriff's office, the city of Flint police department, and other relevant governmental agencies in Genesee County to develop and implement a long-term strategic plan to ease the county jail backlog and to gradually reduce the need for department intervention.

(2) The department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director by September 30 strategic recommendations that result from the work of the workgroup.

Sec. 437. (1) Funds appropriated in part 1 for Goodwill flip the script shall be distributed to a Michigan-chartered 501(c)(3) nonprofit corporation operating in a county with greater than 1,500,000 people for administration and expansion of a program which serves a population of persons aged 16-29. The expansion of the program shall be operational by November 1. The existing program to be expanded shall target those who are entering the criminal justice system for the first or second time and shall assist those individuals through the following program types:

(a) Alternative sentencing programs in partnership with a local district or circuit court.

(b) Educational recovery for special adult populations with high rates of illiteracy.

(c) Career development and continuing education for women.

(2) The program selected shall report by March 30 to the department, the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, the legislative corrections ombudsman, and the state budget director. The report shall include program performance measurements, the number of individuals diverted from incarceration, the number of individuals served, and outcomes of participants who complete the program.

BUDGET AND OPERATIONS ADMINISTRATION

Sec. 501. From the funds appropriated in part 1 for prosecutorial and detainer expenses, the department shall reimburse counties for housing and custody of parole violators and offenders being returned by the department from community placement who are available for return to institutional status and for prisoners who volunteer for placement in a county jail.

Sec. 502. Funds included in part 1 for the sheriffs' coordinating and training office are appropriated for and may be expended to defray costs of continuing education, certification, recertification, decertification, and training of local corrections officers, the personnel and administrative costs of the sheriffs' coordinating and training office, the local corrections officers advisory board, and the sheriffs' coordinating and training council under the local corrections officers training act, 2003 PA 125, MCL 791.531 to 791.546.

Sec. 504. (1) The department shall conduct a workgroup in conjunction with the department of community health, the state transportation department, the department of human services, the strategic fund in the department of treasury, and members from both the senate and house of representatives to determine if the state can maximize its services and funding for transportation for low-income, elderly, and disabled individuals through consolidating all of the current transportation services for these populations under 1 department.

(2) The department shall submit to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office, by March 1, a report on the findings of the workgroup on the items described in subsection (1).

Sec. 505. The department shall provide for the training of all custody staff in effective and safe ways of handling prisoners with mental illness and referring prisoners to mental health treatment programs. Mental health awareness training shall be incorporated into the training of new custody staff.

Sec. 508. (1) The department shall analyze the structural integrity and overall facility quality of each of the correctional facilities it owns or operates.

(2) The department shall issue a report for all correctional facilities to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the legislative corrections ombudsman by October 1 setting forth the following information for each facility: its name, street address, and date of construction; its current maintenance

costs; any maintenance planned; its current utility costs; its expected future capital improvement costs; and its expected future useful life.

Sec. 509. (1) The department shall conduct a study on the Michigan state industries program. The study shall focus on determining which industries have the maximum benefit to the prisoner population in providing marketable skills and leading to employable outcomes after release of the prisoner from a department facility. The report shall also include data on the current operations of Michigan state industries including: a list of and the number of products sold, the operating budget, the location of all Michigan state industries facilities, the number of prisoners working through Michigan state industries, and purchasers of products. Data in the report shall be data from the preceding fiscal year.

(2) By December 1, the department shall provide a report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the legislative corrections ombudsman detailing the results and recommendations from the study on Michigan state industries described in subsection (1).

Sec. 510. The department, in collaboration with the department of community health, shall establish an accounting structure within the Michigan administrative information network that will allow expenditures associated with the administration of the healthy Michigan plan to be identified. By October 1, the department shall provide the state budget office and the senate and house fiscal agencies with the relevant accounting structure and associated business objects script and report that group's administrative costs.

Sec. 511. (1) By February 1, the department shall provide a report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, the legislative corrections ombudsman, and the state budget director which details the strategic plan of the department. The report shall contain strategies to decrease the overall recidivism rate, measurable plans to increase the rehabilitative function of correctional facilities, metrics to track and ensure prisoner readiness to re-enter society, and constructive actions for providing prisoners with life skills development.

(2) The intent of this report is to express that the mission of the department is to provide an action plan before re-entry to society that ensures prisoners' readiness for meeting parole requirements and ensures a reduction in the total number of released inmates who re-enter the criminal justice system.

FIELD OPERATIONS ADMINISTRATION

Sec. 601. (1) From the funds appropriated in part 1, the department shall conduct a statewide caseload audit of field agents. The audit shall address public protection issues and assess the ability of the field agents to complete their professional duties. The complete audit shall be submitted to the senate and house appropriations subcommittees on corrections, the legislative corrections ombudsman, the senate and house fiscal agencies, and the state budget office by March 1.

(2) It is the intent of the legislature that the department maintain a number of field agents sufficient to meet supervision and workload standards.

Sec. 603. (1) All prisoners, probationers, and parolees involved with the electronic tether program shall reimburse the department for costs associated with their participation in the program. The department may require community service work reimbursement as a means of payment for those able-bodied individuals unable to pay for the costs of the equipment.

(2) Program participant contributions and local community tether program reimbursement for the electronic tether program appropriated in part 1 are related to program expenditures and may be used to offset expenditures for this purpose.

(3) Included in the appropriation in part 1 is adequate funding to implement the community tether program to be administered by the department. The community tether program is intended to provide sentencing judges and county sheriffs in coordination with local community corrections advisory boards access to the state's electronic tether program to reduce prison admissions and improve local jail utilization. The department shall determine the appropriate distribution of the tether units throughout the state based upon locally developed comprehensive corrections plans under the community corrections act, 1988 PA 511, MCL 791.401 to 791.414.

(4) For a fee determined by the department, the department shall provide counties with the tether equipment, replacement parts, administrative oversight of the equipment's operation, notification of violators, and periodic reports regarding county program participants. Counties are responsible for tether equipment installation and service. For an additional fee as determined by the department, the department shall provide staff to install and service the equipment. Counties are responsible for the coordination and apprehension of program violators.

(5) Any county with tether charges outstanding over 60 days shall be considered in violation of the community tether program agreement and lose access to the program.

Sec. 608. By March 1, the department shall report to the senate and house appropriations subcommittees on corrections, the legislative corrections ombudsman, the senate and house fiscal agencies, and the state budget director on the use of electronic monitoring. At a minimum, the report shall include all of the following:

(a) Details on the failure rate of parolees for whom GPS tether is utilized, including the number and rate of parolee technical violations, including specifying failures due to committing a new crime that is uncharged but leads to parole termination, and the number and rate of parolee violators with new sentences.

(b) Information on the factors considered in determining whether an offender is placed on active GPS tether, passive GPS tether, radio frequency tether, or some combination of these or other types of electronic monitoring.

(c) Monthly data on the number of offenders on active GPS tether, passive GPS tether, radio frequency tether, and any other type of tether.

Sec. 611. The department shall prepare by March 1 individual reports for the community re-entry program, the electronic tether program, and the special alternative to incarceration program. The reports shall be submitted to the senate and house appropriations subcommittees on corrections, the legislative corrections ombudsman, the senate and house fiscal agencies, and the state budget director. Each program's report shall include information on all of the following:

(a) Monthly new participants by type of offender. Community re-entry program participants shall be categorized by reason for placement. For technical rule violators, the report shall sort offenders by length of time since release from prison, by the most recent violation, and by the number of violations occurring since release from prison.

(b) Monthly participant unsuccessful terminations, including cause.

(c) Number of successful terminations.

(d) End month population by facility/program.

(e) Average length of placement.

(f) Return to prison statistics.

(g) Description of each program location or locations, capacity, and staffing.

(h) Sentencing guideline scores and actual sentence statistics for participants, if applicable.

(i) Comparison with prior year statistics.

(j) Analysis of the impact on prison admissions and jail utilization and the cost effectiveness of the program.

Sec. 612. (1) The department shall review and revise as necessary policy proposals that provide alternatives to prison for offenders being sentenced to prison as a result of technical probation violations and technical parole violations. To the extent the department has insufficient policies or resources to affect the continued increase in prison commitments among these offender populations, the department shall explore other policy options to allow for program alternatives, including department or OCC-funded programs, local level programs, and programs available through private agencies that may be used as prison alternatives for these offenders.

(2) To the extent policies or programs described in subsection (1) are used, developed, or contracted for, the department may request that funds appropriated in part 1 be transferred under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393, for their operation.

(3) The department shall continue to utilize parole violator processing guidelines that require parole agents to utilize all available appropriate community-based, nonincarcerative postrelease sanctions and services when appropriate. The department shall periodically evaluate such guidelines for modification, in response to emerging information from the demonstration projects for substance abuse treatment provided under this part and applicable provisions of prior budget acts for the department.

(4) The department shall provide annual reports to the senate and house appropriations subcommittees on corrections, the legislative corrections ombudsman, the senate and house fiscal agencies, and the state budget director on the number of all parolees returned to prison and probationers sentenced to prison for either a technical violation or new sentence during the preceding calendar quarter. The reports shall include the following information each for probationers, parolees after their first parole, and parolees who have been paroled more than once:

(a) The numbers of parole and probation violators returned to or sent to prison for a new crime with a comparison of original versus new offenses by major offense type: assaultive, nonassaultive, drug, and sex.

(b) The numbers of parole and probation violators returned to or sent to prison for a technical violation and the type of violation, including, but not limited to, zero gun tolerance and substance abuse violations. For parole technical rule violators, the report shall list violations by type, by length of time since release from prison, by the most recent violation, and by the number of violations occurring since release from prison.

(c) The educational history of those offenders, including how many had a GED or high school diploma prior to incarceration in prison, how many received a GED while in prison, and how many received a vocational certificate while in prison.

(d) The number of offenders who participated in the re-entry program versus the number of those who did not.

(e) The unduplicated number of offenders who participated in substance abuse treatment programs, mental health treatment programs, or both, while in prison, itemized by diagnosis.

Sec. 615. The department shall submit a report containing a list detailing the number of prisoners who have received life imprisonment sentences with the possibility of parole and who are currently eligible for parole to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, the legislative corrections ombudsman, and the state budget director by January 1.

HEALTH CARE

Sec. 802. As a condition of expenditure of the funds appropriated in part 1, the department shall provide the senate and house of representatives appropriations subcommittees on corrections, the legislative corrections ombudsman, the senate and house fiscal agencies, and the state budget director with all of the following:

(a) Quarterly reports on physical and mental health care detailing quarterly and fiscal year-to-date expenditures itemized by vendor, allocations, status of payments from contractors to vendors, and projected year-end expenditures from accounts for prisoner health care, mental health care, pharmaceutical services, and durable medical equipment.

(b) Regular updates on progress on requests for proposals and requests for information pertaining to prisoner health care and mental health care, until the applicable contract is approved.

Sec. 803. (1) The department shall establish a standard medical release form for all prisoners by October 1.

(2) The department shall assure that all prisoners, upon any health care treatment, are given the opportunity to sign a release of information form designating a family member or other individual to whom the department shall release records information regarding a prisoner. A release of information form signed by a prisoner shall remain in effect for 1 year, and the prisoner may elect to withdraw or amend the release form at any time.

(3) The department shall assure that any such signed release forms follow a prisoner upon transfer to another department facility or to the supervision of a parole officer.

(4) The form shall be placed on an online, public website managed by the department.

Sec. 804. (1) The department shall report quarterly to the senate and house appropriations subcommittees on corrections, the legislative corrections ombudsman, the senate and house fiscal agencies, and the state budget director on prisoner health care utilization. The report shall include the number of inpatient hospital days, outpatient visits, and emergency room visits in the previous quarter, by facility.

(2) By March 1, the department shall report to the senate and house appropriations subcommittees on corrections, the legislative corrections ombudsman, the senate and house fiscal agencies, and the state budget director on prisoners receiving off-site inpatient medical care that would have received care in a state correctional facility if beds were available. The report shall include the number of prisoners receiving off-site inpatient medical care and average length of stay in an off-site facility during the period they would have received care in a state correctional facility if beds were available, by month and correctional facilities.

Sec. 805. If a prisoner aged 26 years or under is determined not to be eligible for Medicaid, the department shall determine whether the prisoner is eligible for dependent health insurance coverage.

Sec. 812. (1) The department shall provide the department of human services with a monthly list of prisoners newly committed to the department of corrections. The department and the department of human services shall enter into an interagency agreement under which the department of human services provides the department of corrections with monthly lists of newly committed prisoners who are eligible for Medicaid benefits in order to maintain the process by which Medicaid benefits are suspended rather than terminated. The department shall assist prisoners who may be eligible for Medicaid benefits after release from prison with the Medicaid enrollment process prior to release from prison.

(2) The department shall provide the senate and house appropriations subcommittees on corrections, the legislative corrections ombudsman, the senate and house fiscal agencies, and the state budget director with quarterly updates on the utilization of Medicaid benefits for prisoners.

Sec. 814. The department shall assure that psychotropic medications are available, when deemed medically necessary by a licensed medical service provider, to prisoners who have mental illness diagnoses but are not enrolled in corrections mental health services.

Sec. 816. By April 1, the department shall provide the members of the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, the state budget director, and the legislative corrections ombudsman with a report on pharmaceutical expenditures and prescribing practices. In particular, the report shall provide the following information:

(a) A detailed accounting of expenditures on antipsychotic medications.

(b) Any changes that have been made to the prescription drug formularies.

CORRECTIONAL FACILITIES ADMINISTRATION

Sec. 904. The department shall calculate the per prisoner/per day cost for each prisoner security custody level. This calculation shall include all actual direct and indirect costs for the previous fiscal year, including, but not limited to, the value of services provided to the department by other state agencies and the allocation of statewide legacy costs. To calculate the per prisoner/per day costs, the department shall divide these direct and indirect costs by the average daily population for each custody level. For multilevel facilities, the indirect costs that cannot be accurately allocated to each custody level can be included in the calculation on a per-prisoner basis for each facility. A report summarizing these calculations and the direct and indirect costs included in them shall be submitted to the senate and house appropriations subcommittees on corrections, the legislative corrections ombudsman, the senate and house fiscal agencies, and the state budget director not later than December 15.

Sec. 906. Any local unit of government or private nonprofit organization that contracts with the department for public works services shall be responsible for financing the entire cost of such an agreement.

Sec. 907. The department shall report by March 1 to the senate and house appropriations subcommittees on corrections, the legislative corrections ombudsman, the senate and house fiscal agencies, and the state budget director on academic and vocational programs. The report shall provide information relevant to an assessment of the department's academic and vocational programs, including, but not limited to, all of the following:

(a) The number of instructors and the number of instructor vacancies, by program and facility.

(b) The number of prisoners enrolled in each program, the number of prisoners completing each program, the number of prisoners who fail each program, the number of prisoners who do not complete each program and the reason for

not completing the program, the number of prisoners transferred to another facility while enrolled in a program and the reason for transfer, the number of prisoners enrolled who are repeating the program by reason, and the number of prisoners on waiting lists for each program, all itemized by facility.

(c) The steps the department has undertaken to improve programs, track records, accommodate transfers and prisoners with health care needs, and reduce waiting lists.

(d) The number of prisoners paroled without a high school diploma and the number of prisoners paroled without a GED.

(e) An explanation of the value and purpose of each program, for example, to improve employability, reduce recidivism, reduce prisoner idleness, or some combination of these and other factors.

(f) An identification of program outcomes for each academic and vocational program.

(g) An explanation of the department's plans for academic and vocational programs, including plans to contract with intermediate school districts for GED and high school diploma programs.

(h) The number of prisoners not paroled at their earliest release date due to lack of a GED, and the reason those prisoners have not obtained a GED.

Sec. 910. The department shall allow the Michigan Braille transcribing fund program to operate at its current location. The donation of the building by the Michigan Braille transcribing fund at the G. Robert Cotton correctional facility in Jackson is acknowledged and appreciated. The department shall continue to encourage the Michigan Braille transcribing fund program to produce high-quality materials for use by the visually impaired.

Sec. 911. By March 1, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, the legislative corrections ombudsman, and the state budget director the number of critical incidents occurring each month by type and the number and severity of assaults and escape attempts occurring each month at each facility during the immediately preceding calendar year.

Sec. 912. The department shall report to the senate and house appropriations subcommittees on corrections, the legislative corrections ombudsman, the senate and house fiscal agencies, and the state budget director by March 1 on the ratio of correctional officers to prisoners for each correctional institution, the ratio of shift command staff to line custody staff, and the ratio of noncustody institutional staff to prisoners for each correctional institution.

Sec. 913. (1) It is the intent of the legislature that any prisoner required to complete a violence prevention program, sexual offender program, or other program as a condition of parole shall be transferred to a facility where that program is available in order to accomplish timely completion of that program prior to the expiration of his or her minimum sentence and eligibility for parole. Nothing in this section should be deemed to make parole denial appealable in court.

(2) The department shall submit a quarterly report to the members of the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, the state budget director, and the legislative corrections ombudsman detailing enrollment in sex offender programming, assaultive offender programming, violent offender programming, and thinking for change. At a minimum, the report shall include the following:

(a) A full accounting of the number of individuals who are required to complete the programming, but have not yet done so.

(b) The number of individuals who have reached their earliest release date, but who have not completed required programming.

(c) A plan of action for addressing any waiting lists or backlogs for programming that may exist.

Sec. 915. The department shall explore opportunities to collaborate with Michigan universities on establishing programs that will allow graduate students to work in correctional facilities to teach programming that is a condition of parole. The intent of the legislature is that graduate students teaching in correctional facilities will result in a cost savings for the department and will reduce the number of individuals who are past their earliest release dates due to the inability to obtain programming.

Sec. 924. The department shall evaluate all prisoners at intake for substance abuse disorders, serious developmental disorders, serious mental illness, and other mental health disorders. Prisoners with serious mental illness or serious developmental disorders shall not be removed from the general population as a punitive response to behavior caused by their serious mental illness or serious developmental disorder. Due to persistent high violence risk or severe disruptive behavior that is unresponsive to treatment, prisoners with serious mental illness or serious developmental disorders may be placed in secure residential housing programs that will facilitate access to institutional programming and ongoing mental health services. A prisoner with serious mental illness or serious developmental disorder who is confined in these specialized housing programs shall be evaluated or monitored by a medical professional at a frequency of not less than every 12 hours.

Sec. 925. By March 1, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, the legislative corrections ombudsman, and the state budget director on the annual number of prisoners in administrative segregation between October 1, 2012 and September 30, 2014, and the annual number of prisoners in administrative segregation between October 1, 2012 and September 30, 2014 who at any time during the current or prior prison term were diagnosed with serious mental illness or have a developmental disorder and

the number of days each of the prisoners with serious mental illness or a developmental disorder have been confined to administrative segregation.

Sec. 929. From the funds appropriated in part 1, the department shall do all of the following:

(a) Ensure that any inmate care and control staff in contact with prisoners less than 18 years of age are adequately trained with regard to the developmental and mental health needs of prisoners less than 18 years of age. By April 1, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the training curriculum used and the number and types of staff receiving annual training under that curriculum.

(b) Provide appropriate placement for prisoners less than 18 years of age who have serious mental illness, serious emotional disturbance, or a serious developmental disorder and need to be housed separately from the general population. Prisoners less than 18 years of age who have serious mental illness, serious emotional disturbance, or a serious developmental disorder shall not be removed from an existing placement as a punitive response to behavior caused by their serious mental illness, serious emotional disturbance, or a serious developmental disorder. Due to persistent high violence risk or severe disruptive behavior that is unresponsive to treatment, prisoners less than 18 years of age with serious emotional disturbance, serious mental illness, or serious developmental disorders may be placed in secure residential housing programs that will facilitate access to institutional programming and ongoing mental health services. A prisoner less than 18 years of age with serious mental illness, serious emotional disturbance, or a serious developmental disorder who is confined in these specialized housing programs shall be evaluated or monitored by a medical professional at a frequency of not less than every 12 hours.

(c) Implement a specialized re-entry program that recognizes the needs of prisoners less than 18 years old for supervised re-entry.

Sec. 937. The department shall not issue a request for proposal (RFP) for a contract in excess of \$5,000,000.00, unless the department has first considered issuing a request for information (RFI) or a request for qualification (RFQ) relative to that contract to better enable the department to learn more about the market for the products or services that are the subject of the future RFP. The department shall notify the department of technology, management, and budget of the evaluation process used to determine if an RFI or RFQ was not necessary prior to issuing the RFP.

Sec. 938. By January 1, the department, in consultation with the departments of technology, management, and budget and community health, shall issue a request for information for a contract to provide beds in a skilled nursing facility for the placement of geriatric and medically fragile inmates, such that those inmates are eligible for Medicaid reimbursement.

Sec. 940. (1) Any lease, rental, contract, or other legal agreement that includes a provision allowing a private person or entity to use state-owned facilities or other property to conduct a for-profit business enterprise shall require the lessee to pay fair market value for the use of the state-owned property.

(2) The lease, rental, contract, or other legal agreement shall also require the party using the property to make a payment in lieu of taxes to the local jurisdictions that would otherwise receive property tax revenue, as if the property were not owned by the state.

Sec. 942. The department shall ensure that any contract with a public or private party to operate a facility to house state prisoners includes a provision to allow access by both the office of the legislative auditor general and the office of the legislative corrections ombudsman to the facility and to appropriate records and documents related to the operation of the facility. These access rights for both offices shall be the same for the contracted facility as for a general state-operated correctional facility.

MISCELLANEOUS

Sec. 1009. The department shall make an information packet for the families of incoming prisoners available on the department's website. The information packet shall be updated by February 1 of each year thereafter. The packet shall provide information on topics including, but not limited to: how to put money into prisoner accounts, how to make phone calls or create Jpay email accounts, how to visit in person, proper procedures for filing complaints or grievances, the rights of prisoners to physical and mental health care, how to utilize the offender tracking information system (OTIS), truth-in-sentencing and how it applies to minimum sentences, the parole process, and guidance on the importance of the role of families in the reentry process. The department is encouraged to partner with external advocacy groups and actual families of prisoners in the packet-writing process to ensure that the information is useful and complete.

Sec. 1011. The department shall accept in-kind services and equipment donations to facilitate the addition of a cable network that provides programming that will address the religious needs of incarcerated individuals. This network shall be a cable television network that presently reaches the majority of households in the United States. A bilingual channel affiliated with this network may also be added to department programming to assist the religious needs of Spanish-speaking inmates. The addition of these channels shall be of no additional cost to this state.

CAPITAL OUTLAY

Sec. 1051. The appropriations in part 1 for capital outlay shall be carried forward at the end of the fiscal year consistent with the provisions of section 248 of the management and budget act, 1984 PA 431, MCL 18.1248.

PART 2A
PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS
FOR FISCAL YEAR 2015-2016

GENERAL SECTIONS

Sec. 1201. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, 2016 for the line items listed in part 1. The fiscal year 2015-2016 appropriations are anticipated to be the same as those for fiscal year 2014-2015, except that the line items will be adjusted for changes in caseload and related costs, federal fund match rates, economic factors, and available revenue. These adjustments will be determined after the January 2015 consensus revenue estimating conference.

ARTICLE VI
DEPARTMENT OF EDUCATION
PART 1
LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of education for the fiscal year ending September 30, 2015, from the following funds:

**DEPARTMENT OF EDUCATION
APPROPRIATION SUMMARY**

Full-time equated unclassified positions.....	6.0	
Full-time equated classified positions	600.5	
GROSS APPROPRIATION		\$ 287,096,100
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION		\$ 287,096,100
Federal revenues:		
Total federal revenues.....		189,473,500
Special revenue funds:		
Total local revenues.....		5,633,700
Total private revenues.....		1,933,300
Total other state restricted revenues		7,972,600
State general fund/general purpose		\$ 82,083,000

Sec. 102. STATE BOARD OF EDUCATION/OFFICE OF THE SUPERINTENDENT

Full-time equated unclassified positions.....	6.0	
Full-time equated classified positions	11.0	
State board of education, per diem payments		\$ 24,400
Unclassified positions—6.0 FTE positions		795,100
State board/superintendent operations—11.0 FTE positions.....		2,110,000
GROSS APPROPRIATION		\$ 2,929,500

Appropriated from:

Federal revenues:		
Federal revenues.....		222,400
Special revenue funds:		
Private foundations		28,100
Certification fees		861,100
State general fund/general purpose		\$ 1,817,900

Sec. 103. CENTRAL SUPPORT

Full-time equated classified positions	23.6	
Central support operations—23.6 FTE positions		\$ 3,623,400
Worker’s compensation.....		30,800
Building occupancy charges - property management services.....		3,053,700
Training and orientation workshops		150,000
Terminal leave payments		554,700
GROSS APPROPRIATION		\$ 7,412,600

Appropriated from:

Federal revenues:		
Federal revenues.....		1,641,400
Federal indirect funds.....		2,550,400
Special revenue funds:		
Certification fees		403,200
Teacher testing fees		3,800

	For Fiscal Year Ending Sept. 30, 2015
Training and orientation workshop fees	150,000
State general fund/general purpose	\$ 2,663,800
Sec. 104. INFORMATION TECHNOLOGY SERVICES	
Information technology operations	\$ 4,192,200
GROSS APPROPRIATION	\$ 4,192,200
Appropriated from:	
Federal revenues:	
Federal revenues	605,800
Federal indirect funds	1,789,800
Special revenue funds:	
Local cost sharing (schools for deaf/blind)	76,500
Certification fees	390,400
State general fund/general purpose	\$ 1,329,700
Sec. 105. SPECIAL EDUCATION SERVICES	
Full-time equated classified positions	47.0
Special education operations—47.0 FTE positions	\$ 8,937,300
GROSS APPROPRIATION	\$ 8,937,300
Appropriated from:	
Federal revenues:	
Federal revenues	8,457,300
Special revenue funds:	
Private foundations	110,100
Certification fees	44,100
State general fund/general purpose	\$ 325,800
Sec. 106. MICHIGAN SCHOOLS FOR THE DEAF AND BLIND	
Full-time equated classified positions	77.0
Michigan schools for the deaf and blind operations—76.0 FTE positions	\$ 12,664,500
Camp Tuhsmeheeta—1.0 FTE position	295,100
Private gifts - blind	200,000
Private gifts - deaf	50,000
GROSS APPROPRIATION	\$ 13,209,600
Appropriated from:	
Federal revenues:	
Federal revenues	6,900,400
Special revenue funds:	
Local cost sharing (schools for deaf/blind)	5,233,000
Local school district service fees	312,500
Gifts, bequests, and donations	545,100
Student insurance revenue	218,600
State general fund/general purpose	\$ 0
Sec. 107. PROFESSIONAL PREPARATION SERVICES	
Full-time equated classified positions	34.0
Professional preparation operations—34.0 FTE positions	\$ 5,896,800
Department of attorney general	66,000
GROSS APPROPRIATION	\$ 5,962,800
Appropriated from:	
Federal revenues:	
Federal revenues	1,444,800
Special revenue funds:	
Certification fees	3,882,700
Teacher college review fees	55,300
Teacher testing fees	359,300
State general fund/general purpose	\$ 220,700
Sec. 108. MICHIGAN OFFICE OF GREAT START	
Full-time equated classified positions	65.0
Office of great start operations—64.0 FTE positions	\$ 22,830,300

	For Fiscal Year Ending Sept. 30, 2015
Child development and care external support	17,766,500
Head start collaboration office—1.0 FTE position	307,700
Child development and care public assistance	110,292,000
GROSS APPROPRIATION	\$ 151,196,500
Appropriated from:	
Federal revenues:	
Federal revenues	110,264,600
Special revenue funds:	
Private foundations	250,000
Certification fees	64,200
State general fund/general purpose	\$ 40,617,700
Sec. 109. STATE AID AND SCHOOL FINANCE SERVICES	
Full-time equated classified positions	11.5
State aid and school finance operations—9.5 FTE positions	\$ 1,361,500
Financial independence team operations—2.0 FTE positions.....	500,000
GROSS APPROPRIATION	\$ 1,861,500
Appropriated from:	
State general fund/general purpose	\$ 1,861,500
Sec. 110. AUDIT SERVICES	
Full-time equated classified positions	4.5
Audit operations—4.5 FTE positions	\$ 602,200
GROSS APPROPRIATION	\$ 602,200
Appropriated from:	
Federal revenues:	
Federal indirect funds	478,700
Special revenue funds:	
Certification fees	61,200
State general fund/general purpose	\$ 62,300
Sec. 111. ADMINISTRATIVE LAW SERVICES	
Full-time equated classified positions	2.0
Administrative law operations—2.0 FTE positions.....	\$ 1,310,700
GROSS APPROPRIATION	\$ 1,310,700
Appropriated from:	
Federal revenues:	
Federal revenues	551,600
Special revenue funds:	
Certification fees	686,000
State general fund/general purpose	\$ 73,100
Sec. 112. ACCOUNTABILITY SERVICES	
Full-time equated classified positions	65.6
Accountability services operations—65.6 FTE positions.....	\$ 14,637,700
GROSS APPROPRIATION	\$ 14,637,700
Appropriated from:	
Federal revenues:	
Federal revenues	13,460,700
State general fund/general purpose	\$ 1,177,000
Sec. 113. SCHOOL SUPPORT SERVICES	
Full-time equated classified positions	82.6
School support services operations—82.6 FTE positions	\$ 15,111,700
Federal and private grants	3,000,000
GROSS APPROPRIATION	\$ 18,111,700
Appropriated from:	
Federal revenues:	
Federal revenues	16,263,600
Special revenue funds:	
Local school district service fees	11,700
Private foundations	1,000,000
Certification fees	85,700

	For Fiscal Year Ending Sept. 30, 2015
Commodity distribution fees	71,700
State general fund/general purpose	\$ 679,000
Sec. 114. FIELD SERVICES	
Full-time equated classified positions	45.0
Field services operations—45.0 FTE positions	\$ 9,194,500
GROSS APPROPRIATION	\$ 9,194,500
Appropriated from:	
Federal revenues:	
Federal revenues	8,894,300
Special revenue funds:	
Certification fees	77,200
State general fund/general purpose	\$ 223,000
Sec. 115. EDUCATIONAL IMPROVEMENT AND INNOVATION SERVICES	
Full-time equated classified positions	63.7
Educational improvement and innovation operations—63.7 FTE positions	\$ 9,382,500
Educator evaluations and assessments phase-in operations.....	3,414,000
GROSS APPROPRIATION	\$ 12,796,500
Appropriated from:	
Federal revenues:	
Federal revenues	6,514,500
Special revenue funds:	
Certification fees	558,100
State general fund/general purpose	\$ 5,723,900
Sec. 116. CAREER AND TECHNICAL EDUCATION	
Full-time equated classified positions	27.0
Career and technical education operations—27.0 FTE positions.....	\$ 4,758,300
GROSS APPROPRIATION	\$ 4,758,300
Appropriated from:	
Federal revenues:	
Federal revenues	3,826,200
State general fund/general purpose	\$ 932,100
Sec. 117. LIBRARY OF MICHIGAN	
Full-time equated classified positions	33.0
Library of Michigan operations—32.0 FTE positions	\$ 4,419,700
Library services and technology program—1.0 FTE position	5,607,000
State aid to libraries	8,876,000
Michigan eLibrary	1,750,000
Renaissance zone reimbursements.....	4,700,000
MPSERS payments to libraries	2,200,000
GROSS APPROPRIATION	\$ 27,552,700
Appropriated from:	
Federal revenues:	
IMLS, library services and technology act	5,607,000
State general fund/general purpose	\$ 21,945,700
Sec. 118. SCHOOL REFORM OFFICE	
Full-time equated classified positions	8.0
School reform office operations—8.0 FTE positions.....	\$ 2,429,800
GROSS APPROPRIATION	\$ 2,429,800
Appropriated from:	
State general fund/general purpose	\$ 2,429,800

PART 2
PROVISIONS CONCERNING APPROPRIATIONS
FOR FISCAL YEAR 2014-2015

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 the fiscal year ending September 30, 2015 is \$90,055,600.00 and state spending from state resources

to be paid to local units of government for the fiscal year ending September 30, 2015 is \$15,776,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF EDUCATION

State aid to libraries.....	\$ 8,876,000
Renaissance zone reimbursements.....	4,700,000
MPERS payments to libraries.....	2,200,000
Total department of education.....	\$ 15,776,000

Sec. 202. The appropriations authorized under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this part and part 1:

- (a) "Department" means the Michigan department of education.
- (b) "District" means a local school district as defined in section 6 of the revised school code, 1976 PA 451, MCL 380.6, or a public school academy as defined in section 5 of the revised school code, 1976 PA 451, MCL 380.5.
- (c) "FTE" means full-time equated.
- (d) "IMLS" means institute of museum and library services.
- (e) "Participating entity" means a district library that is a reporting unit of the Michigan public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437, and that reports employees to the Michigan public school employees' retirement system for the applicable fiscal year.
- (f) "Retirement board" means the board that administers the retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.
- (g) As used in this part and part 1, "retirement system" and "MPERS" mean the Michigan public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

Sec. 204. The state superintendent of public instruction 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. The state superintendent of public instruction 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. 205. The departments and agencies shall use the Internet to fulfill the reporting requirements of this part. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on an Internet or Intranet site.

Sec. 206. The department shall provide through the Internet the state board of education agenda and all supporting documents, and shall notify the state budget director and the senate and house fiscal agencies that the agenda and supporting documents are available on the Internet, at the time the agenda and supporting documents are provided to state board of education members.

Sec. 207. The department shall cooperate with the department of technology, management, and budget to maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following for each department or agency:

- (a) Fiscal year-to-date expenditures by category.
- (b) Fiscal year-to-date expenditures by appropriation unit.
- (c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.
- (d) The number of active department employees by job classification.
- (e) Job specifications and wage rates.

Sec. 208. The department shall require all districts and intermediate school districts to maintain complete records within the personnel file of a teacher or school employee of any disciplinary actions taken by the governing board against the teacher or employee for sexual misconduct. The records shall not be destroyed or removed from the teacher's or employee's personnel file except as required by a court order.

Sec. 211. To the extent the state continues to identify schools as meeting proficiency targets, before publishing a list of schools or districts determined to have failed to make adequate yearly progress as required by the no child left behind act of 2001, Public Law 107-110, the department shall allow a school or district to appeal that determination. The department shall consider and act upon the appeal within 30 days after it is submitted and shall not publish the list until after all appeals have been considered and decided.

Sec. 212. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and comparable quality American goods or services, or both, are available. Preference shall be given to goods or services, or both, manufactured or provided by Michigan businesses if they are competitively priced and of comparable quality. In addition, preference should be given to goods or services, or both, manufactured or provided by Michigan businesses owned and operated by veterans if they are competitively priced and of comparable quality.

Sec. 214. The department and agencies receiving appropriations in part 1 shall prepare a report on out-of-state travel expenses not later than January 1 of each year. The travel report shall be a listing of all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part

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

(a) The dates of each travel occurrence.

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

Sec. 216. The department shall not take disciplinary action against an employee who communicates truthfully and factually with a member of the legislature or his or her staff.

Sec. 218. The department and agencies receiving appropriations in part 1 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. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 219. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$5,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 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 \$700,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 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 \$250,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 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 \$3,000,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 220. (1) The department shall provide data requested by a member of the legislature, his or her staff, or the house and senate fiscal agencies in a timely manner. If the department fails to provide reasonably requested data within 30 days after the request, the state money appropriated in part 1 for state board/superintendent operations shall be reduced by 1%.

(2) If the department fails to provide to the legislature reports and other data required by boilerplate or statute within 30 days after the date the information is due, the state money appropriated in part 1 for state board/superintendent operations shall be reduced by 1%.

Sec. 221. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those activities that the attorney general authorizes.

Sec. 222. The department shall maintain, on a publicly accessible website, a department scorecard that identifies, tracks, and regularly updates key metrics that are used to monitor and improve the agency's performance.

Sec. 226. Not later than November 30, the state budget office shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the office of the state budget, the chairpersons of the senate and house appropriations committees, and the senate and house fiscal agencies.

Sec. 227. Within 14 days after the release of the executive budget recommendation, the department shall cooperate with the state budget office to provide the senate and house appropriations chairs, the senate and house appropriations subcommittees responsible for the department budget, respectively, and the senate and house fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2014 and September 30, 2015.

Sec. 230. The department may assist the department of community health, other departments, and local school districts to secure reimbursement for eligible services provided in Michigan schools from the federal Medicaid program. The department may submit reports of direct expenses related to this effort to the department of community health for reimbursement.

Sec. 231. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2015 is estimated at \$15,637,500.00. Total agency appropriations for pension-related legacy costs are estimated at \$8,739,900.00. Total agency appropriations for retiree health care legacy costs are estimated at \$6,897,600.00.

Sec. 233. No state department or agency shall issue a request for proposal (RFP) for a contract in excess of \$5,000,000.00, unless the department or agency has first considered issuing a request for information (RFI) or a request for qualification (RFQ) relative to that contract to better enable the department or agency to learn more about the market for the products or services that are the subject of the future RFP. The department or agency shall notify the department of technology, management, and budget of the evaluation process used to determine if an RFI or RFQ was not necessary prior to issuing the RFP.

Sec. 234. (1) For each new program or program expansion for which funds in excess of \$500,000.00 are appropriated in part 1, the department shall identify specific benchmarks intended to measure the performance or return on taxpayer investment of the program and its associated expenditures. Not later than November 1, 2014, the department shall report the proposed benchmarks to the house and senate appropriations subcommittees for that department, the house and senate fiscal agencies, and the state budget director. The department shall provide an update on its progress in achieving those benchmarks at an appropriations subcommittee meeting called for the purpose of discussing benchmarks and their status.

(2) It is the intent of the legislature that, beginning with the budget for the fiscal year ending September 30, 2016, any proposal for a new program or an expansion of an existing program in excess of \$500,000.00 initiated by the executive branch or the legislature shall include, as part of the original proposal or budget request, a list of benchmarks intended to measure the performance or return on taxpayer investment of the program or spending increase.

Sec. 235. The department shall not enter into a contract funded under part 1 that exceeds \$1,000,000.00 or seek a federal waiver from the no child left behind act of 2001, Public Law 107-110, or an amendment to the federal waiver, until after notification of the content to both the house and senate appropriations committees.

Sec. 236. From the funds appropriated in part 1, the department shall compile a report that identifies the mandates required of nonpublic schools. In compiling the report, the department may consult with relevant statewide education associations in Michigan. The report compiled by the department shall indicate the type of mandate, including, but not limited to, student health, student or building safety, accountability, and educational requirements, and shall indicate whether a school has to report on the specified mandates. The report required under this section shall be completed by April 1, 2015 and transmitted to the state budget director, the house and senate appropriations subcommittees responsible for the department of education, and the senate and house fiscal agencies not later than April 15, 2015.

STATE BOARD/OFFICE OF THE SUPERINTENDENT

Sec. 301. (1) The appropriations in part 1 may be used for per diem payments to the state board for meetings at which a quorum is present or for performing official business authorized by the state board. The per diem payments shall be at a rate as follows:

(a) State board of education - president - \$110.00 per day.

(b) State board of education - member other than president - \$100.00 per day.

(2) A state board of education member shall not be paid a per diem for more than 30 days per year.

Sec. 302. From the amount appropriated in part 1 to the state board of education, not more than \$35,000.00 for the fiscal year ending September 30, 2015 shall be expended for in-state travel and out-of-state travel directly related to the duties of the state board of education.

MICHIGAN SCHOOLS FOR THE DEAF AND BLIND

Sec. 401. The employees at the Michigan schools for the deaf and blind who work on a school year basis are considered annual employees for purposes of service credits, retirement, and insurance benefits.

Sec. 402. For each student enrolled at the Michigan schools for the deaf and blind, the department shall assess the intermediate school district of residence 100% of the cost of operating the student's instructional program. The amount shall exclude room and board related costs and the cost of weekend transportation between the school and the student's home.

Sec. 406. (1) The Michigan schools for the deaf and blind may promote its residential program as a possible appropriate option for children who are deaf or hard of hearing or who are blind or visually impaired. The Michigan schools for the deaf and blind shall distribute information detailing its services to all intermediate school districts in the state.

(2) Upon knowledge of or recognition by an intermediate school district that a child in the district is deaf or hard of hearing or blind or visually impaired, the intermediate school district shall provide to the parents of the child the literature distributed by the Michigan schools for the deaf and blind to intermediate school districts under subsection (1).

(3) Parents will continue to have a choice regarding the educational placement of their deaf or hard-of-hearing children.

Sec. 407. Revenue received by the Michigan schools for the deaf and blind from gifts, bequests, donations, and local district service fees that is unexpended at the end of the state fiscal year may be carried over to the succeeding fiscal year and shall not revert to the general fund.

PROFESSIONAL PREPARATION SERVICES

Sec. 501. From the funds appropriated in part 1 for professional preparation services, the department shall maintain the registry of educational personnel and certificate revocation/felony conviction files.

Sec. 502. The department shall authorize teacher preparation institutions to provide an alternative program by which up to 1/2 of the required student internship or student teaching credits may be earned through substitute teaching. The department shall require that teacher preparation institutions collaborate with school districts to ensure that the quality of instruction provided to student teachers is comparable to that required in a traditional student teaching program.

Sec. 506. Revenue received from teacher testing fees that is unexpended at the end of the state fiscal year may be carried over to the succeeding fiscal year and shall not revert to the general fund.

STATE AID AND SCHOOL FINANCE SERVICES

Sec. 601. Funds appropriated in part 1 for the financial independence team shall be expended for the purpose of implementing an early warning system to identify districts and intermediate school districts that are in need of financial

attention. The financial independence team shall provide expertise, technical assistance, and the resources necessary to address the financial needs for those identified distressed districts and intermediate school districts.

EDUCATIONAL IMPROVEMENT AND INNOVATION SERVICES

Sec. 702. Funds appropriated in part 1 for educator evaluations and assessments phase-in shall not be expended unless House Bill Nos. 5223 and 5224 of the 97th Legislature are enacted into law.

LIBRARY OF MICHIGAN

Sec. 801. In addition to the funds appropriated in part 1, the funds collected by the department for document reproduction and services; conferences, workshops, and training classes; and the use of specialized equipment, facilities, and software are appropriated for all expenses necessary to provide the required services. These funds are available for expenditure when they are received and may be carried forward into the next succeeding fiscal year.

Sec. 803. It is the intent of the legislature that the library of Michigan and the component programs currently within the library of Michigan with the exception of the genealogical collections shall be kept together in a state department.

Sec. 804. (1) The funds appropriated in part 1 for renaissance zone reimbursements shall be used to reimburse public libraries under section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692, for taxes levied in 2014. The allocations shall be made not later than 60 days after the department of treasury certifies to the department and to the state budget director that the department of treasury has received all necessary information to properly determine the amounts due to each eligible recipient.

(2) If the amount appropriated under this section is not sufficient to fully pay obligations under this section, payments shall be prorated on an equal basis among all eligible public libraries.

Sec. 805. (1) The funds appropriated in part 1 for Michigan public school employees' retirement system reform costs shall be used for payments to district libraries that are participating entities of the Michigan public school employees' retirement system.

(2) Payments made under this section shall be equal to the difference between the unfunded actuarial accrued liability contribution rate as calculated pursuant to section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, as calculated without taking into account the maximum employer rate of 20.96% included in section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, and the maximum employer rate of 20.96% included in section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341.

(3) The amount allocated to each district library under this section shall be based on each district library's proportion of the total covered payroll for the immediately preceding fiscal year for all district libraries that are participating entities. District libraries that receive funds under this section shall use the funds solely for the purpose of retirement contributions as specified in subsection (4).

(4) Each participating entity receiving funds under this section shall forward an amount equal to the amount allocated under subsection (3) to the retirement system in a form, manner, and time frame determined by the retirement system.

SCHOOL SUPPORT SERVICES

Sec. 901. Within 10 days of the receipt of a grant appropriated in the federal and private grants line item in part 1, the department shall notify the house and senate chairpersons of the appropriations subcommittees responsible for the department budget, the house and senate fiscal agencies, and the state budget director of the receipt of the grant, including the funding source, purpose, and amount of the grant.

MICHIGAN OFFICE OF GREAT START

Sec. 1001. By November 1, 2014, the department shall submit a report to the house and senate appropriations subcommittees on the department of education budget and the house and senate fiscal agencies on the number of eligible child care providers by type receiving payment for child care services from the department on October 1, 2014.

Sec. 1003. (1) The department shall provide the house and senate appropriations subcommittees on the department budget with an annual report on all funding appropriated to the early childhood investment corporation (ECIC) by the state for fiscal year 2013-2014. The report is due by February 15 and shall contain at least the following information:

(a) Total funding appropriated to the early childhood investment corporation by the state for fiscal year 2013-2014.

(b) The amount of funding for each grant awarded.

(c) The grant recipients.

(d) The activities funded by each grant.

(e) An analysis of each grant recipient's success in addressing the development of a comprehensive system of early childhood services and supports.

(2) All department contracts for early childhood comprehensive systems planning shall be bid out through a statewide request-for-proposal process.

SCHOOL REFORM OFFICE

Sec. 1101. (1) From the funds appropriated in part 1, the department shall assure all of the following:

(a) That public schools that are removed from the control of a district by action of the state reform/redesign officer, superintendent of public instruction, or any other entity remain in compliance with all applicable state and federal law concerning special education.

(b) That students at public schools described in subdivision (a) with individualized education programs are afforded special education services in accordance with applicable state and federal law concerning special education.

(2) The department shall report to the legislature on the number of students in public schools described in subsection (1)(a) who have an individualized education program and the performance results of those students after the change in governance of the public school.

PART 2A
PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS
FOR FISCAL YEAR 2015-2016

GENERAL SECTIONS

Sec. 1201. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, 2016 for the line items listed in part 1. The fiscal year 2015-2016 appropriations are anticipated to be the same as those for fiscal year 2014-2015, except that the line items will be adjusted for changes in caseload and related costs, federal fund match rates, economic factors, and available revenue. These adjustments will be determined after the January 2015 consensus revenue estimating conference.

ARTICLE VII
DEPARTMENT OF ENVIRONMENTAL QUALITY
PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of environmental quality for the fiscal year ending September 30, 2015, from the following funds:

DEPARTMENT OF ENVIRONMENTAL QUALITY

APPROPRIATION SUMMARY

Full-time equated unclassified positions.....	6.0	
Full-time equated classified positions	1,284.5	
GROSS APPROPRIATION		\$ 502,591,800
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		9,530,500
ADJUSTED GROSS APPROPRIATION		\$ 493,061,300
Federal revenues:		
Federal funds		149,867,600
Special revenue funds:		
Private funds		546,900
Total other state restricted revenues		301,770,900
State general fund/general purpose		\$ 40,875,900
State general fund/general purpose schedule:		
Ongoing state general fund/general purpose	38,375,900	
One-time state general fund/general purpose	2,500,000	

FUND SOURCE SUMMARY

Full-time equated unclassified positions.....	6.0	
Full-time equated classified positions	1,284.5	
GROSS APPROPRIATION		\$ 502,591,800
Interdepartmental grant revenues:		
IDG, MDOT - Michigan transportation fund		1,312,800
IDG, MDSP		1,562,900
IDT, interdivisional charges.....		2,053,400
IDT, laboratory services		4,601,400
Total interdepartmental grants and intradepartmental transfers		9,530,500
ADJUSTED GROSS APPROPRIATION		\$ 493,061,300
Federal revenues:		
Federal funds		149,867,600
Special revenue funds:		
Private funds		546,900
Air emissions fees		10,670,000
Campground fund.....		334,300
Clean Michigan initiative - response activities		5,500,000
Clean Michigan initiative - clean water fund.....		2,617,100
Clean Michigan initiative - contaminated sediments		665,000
Clean Michigan initiative - nonpoint source		500,000
Cleanup and redevelopment fund		22,620,500
Community pollution prevention fund		250,000

	For Fiscal Year Ending Sept. 30, 2015
Electronic waste recycling fund	342,400
Environmental education fund.....	164,300
Environmental perpetual care fund.....	115,000
Environmental pollution prevention fund.....	8,247,300
Environmental protection fund	2,165,800
Environmental response fund	5,721,100
Fees and collections	478,100
Financial instruments.....	5,000,000
Great Lakes protection fund.....	295,000
Groundwater discharge permit fees.....	1,723,200
Infrastructure construction fund	50,000
Land and water permit fees.....	3,939,000
Landfill maintenance trust fund	30,400
Medical waste emergency response fund	346,100
Metallic mining surveillance fee revenue.....	160,900
Mineral well regulatory fee revenue.....	233,400
Nonferrous metallic mineral surveillance.....	105,300
NPDES fees.....	4,468,900
Oil and gas regulatory fund.....	11,398,100
Orphan well fund.....	2,345,800
Public swimming pool fund	661,500
Public utility assessments.....	287,800
Public water supply fees.....	4,896,700
Refined petroleum fund.....	53,617,900
Retired engineers technical assistance program	670,400
Revitalization revolving loan fund	101,000
Revolving loan revenue bonds.....	11,400,000
Sand extraction fee revenue.....	100,500
Scrap tire regulatory fund.....	5,128,000
Septage waste contingency fund	18,100
Septage waste program fund	540,700
Settlement funds	652,100
Sewage sludge land application fees	1,113,500
Small business pollution prevention revolving loan fund	163,000
Soil erosion and sedimentation control training fund	167,500
Solid waste management fund - staff account.....	5,444,600
Stormwater permit fees	3,067,400
Strategic water quality initiatives fund.....	116,176,100
Wastewater operator training fees	593,100
Water analysis fees	2,260,200
Water pollution control revolving fund	3,844,600
Water quality protection fund.....	100,000
Water use reporting fees	279,200
Total other state restricted revenues	301,770,900
State general fund/general purpose	\$ 40,875,900
Sec. 102. EXECUTIVE OPERATIONS	
Full-time equated unclassified positions.....	6.0
Full-time equated classified positions	13.0
Unclassified salaries—6.0 FTE positions.....	\$ 724,700
Executive direction—13.0 FTE positions.....	2,080,900
GROSS APPROPRIATION	\$ 2,805,600
Appropriated from:	
Federal revenues:	
Federal funds	39,600
Special revenue funds:	
Environmental response fund	217,900

	For Fiscal Year Ending Sept. 30, 2015
Oil and gas regulatory fund.....	399,900
Refined petroleum fund.....	593,100
Settlement funds.....	68,800
State general fund/general purpose	\$ 1,486,300
Sec. 103. OFFICE OF THE GREAT LAKES	
Full-time equated classified positions	12.0
Office of the Great Lakes—12.0 FTE positions.....	\$ 2,894,700
Coastal management grants	1,750,000
GROSS APPROPRIATION.....	\$ 4,644,700
Appropriated from:	
Federal revenues:	
Federal funds.....	3,427,600
Special revenue funds:	
Great Lakes protection fund.....	213,900
Settlement funds.....	112,100
State general fund/general purpose	891,100
Sec. 104. GREAT LAKES RESTORATION INITIATIVE	
Full-time equated classified positions	6.0
Great Lakes restoration initiative—6.0 FTE positions.....	\$ 15,052,200
GROSS APPROPRIATION.....	\$ 15,052,200
Appropriated from:	
Federal revenues:	
Federal funds.....	15,052,200
State general fund/general purpose	\$ 0
Sec. 105. DEPARTMENT SUPPORT SERVICES	
Full-time equated classified positions	34.0
Central support services—34.0 FTE positions.....	\$ 4,090,800
Accounting service center	1,365,300
Administrative hearings.....	373,800
Automated data processing.....	2,053,400
Building occupancy charges.....	4,466,600
Environmental support projects.....	5,000,000
Rent - privately owned property.....	2,205,300
GROSS APPROPRIATION.....	\$ 19,555,200
Appropriated from:	
Interdepartmental grant revenues:	
IDG, MDSP.....	203,700
IDT, interdivisional charges.....	2,053,400
IDT, laboratory services	519,800
Federal revenues:	
Federal funds.....	5,400
Special revenue funds:	
Air emissions fees	1,232,900
Campground fund.....	28,000
Cleanup and redevelopment fund.....	1,704,500
Electronic waste recycling fund	28,700
Environmental perpetual care fund.....	115,000
Environmental pollution prevention fund.....	994,400
Environmental response fund	272,500
Fees and collections	23,800
Financial instruments.....	5,000,000
Great Lakes protection fund.....	52,800
Groundwater discharge permit fees.....	179,500
Land and water permit fees.....	517,600
Medical waste emergency response fund.....	27,300
Metallic mining surveillance fee revenue.....	11,100

	For Fiscal Year Ending Sept. 30, 2015
Mineral well regulatory fee revenue.....	16,700
Nonferrous metallic mineral surveillance.....	1,700
NPDES fees.....	219,000
Oil and gas regulatory fund.....	918,200
Orphan well fund.....	29,100
Public swimming pool fund	36,100
Public utility assessments.....	38,800
Public water supply fees.....	184,200
Refined petroleum fund.....	1,593,500
Sand extraction fee revenue.....	9,000
Scrap tire regulatory fund.....	187,900
Septage waste program fund	28,700
Settlement funds.....	211,500
Sewage sludge land application fees	114,600
Small business pollution prevention revolving loan fund	17,000
Soil erosion and sedimentation control training fund	16,600
Solid waste management fund - staff account.....	581,600
Stormwater permit fees	111,000
Wastewater operator training fees	37,300
Water analysis fees	166,100
Water use reporting fees.....	21,600
State general fund/general purpose	\$ 2,044,600
Sec. 106. OFFICE OF ENVIRONMENTAL ASSISTANCE	
Full-time equated classified positions	40.0
Office of environmental assistance—40.0 FTE positions	\$ 7,242,800
Pollution prevention local grants.....	250,000
GROSS APPROPRIATION	\$ 7,492,800
Appropriated from:	
Federal revenues:	
Federal funds.....	780,200
Special revenue funds:	
Private funds.....	359,700
Air emissions fees	134,800
Community pollution prevention fund	250,000
Environmental education fund.....	164,300
Environmental pollution prevention fund.....	1,483,700
Fees and collections	118,700
Retired engineers technical assistance program.....	670,400
Settlement funds.....	259,700
Small business pollution prevention revolving loan fund	132,700
State general fund/general purpose	\$ 3,138,600
Sec. 107. WATER RESOURCE DIVISION	
Full-time equated classified positions	331.0
Land and water interface permit programs—83.0 FTE positions	\$ 11,714,600
Program direction and project assistance—30.0 FTE positions.....	3,089,200
Water withdrawal assessment program—4.0 FTE positions	613,600
Water quality and use initiative/general—5.0 FTE positions.....	2,477,200
Real-time beach monitoring program.....	500,000
Wetlands program.....	1,000,000
Expedited water/wastewater permits—3.0 FTE positions	50,000
Fish contaminant monitoring.....	316,100
Groundwater discharge—22.0 FTE positions.....	3,064,100
NPDES nonstormwater program—89.0 FTE positions	12,803,900
Surface water—95.0 FTE positions.....	16,446,500
Federal - Great Lakes remedial action plan grants	700,000
Federal - nonpoint source water pollution grants.....	6,500,000

	For Fiscal Year Ending Sept. 30, 2015
Contaminated lake and river sediment cleanup program	665,000
Nonpoint source pollution prevention and control project program	500,000
Wetland mitigation banking grants and loans	3,000,000
Water quality protection grants	100,000
GROSS APPROPRIATION	\$ 63,540,200
Appropriated from:	
Interdepartmental grant revenues:	
IDG, MDOT - Michigan transportation fund	1,227,600
Federal revenues:	
Federal funds	22,909,700
Special revenue funds:	
Clean Michigan initiative - clean water fund	2,617,100
Clean Michigan initiative - contaminated sediments	665,000
Clean Michigan initiative - nonpoint source	500,000
Environmental response fund	202,000
Groundwater discharge permit fees	1,449,200
Infrastructure construction fund	50,000
Land and water permit fees	3,081,700
NPDES fees	4,078,500
Refined petroleum fund	440,700
Sewage sludge land application fees	937,800
Soil erosion and sedimentation control training fund	137,900
Stormwater permit fees	2,869,900
Strategic water quality initiatives fund	3,000,000
Wastewater operator training fees	277,000
Water pollution control revolving fund	810,900
Water quality protection fund	100,000
Water use reporting fees	241,200
State general fund/general purpose	\$ 17,944,000
Sec. 108. LAW ENFORCEMENT DIVISION	
Full-time equated classified positions	14.0
Environmental investigations—14.0 FTE positions	\$ 2,810,900
GROSS APPROPRIATION	\$ 2,810,900
Appropriated from:	
Interdepartmental grant revenues:	
IDT, laboratory services	54,300
Federal revenues:	
Federal funds	824,500
Special revenue funds:	
Air emissions fees	56,000
Campground fund	4,100
Cleanup and redevelopment fund	223,500
Electronic waste recycling fund	3,000
Environmental pollution prevention fund	138,600
Environmental response fund	51,000
Fees and collections	3,700
Great Lakes protection fund	5,600
Groundwater discharge permit fees	18,700
Land and water permit fees	77,000
Medical waste emergency response fund	4,200
Metallic mining surveillance fee revenue	1,700
Mineral well regulatory fee revenue	2,600
NPDES fees	32,000
Oil and gas regulatory fund	154,900
Orphan well fund	4,500
Public swimming pool fund	5,600

	For Fiscal Year Ending Sept. 30, 2015
Public utility assessments.....	4,100
Public water supply fees.....	28,400
Refined petroleum fund.....	363,400
Sand extraction fee revenue.....	1,400
Scrap tire regulatory fund.....	36,500
Septage waste program fund.....	4,400
Sewage sludge land application fees.....	12,200
Small business pollution prevention revolving loan fund.....	2,600
Soil erosion and sedimentation control training fund.....	2,600
Solid waste management fund - staff account.....	78,200
Stormwater permit fees.....	17,200
Wastewater operator training fees.....	5,700
Water analysis fees.....	22,300
Water use reporting fees.....	3,100
State general fund/general purpose.....	\$ 563,300
Sec. 109. AIR QUALITY DIVISION	
Full-time equated classified positions.....	203.0
Air quality programs—203.0 FTE positions.....	\$ 26,093,200
GROSS APPROPRIATION	\$ 26,093,200
Appropriated from:	
Federal revenues:	
Federal funds.....	7,565,300
Special revenue funds:	
Air emissions fees.....	8,587,400
Environmental pollution prevention fund.....	1,337,000
Fees and collections.....	282,800
Oil and gas regulatory fund.....	134,900
Refined petroleum fund.....	3,596,600
State general fund/general purpose.....	\$ 4,589,200
Sec. 110. RESOURCE MANAGEMENT DIVISION	
Full-time equated classified positions.....	319.5
Drinking water and environmental health—106.5 FTE positions.....	\$ 15,982,300
Hazardous waste management program—51.0 FTE positions.....	6,821,200
Low-level radioactive waste authority—2.0 FTE positions.....	228,400
Medical waste program—2.0 FTE positions.....	297,700
Municipal assistance—34.0 FTE positions.....	6,534,700
Radiological protection program—12.0 FTE positions.....	1,693,900
Scrap tire regulatory program—11.0 FTE positions.....	1,323,400
Oil, gas, and mineral services—61.0 FTE positions.....	12,031,900
Recycling initiative—3.0 FTE positions.....	1,000,000
Solid waste management program—37.0 FTE positions.....	4,935,700
Drinking water program grants.....	1,330,000
Noncommunity water grants.....	2,000,000
Septage waste compliance grants.....	275,000
Strategic water quality initiative grants and loans.....	97,000,000
Water pollution control and drinking water revolving fund.....	87,943,000
Scrap tire grants.....	3,500,000
GROSS APPROPRIATION	\$ 242,897,200
Appropriated from:	
Interdepartmental grant revenues:	
IDG, MDSP.....	1,272,100
Federal revenues:	
Federal funds.....	89,533,200
Special revenue funds:	
Campground fund.....	285,700
Electronic waste recycling fund.....	298,300

	For Fiscal Year Ending Sept. 30, 2015
Environmental pollution prevention fund.....	3,700,100
Fees and collections	34,200
Medical waste emergency response fund	297,700
Metallic mining surveillance fee revenue.....	141,200
Mineral well regulatory fee revenue.....	203,700
Nonferrous metallic mineral surveillance.....	103,000
Oil and gas regulatory fund.....	9,205,600
Orphan well fund.....	2,293,900
Public swimming pool fund	597,300
Public utility assessments.....	228,400
Public water supply fees.....	4,222,200
Refined petroleum fund.....	671,700
Revolving loan revenue bonds.....	11,400,000
Sand extraction fee revenue.....	84,500
Scrap tire regulatory fund.....	4,823,400
Septage waste contingency fund	18,100
Septage waste program fund	489,500
Solid waste management fund - staff account.....	4,457,500
Strategic water quality initiatives fund.....	98,176,100
Wastewater operator training fees	249,800
Water pollution control revolving fund	2,821,300
State general fund/general purpose	\$ 7,288,700
Sec. 111. REMEDIATION AND REDEVELOPMENT DIVISION	
Full-time equated classified positions	312.0
Contaminated site investigations, cleanup and revitalization—209.0 FTE positions.....	\$ 29,385,200
Federal cleanup project management—55.0 FTE positions	8,931,000
Laboratory services—48.0 FTE positions	6,092,000
Brownfield grants	5,500,000
Emergency cleanup actions	4,000,000
Environmental cleanup support	1,840,000
Environmental cleanup and redevelopment program	15,000,000
Refined petroleum product cleanup program	32,900,000
Superfund cleanup.....	3,000,000
GROSS APPROPRIATION	\$ 106,648,200
Appropriated from:	
Interdepartmental grant revenues:	
IDT, laboratory services	3,807,200
Federal revenues:	
Federal funds	8,315,000
Special revenue funds:	
Private funds.....	187,200
Clean Michigan initiative - response activities	5,500,000
Cleanup and redevelopment fund	19,785,700
Environmental protection fund	2,165,800
Environmental response fund	4,769,400
Landfill maintenance trust fund	30,400
Public water supply fees.....	303,300
Refined petroleum fund.....	44,701,700
Revitalization revolving loan fund	101,000
Strategic water quality initiatives fund.....	15,000,000
Water analysis fees	1,981,500
State general fund/general purpose	\$ 0
Sec. 112. INFORMATION TECHNOLOGY	
Information technology services and projects.....	\$ 8,551,600
GROSS APPROPRIATION	\$ 8,551,600

For Fiscal Year
Ending Sept. 30,
2015

Appropriated from:	
Interdepartmental grant revenues:	
IDG, MDOT - Michigan transportation fund	85,200
IDG, MDSP	87,100
IDT, laboratory services	220,100
Federal revenues:	
Federal funds	1,414,900
Special revenue funds:	
Air emissions fees	658,900
Campground fund	16,500
Cleanup and redevelopment fund	906,800
Electronic waste recycling fund	12,400
Environmental pollution prevention fund	593,500
Environmental response fund	208,300
Fees and collections	14,900
Great Lakes protection fund	22,700
Groundwater discharge permit fees	75,800
Land and water permit fees	262,700
Medical waste emergency response fund	16,900
Metallic mining surveillance fee revenue	6,900
Mineral well regulatory fee revenue	10,400
Nonferrous metallic mineral surveillance	600
NPDES fees	139,400
Oil and gas regulatory fund	584,600
Orphan well fund	18,300
Public swimming pool fund	22,500
Public utility assessments	16,500
Public water supply fees	158,600
Refined petroleum fund	1,657,200
Sand extraction fee revenue	5,600
Scrap tire regulatory fund	80,200
Septage waste program fund	18,100
Sewage sludge land application fees	48,900
Small business pollution prevention revolving loan fund	10,700
Soil erosion and sedimentation control training fund	10,400
Solid waste management fund - staff account	327,300
Stormwater permit fees	69,300
Wastewater operator training fees	23,300
Water analysis fees	90,300
Water pollution control revolving fund	212,400
Water use reporting fees	13,300
State general fund/general purpose	\$ 430,100
Sec. 113. ONE-TIME BASIS ONLY APPROPRIATIONS	
Electronic document management	\$ 2,500,000
GROSS APPROPRIATION	\$ 2,500,000
Appropriated from:	
Special revenue funds:	
State general fund/general purpose	\$ 2,500,000

PART 2
PROVISIONS CONCERNING APPROPRIATIONS
FOR FISCAL YEAR 2014-2015

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 2014-2015 is \$342,646,800.00 and state spending from state resources to be paid to local units

of government for fiscal year 2014-2015 is \$2,775,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

GRANTS

Noncommunity water grants.....	\$ 2,000,000
Scrap tire grants.	500,000
Septage waste compliance program.	275,000
TOTAL.....	\$ <u>2,775,000</u>

Sec. 202. The appropriations authorized under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this part and part 1:

- (a) "Department" means the department of environmental quality.
- (b) "Director" means the director of the department.
- (c) "FTE" means full-time equated.
- (d) "IDG" means interdepartmental grant.
- (e) "IDT" means intradepartmental transfer.
- (f) "MDOT" means the state transportation department.
- (g) "MDSP" means the department of state police.
- (h) "NPDES" means national pollution discharge elimination system.

Sec. 204. (1) For each new program or program expansion for which funds in excess of \$500,000.00 are appropriated in part 1, the department shall identify specific benchmarks intended to measure the performance or return on taxpayer investment of the program and its associated expenditures. Not later than November 1, 2014, the department shall report the proposed benchmarks to the house and senate appropriations subcommittees for that department, the house and senate fiscal agencies, and the state budget director. The department shall provide an update on its progress in achieving those benchmarks at an appropriations subcommittee meeting called for the purpose of discussing benchmarks and their status.

(2) It is the intent of the legislature that, beginning with the budget for the fiscal year ending September 30, 2016, any proposal for a new program or an expansion of an existing program in excess of \$500,000.00 initiated by the executive branch or the legislature shall include, as part of the original proposal or budget request, a list of benchmarks intended to measure the performance or return on taxpayer investment of the program or spending increase.

Sec. 205. Unless otherwise specified, the department shall use the Internet to fulfill the reporting requirements of this part. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on an Internet or Intranet site.

Sec. 207. The department and agencies receiving appropriations in part 1 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. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 209. The departments and agencies receiving appropriations in part 1 shall prepare a report on out-of-state travel expenses not later than January 1 of each year. The travel report shall be a listing of all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the house and senate appropriations committees, the house and senate fiscal agencies, and the state budget director. The report shall include the following information:

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

Sec. 210. 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. Preference shall be given to goods or services, or both, manufactured or provided by Michigan businesses and associated subcontractors if they are competitively priced and of comparable quality. In addition, preference shall be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 211. The director 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. The 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. 212. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 213. (1) Funds appropriated in part 1 shall not be used by the department to promulgate a rule that will apply to a small business and that will have a disproportionate economic impact on small businesses because of the size of those

businesses if the department fails to reduce the disproportionate economic impact of the rule on small businesses as provided under section 40 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

(2) As used in this section:

(a) "Rule" means that term as defined under section 7 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.207.

(b) "Small business" means that term as defined under section 7a of the administrative procedures act of 1969, 1969 PA 306, MCL 24.207a.

Sec. 214. Funds appropriated in this part and part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those activities that the attorney general authorizes.

Sec. 215. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$30,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 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 part 1 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 part 1 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 \$500,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 216. (1) The department shall report all of the following information relative to allocations made from appropriations for the environmental cleanup and redevelopment program, state cleanup, emergency actions, superfund cleanup, the revitalization revolving loan program, the brownfield grants and loans program, the leaking underground storage tank cleanup program, the contaminated lake and river sediments cleanup program, the refined petroleum product cleanup program, and the environmental protection bond projects under section 19508(7) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.19508, to the state budget director, the senate and house appropriations subcommittees on environmental quality, and the senate and house fiscal agencies:

(a) The name and location of the site for which an allocation is made.

(b) The nature of the problem encountered at the site.

(c) A brief description of how the problem will be resolved if the allocation is made for a response activity.

(d) The estimated date that site closure activities will be completed.

(e) The amount of the allocation, or the anticipated financing for the site.

(f) A summary of the sites and the total amount of funds expended at the sites at the conclusion of the fiscal year.

(g) The number of brownfield projects that were successfully redeveloped.

(2) The report prepared under subsection (1) shall also include all of the following:

(a) The status of all state-owned facilities that are on the list compiled under part 201 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101 to 324.20142.

(b) The report shall include the total amount of funds expended during the fiscal year and the total amount of funds awaiting expenditure.

(c) The total amount of bonds issued for the environmental protection bond program pursuant to part 193 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.19301 to 324.19306, and bonds issued pursuant to the clean Michigan initiative act, 1998 PA 284, MCL 324.95101 to 324.95108.

(3) The report shall be made available by March 31 of each year.

Sec. 217. (1) The department may expend amounts remaining from the current and prior fiscal year appropriations to meet funding needs of legislatively approved sites for the environmental cleanup and redevelopment program, the refined petroleum product cleanup program, brownfield grants and loans, waterfront grants, and the environmental bond site reclamation program.

(2) Unexpended and unencumbered amounts remaining from appropriations from the environmental protection bond fund contained in 1991 PA 160, 2003 PA 173, 2005 PA 109, 2006 PA 343, 2011 PA 63, and 2012 PA 236 are appropriated for expenditure for any site listed in this part and part 1 and any site listed in the public acts referenced in this section.

(3) Unexpended and unencumbered amounts remaining from appropriations from the clean Michigan initiative fund - response activities contained in 2000 PA 52, 2004 PA 309, 2005 PA 11, 2006 PA 343, 2007 PA 121, 2011 PA 63, and 2013 PA 59 are appropriated for expenditure for any site listed in this part and part 1 and any site listed in the public acts referenced in this section.

(4) Unexpended and unencumbered amounts remaining from appropriations from the refined petroleum fund activities contained in 2007 PA 121, 2008 PA 247, 2009 PA 118, 2010 PA 189, 2011 PA 63, 2012 PA 200, and 2013 PA 59 are appropriated for expenditure for any site listed in this part and part 1 and any site listed in the public acts referenced in this section.

(5) Unexpended and unencumbered amounts remaining from the appropriations from the strategic water quality initiatives fund contained in 2011 PA 50, 2011 PA 63, 2012 PA 200, and 2013 PA 59 are appropriated for expenditure for any site listed in this part and part 1 and any site listed in the public acts referenced in this section.

Sec. 219. Unexpended settlement revenues at the end of the fiscal year may be carried forward into the settlement fund in the succeeding fiscal year up to a maximum carryforward of \$2,500,000.00.

Sec. 221. Not later than November 30, the state budget office shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the previous fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the chairpersons of the senate and house appropriations committees and the senate and house fiscal agencies.

Sec. 222. Within 14 days after the release of the executive budget recommendation, the department shall cooperate with the state budget office to provide the senate and house appropriations chairs, the senate and house appropriations subcommittee chairs, and the senate and house fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2014 and September 30, 2015.

Sec. 223. Part 1 provides authorizations to fund classified positions during the fiscal year ending September 30, 2015. Line-item appropriations include limitations on the number of payroll hours to be funded, on the basis of 2,088 hours per each FTE position. The department shall report the number of funded FTE positions within 15 days after the effective date of this part. The number of classified employees compensated through each line item is limited by the authorized FTE positions indicated in part 1, as adjusted for the number of reported funded FTE positions. The report shall be provided to the house and senate appropriations subcommittees on environmental quality and the house and senate fiscal agencies.

Sec. 225. The department shall cooperate with the department of technology, management, and budget to maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following for each department or agency:

- (a) Fiscal year-to-date expenditures by category.
- (b) Fiscal year-to-date expenditures by appropriation unit.
- (c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.
- (d) The number of active department employees by job classification.
- (e) Job specifications and wage rates.

Sec. 228. The department shall provide a report on the customer satisfaction evaluation program and the feedback received to the house and senate appropriations subcommittees on environmental quality and the house and senate fiscal agencies by July 1, 2015.

Sec. 229. The department shall provide a report on the expedited permitting program to the house and senate appropriations subcommittees on environmental quality and the house and senate fiscal agencies by July 1, 2015.

Sec. 231. The department shall maintain, on a publicly accessible website, a department scorecard that identifies, tracks, and regularly updates key metrics that are used to monitor and improve the agency's performance.

Sec. 234. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2015 are \$34,046,600.00. From this amount, total agency appropriations for pension-related legacy costs are estimated at \$19,029,300.00. Total agency appropriations for retiree health care legacy costs are estimated at \$15,017,300.00.

REMEDICATION DIVISION

Sec. 301. Revenues remaining in the interdepartmental transfers, laboratory services at the end of the fiscal year shall carry forward into the succeeding fiscal year.

Sec. 302. The unexpended funds appropriated in part 1 for emergency cleanup actions, the environmental cleanup and redevelopment program, and the refined petroleum product cleanup program 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(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

- (a) The purpose of the projects to be carried forward is to provide contaminated site cleanup.
- (b) The projects will be accomplished by contract.
- (c) The total estimated cost of all projects is identified in each line-item appropriation.
- (d) The tentative completion date is September 30, 2019.

Sec. 303. Effective October 1, 2014, surplus funds not to exceed \$1,000,000.00 in the cleanup and redevelopment trust fund are appropriated to the environmental protection fund created in section 503a of the natural resources and environmental protection act, 1994 PA 451, MCL 324.503a.

Sec. 304. Effective October 1, 2014, surplus funds not to exceed \$1,000,000.00 in the community pollution prevention fund created in section 3f of 1976 IL 1, MCL 445.573f, are appropriated to the environmental protection fund created in section 503a of the natural resources and environmental protection act, 1994 PA 451, MCL 324.503a.

Sec. 305. It is the intent of the legislature to repay the refined petroleum fund for the \$70,000,000.00 that was transferred to the environmental protection fund created in section 503a of the natural resources and environmental protection act, 1994 PA 451, MCL 324.503a, as part of the resolution for the fiscal year 2006-2007 budget.

Sec. 306. (1) The funds appropriated in part 1 for the refined petroleum product cleanup program shall be used to fund cleanup activities on the following sites:

Site Name	County
Laughing Whitefish Trading Post	Alger
Geib Oil Company	Allegan
Bob-A-Lu Market	Alpena
Kihn's Suprette	Alpena
Schultz's Market and Gas	Alpena
Frankfort Station	Benzie
Nyes Shell Service	Berrien
Strefling Oil Co.	Berrien
Strefling Oil Galien Pro Quick Mart	Berrien
Clark #768 (Albion)	Calhoun
Pioneer Auto Truck Stops	Calhoun
Te-Khi Truck Auto Plaza Inc.	Calhoun
J.J.'s General Store	Charlevoix
Donald Johnson	Cheboygan
Jack's Auto Repair	Cheboygan
Rex Oil & Gas	Cheboygan
The Depot	Clare
Alexander Towing	Crawford
Bob's Marathon	Eaton
Maeward Inc. (Fabrications Plus, LLC)	Eaton
Odyssey House, Flint	Genesee
Sunshine Foods #119 Burton	Genesee
Taber's Oil Co., Inc.	Genesee
Estey Service Station	Gladwin
Jim's Automotive	Gladwin
Winegar's Trading Post	Gladwin
Wilson's Grocery	Gratiot
Bilcor Plastics	Hillsdale
Engelhardt Petroleum, Inc. Gas Station	Huron
Action Auto Inc.	Ingham
Action Auto Store #30	Ingham
Clark Station #1995	Ingham
Graham Oil Bulk Plant	Iosco
McDonald's Crosstown Service	Kalamazoo
Davis Country Corners	Kalkaska
1515 Madison Avenue SE	Kent
MSI #635	Kent
E.J. Green	Lapeer
Fred & Margaret Munger/Sunoco	Lapeer
Market 103	Lapeer
Lakeside Resort and Party Store	Leelanau
Ralph Herman Farm	Leelanau
Teds Standard Service (former)	Leelanau
A-1 Auto Parts	Lenawee
Blissfield Marathon	Lenawee
C & J Service (H. Jerry Powelka)	Lenawee
Clayton Corners	Lenawee
Darwins Truck & Auto Service	Lenawee
The Pit	Livingston
Slagg's Auto Service	Mackinac
White Star Tavern	Manistee
Quick Lube	Mason
216 Millbrook, Mecosta	Mecosta

Purcell Property	Mecosta
Dutch Hutch	Missaukee
Alexander's Full Service	Newaygo
DOC Optical	Oakland
Speed-E-Mart (former)	Oakland
Wells Oil, 281 N. Shelby Rd.	Oceana
William Crawford Property	Oceana
Andy's Standard	Osceola
Chuck's Corner	Osceola
Hersey Party Store	Osceola
West Otsego Lake Grocery	Otsego
Onaway Tax Service	Presque Isle
Radio Tavern	Presque Isle
Vince's Sunoco	Presque Isle
Winterhawk General Store	Presque Isle
Thomas White Property	Roscommon
Chapin General Store	Saginaw
Clark #1072	Saginaw
Iva General Store	Saginaw
M & K Investment Group LLC	Saginaw
State Wide Expanded Triage	Statewide
Imlay City Gas & Oil	Tuscola
Mr. C's Service	Tuscola
Broekhutzen Produce	Van Buren
Jimmie's Filling Station	Washtenaw
1801 S. Fort Street (Sunoco #0008-6520)	Wayne
3901 Mt. Elliot, former service station	Wayne
Anmas Inc.	Wayne
Cal's Car Care, Incorporated – BTEX	Wayne

(2) The department shall provide a report to the legislature on the amount actually spent at each site listed in subsection (1) and give a detailed account of the work actually performed at each site.

Sec. 309. The unexpended funds appropriated in part 1 for the brownfield grant program 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(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

- (a) The purpose of the projects to be carried forward is to provide contaminated site cleanup.
- (b) The projects will be accomplished by contract.
- (c) The total estimated cost of all projects is \$5,500,000.00.
- (d) The tentative completion date is September 30, 2019.

Sec. 310. (1) Upon approval by the state budget director, the department may expend from the general fund of the state an amount to meet the cash-flow requirements of projects funded under any of the following that are financed from bond proceeds and for which bonds have been authorized but not yet issued:

- (a) Part 52 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.5201 to 324.5206.
- (b) Part 193 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.19301 to 324.19306.
- (c) Part 196 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.19601 to 324.19616.

(2) Upon the sale of bonds for projects described in subsection (1), the department shall credit the general fund of the state an amount equal to that expended from the general fund.

WATER RESOURCES DIVISION

Sec. 401. From the funds appropriated in part 1 for surface water, not less than \$700,000.00 and 5.0 FTEs shall be allocated to support the permit review program within the aquatic nuisance control program. The department shall report to the house and senate appropriations subcommittees on environmental quality and the house and senate fiscal agencies by September 30, 2015 on the use of this funding and the number of permit applications processed by the program in 2015.

Sec. 402. From the funds appropriated in part 1 for the water quality and use initiative/general line item, the department shall produce a report detailing a comprehensive plan for the use of the water quality and use initiative funding appropriated in part 1 and identifying the amount of expenditures for specific programs made from the water quality and use initiative/general line item, the real-time beach monitoring program line item, and the wetlands program line item. The report shall be submitted to the chairpersons of the senate and house of representatives appropriations subcommittees on environmental quality and the senate and house fiscal agencies by September 30, 2015.

Sec. 405. If a certified health department does not exist in a city, county, or district or does not fulfill its responsibilities under part 117 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11701 to 324.11720, then the department may spend funds appropriated in part 1 under the septage waste compliance program in accordance with section 11716 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11716.

AIR QUALITY DIVISION

Sec. 502. The department shall not assess additional penalties under part 55 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.5501 to 324.5542, for violations that occurred under a previous owner unless compelled by a consent order or judgment, or other legal requirement.

RESOURCE MANAGEMENT DIVISION

Sec. 603. From the funds appropriated in part 1, by December 31, 2014, the department shall compile and make available to the public on a publicly accessible website a report containing a summary document of each completed asset management plan for any stormwater, asset management, or wastewater grant awarded to a local unit of government to fund the development of a plan. As a condition of receiving a stormwater, asset management, or wastewater grant, a local unit of government shall make its asset management plan available to the department upon request when completed and shall retain copies of the plan that can be made available to the public for a minimum of 15 years. The department shall make available a summary document of each plan on a publicly accessible website by September 30 of the year it was completed. The summary document shall include a summary of the plan, the plan’s major identified assets, and contact information for the local unit of government.

Sec. 604. Of the funds appropriated in part 1, if the balance of revenue in the environmental pollution prevention fund is anticipated to decline below anticipated spending levels at any point during the fiscal year ending September 30, 2015, appropriations other than the hazardous waste management program appropriation shall be reduced.

PART 2A

PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS
FOR FISCAL YEAR 2015-2016

GENERAL SECTIONS

Sec. 1201. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, 2016 for the line items listed in part 1. The fiscal year 2015-2016 appropriations are anticipated to be the same as those for fiscal year 2014-2015, except that the line items will be adjusted for changes in caseload and related costs, federal fund match rates, economic factors, and available revenue. These adjustments will be determined after the January 2015 consensus revenue estimating conference.

Sec. 1202. It is the intent of the legislature that the department identify the amounts for normal retirement costs and legacy retirement costs for the fiscal year ending on September 30, 2016 for the line items listed in part 1.

ARTICLE VIII

GENERAL GOVERNMENT

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the legislature, the executive, the department of attorney general, the department of state, the department of treasury, the department of technology, management, and budget, the department of civil rights, and certain state purposes related thereto, for the fiscal year ending September 30, 2015, from the following funds:

TOTAL GENERAL GOVERNMENT

APPROPRIATION SUMMARY

Full-time equated unclassified positions.....	44.0	
Full-time equated classified positions	7,747.2	
GROSS APPROPRIATION		\$ 4,705,290,900
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers	740,374,200	
ADJUSTED GROSS APPROPRIATION		\$ 3,964,916,700
Federal revenues:		
Total federal revenues.....	689,103,500	
Special revenue funds:		
Total local revenues.....	9,969,700	
Total private revenues.....	6,287,200	
Total other state restricted revenues	2,048,873,600	
State general fund/general purpose		\$ 1,210,682,700
State general fund/general purpose schedule:		
Ongoing state general fund/general purpose	1,106,382,400	
One-time state general fund/general purpose	104,300,300	

Sec. 102. DEPARTMENT OF ATTORNEY GENERAL

(1) APPROPRIATION SUMMARY

Full-time equated unclassified positions.....	6.0
Full-time equated classified positions	513.5

	For Fiscal Year Ending Sept. 30, 2015
GROSS APPROPRIATION	\$ 93,822,300
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	27,783,800
ADJUSTED GROSS APPROPRIATION	\$ 66,038,500
Federal revenues:	
Total federal revenues.....	9,857,200
Special revenue funds:	
Total local revenues.....	0
Total private revenues.....	0
Total other state restricted revenues	17,914,200
State general fund/general purpose	\$ 38,267,100
State general fund/general purpose schedule:	
Ongoing state general fund/general purpose	35,267,100
One-time state general fund/general purpose	3,000,000
(2) ATTORNEY GENERAL OPERATIONS	
Full-time equated unclassified positions.....	6.0
Full-time equated classified positions	513.5
Attorney general.....	\$ 112,500
Unclassified positions—5.0 FTE positions	724,700
Attorney general operations—475.5 FTE positions	82,072,700
Child support enforcement—25.0 FTE positions	3,445,000
Prosecuting attorneys coordinating council—12.0 FTE positions	2,106,100
Public safety initiative—1.0 FTE position	904,300
GROSS APPROPRIATION	\$ 89,365,300
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDCH, health policy	203,300
IDG from MDCH, medical services administration.....	523,000
IDG from MDCH, WIC	94,800
IDG from department of corrections.....	649,100
IDG from MDE	389,700
IDG from MDEQ	2,174,000
IDG from MDHS.....	5,829,700
IDG from MSF, workforce development agency	88,000
IDG from MDLARA, financial and insurance services.....	1,377,000
IDG from MDLARA, fireworks safety fund.....	81,600
IDG from MDLARA, health professions	2,984,600
IDG from MDLARA, licensing and regulation fees.....	243,100
IDG from MDLARA, Michigan occupational safety and health administration	106,000
IDG from MDLARA, remonumentation fees.....	104,500
IDG from MDLARA, unlicensed builders	181,600
IDG from MDTMB	255,800
IDG from MDTMB, civil service commission	300,600
IDG from MDTMB, risk management revolving fund	1,442,900
IDG from MDMVA	161,900
IDG from MDOS, children’s protection registry	44,300
IDG from MDOT, comprehensive transportation fund.....	200,900
IDG from MDOT, state aeronautics fund.....	174,400
IDG from MDOT, state trunkline fund	2,387,000
IDG from MDSP, Michigan justice training fund.....	162,900
IDG from MDSP	352,700
IDG from Michigan state housing development authority	664,900
IDG from treasury	6,429,700
IDG from treasury, strategic fund	175,800
Federal revenues:	
DAG, state administrative match grant/food stamps	434,500

	For Fiscal Year Ending Sept. 30, 2015
Federal funds	3,035,300
HHS, medical assistance, medigrant	678,200
HHS-OS, state Medicaid fraud control units	5,590,000
National criminal history improvement program	119,200
Special revenue funds:	
Antitrust enforcement collections	749,400
Attorney general's operations fund	1,213,000
Auto repair facilities fees	321,800
Franchise fees	375,900
Game and fish protection fund	838,000
Liquor purchase revolving fund	1,434,300
Manufactured housing fees	246,200
Merit award trust fund	487,300
Michigan employment security act - administrative fund	2,202,500
Prisoner reimbursement	614,400
Prosecuting attorneys training fees	405,300
Public utility assessments	2,141,300
Real estate enforcement fund	499,000
Reinstatement fees	215,100
Retirement funds	1,024,200
Second injury fund	807,500
Self-insurers security fund	561,400
Silicosis and dust disease fund	221,700
State building authority revenue	118,800
State casino gaming fund	1,829,600
State lottery fund	339,100
Utility consumers fund	767,600
Waterways fund	137,600
Worker's compensation administrative revolving fund	363,200
State general fund/general purpose	\$ 33,810,100
(3) INFORMATION TECHNOLOGY	
Information technology services and projects	\$ 1,457,000
GROSS APPROPRIATION	\$ 1,457,000
Appropriated from:	
State general fund/general purpose	\$ 1,457,000
(4) ONE-TIME BASIS ONLY APPROPRIATIONS	
Sexual assault prosecutions	\$ 3,000,000
GROSS APPROPRIATION	\$ 3,000,000
Appropriated from:	
State general fund/general purpose	\$ 3,000,000
Sec. 103. DEPARTMENT OF CIVIL RIGHTS	
(1) APPROPRIATION SUMMARY	
Full-time equated unclassified positions	6.0
Full-time equated classified positions	132.0
GROSS APPROPRIATION	\$ 16,644,200
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	288,900
ADJUSTED GROSS APPROPRIATION	\$ 16,355,300
Federal revenues:	
Total federal revenues	2,736,500
Special revenue funds:	
Total local revenues	0
Total private revenues	18,700
Total other state restricted revenues	151,900
State general fund/general purpose	\$ 13,448,200

For Fiscal Year
Ending Sept. 30,
2015

State general fund/general purpose schedule:	
Ongoing state general fund/general purpose	13,448,200
One-time state general fund/general purpose	0
(2) CIVIL RIGHTS OPERATIONS	
Full-time equated unclassified positions.....	6.0
Full-time equated classified positions	132.0
Unclassified positions—6.0 FTE positions	\$ 724,700
Civil rights operations—124.0 FTE positions	14,091,800
Division on deaf and hard of hearing—6.0 FTE positions	785,600
Hispanic/Latino commission of Michigan—1.0 FTE position.....	255,600
Asian Pacific American affairs commission—1.0 FTE position.....	110,800
GROSS APPROPRIATION	\$ 15,968,500
Appropriated from:	
Interdepartmental grant revenues:	
IDG from DTMB.....	288,900
Federal revenues:	
EEOC, state and local antidiscrimination agency contracts	1,199,200
HUD, grant	1,522,300
Special revenue funds:	
Private revenues.....	18,700
Division on deafness fund	93,400
State restricted revenues	58,500
State general fund/general purpose	\$ 12,787,500
(3) INFORMATION TECHNOLOGY	
Information technology services and projects	\$ 675,700
GROSS APPROPRIATION	\$ 675,700
Appropriated from:	
Federal revenues:	
EEOC, state and local antidiscrimination agency contracts	15,000
State general fund/general purpose	\$ 660,700
Sec. 104. EXECUTIVE OFFICE	
(1) APPROPRIATION SUMMARY	
Full-time equated unclassified positions.....	10.0
Full-time equated classified positions	78.2
GROSS APPROPRIATION	\$ 5,916,100
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
ADJUSTED GROSS APPROPRIATION	\$ 5,916,100
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	\$ 5,916,100
State general fund/general purpose schedule:	
Ongoing state general fund/general purpose	5,916,100
One-time state general fund/general purpose	0
(2) EXECUTIVE OFFICE OPERATIONS	
Full-time equated unclassified positions.....	10.0
Full-time equated classified positions	78.2
Governor	\$ 159,300
Lieutenant governor.....	111,600
Executive office—78.2 FTE positions.....	4,387,900
Unclassified positions—8.0 FTE positions	1,257,300
GROSS APPROPRIATION	\$ 5,916,100

	For Fiscal Year Ending Sept. 30, 2015
Appropriated from:	
State general fund/general purpose	\$ 5,916,100
Sec. 105. LEGISLATURE	
(1) APPROPRIATION SUMMARY	
GROSS APPROPRIATION	\$ 154,089,300
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	5,220,700
ADJUSTED GROSS APPROPRIATION	\$ 148,868,600
Federal revenues:	
Total federal revenues.....	0
Special revenue funds:	
Total local revenues.....	0
Total private revenues.....	400,000
Total other state restricted revenues.....	6,110,600
State general fund/general purpose	\$ 142,358,000
State general fund/general purpose schedule:	
Ongoing state general fund/general purpose	142,358,000
One-time state general fund/general purpose	0
(2) LEGISLATURE	
Senate	\$ 32,150,600
Senate automated data processing	2,541,600
Senate fiscal agency	3,580,200
House of representatives.....	49,446,200
House automated data processing	2,017,800
House fiscal agency.....	3,580,200
GROSS APPROPRIATION	\$ 93,316,600
Appropriated from:	
State general fund/general purpose	\$ 93,316,600
(3) LEGISLATIVE COUNCIL	
Legislative council.....	\$ 10,927,800
Legislative service bureau automated data processing	1,371,200
Worker's compensation.....	145,500
National association dues.....	437,100
Legislative corrections ombudsman.....	700,900
GROSS APPROPRIATION	\$ 13,582,500
Appropriated from:	
Special revenue funds:	
Private - gifts and bequests revenues	400,000
State general fund/general purpose	\$ 13,182,500
(4) LEGISLATIVE RETIREMENT SYSTEM	
General nonretirement expenses.....	\$ 4,717,000
GROSS APPROPRIATION	\$ 4,717,000
Appropriated from:	
Special revenue funds:	
Court fees	1,109,800
State general fund/general purpose	\$ 3,607,200
(5) PROPERTY MANAGEMENT	
Cora Anderson building	\$ 10,667,000
Farnum building and other properties	2,662,200
GROSS APPROPRIATION	\$ 13,329,200
Appropriated from:	
State general fund/general purpose	\$ 13,329,200
(6) STATE CAPITOL HISTORIC SITE	
General operations.....	\$ 3,985,200
Restoration, renewal and maintenance	3,000,000
GROSS APPROPRIATION	\$ 6,985,200

For Fiscal Year
Ending Sept. 30,
2015

Appropriated from:	
Special revenue funds:	
Capitol historic site fund	3,000,000
State general fund/general purpose	\$ 3,985,200
(7) OFFICE OF THE AUDITOR GENERAL	
Unclassified positions	\$ 329,400
Field operations	21,829,400
GROSS APPROPRIATION	\$ 22,158,800
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDOT, comprehensive transportation fund.....	37,400
IDG from MDOT, Michigan transportation fund	303,500
IDG from MDOT, state aeronautics fund.....	29,100
IDG from MDOT, state trunkline fund	704,900
IDG, single audit act	2,799,200
IDG, commercial mobile radio system emergency telephone fund	35,400
IDG, contract audit administration fees	39,800
IDG, deferred compensation funds.....	52,200
IDG, Michigan finance authority	317,800
IDG, Michigan economic development authority	92,500
IDG, Michigan education trust fund	68,000
IDG, Michigan strategic fund.....	162,500
IDG, office of retirement services.....	209,800
IDG, other restricted funding sources	368,600
Special revenue funds:	
21st century jobs fund.....	92,500
Brownfield development fund	27,100
Clean Michigan initiative implementation bond fund	52,300
Fee adequacy, air quality delegated authority	13,400
Game and fish protection fund.....	30,100
Legislative retirement system	28,000
MDTMB, civil service commission	159,700
MDLARA, liquor purchase revolving fund.....	27,500
Michigan justice training commission fund	39,300
Michigan state housing development authority fees	109,100
Michigan veterans trust fund.....	34,100
Motor transport revolving fund	7,200
Office services revolving fund	9,600
State disbursement unit, office of child support.....	55,200
State services fee fund.....	1,304,800
Waterways fund	10,900
State general fund/general purpose	\$ 14,937,300
Sec. 106. DEPARTMENT OF STATE	
(1) APPROPRIATION SUMMARY	
Full-time equated unclassified positions.....	6.0
Full-time equated classified positions	1,587.0
GROSS APPROPRIATION	\$ 223,984,900
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	20,000,000
ADJUSTED GROSS APPROPRIATION	\$ 203,984,900
Federal revenues:	
Total federal revenues.....	1,460,000
Special revenue funds:	
Total local revenues	0
Total private revenues.....	100
Total other state restricted revenues	184,985,800
State general fund/general purpose	\$ 17,539,000

For Fiscal Year
Ending Sept. 30,
2015

State general fund/general purpose schedule:	
Ongoing state general fund/general purpose	17,539,000
One-time state general fund/general purpose	0
(2) EXECUTIVE DIRECTION	
Full-time equated unclassified positions.....	6.0
Full-time equated classified positions	30.0
Secretary of state	\$ 112,500
Unclassified positions—5.0 FTE positions	724,700
Operations—30.0 FTE positions	4,579,400
GROSS APPROPRIATION	\$ 5,416,600
Appropriated from:	
Special revenue funds:	
Auto repair facilities fees	69,200
Children’s protection registry fund.....	272,600
Driver fees	277,900
Enhanced driver license and enhanced official state personal identification card fund.....	212,900
Expedient service fees.....	66,800
Parking ticket court fines.....	9,300
Personal identification card fees.....	32,300
Reinstatement fees - operator licenses	250,700
Transportation administration collection fund.....	2,506,500
Vehicle theft prevention fees	40,700
State general fund/general purpose	\$ 1,677,700
(3) DEPARTMENT SERVICES	
Full-time equated classified positions	161.0
Operations—161.0 FTE positions	\$ 30,449,000
GROSS APPROPRIATION	\$ 30,449,000
Appropriated from:	
Special revenue funds:	
Abandoned vehicle fees.....	481,900
Auto repair facilities fees	1,608,700
Driver fees	1,578,700
Driver improvement course fund.....	309,200
Enhanced driver license and enhanced official state personal identification card fund.....	546,200
Expedient service fees.....	274,100
Marine safety fund	84,300
Personal identification card fees.....	191,600
Reinstatement fees - operator licenses	1,290,000
Scrap tire fund.....	77,300
Transportation administration collection fund.....	22,225,900
Vehicle theft prevention fees	629,900
State general fund/general purpose	\$ 1,151,200
(4) LEGAL SERVICES	
Full-time equated classified positions	33.0
Operations—33.0 FTE positions	\$ 7,117,300
GROSS APPROPRIATION	\$ 7,117,300
Appropriated from:	
Special revenue funds:	
Auto repair facilities fees	1,449,100
Driver education provider and instructor fund.....	25,500
Driver fees	934,900
Enhanced driver license and enhanced official state personal identification card fund.....	90,800
Personal identification card fees.....	60,900
Reinstatement fees - operator licenses	716,300
Transportation administration collection fund.....	3,362,300

	For Fiscal Year Ending Sept. 30, 2015
Vehicle theft prevention fees	465,300
State general fund/general purpose	\$ 12,200
(5) CUSTOMER DELIVERY SERVICES	
Full-time equated classified positions	1,318.0
Branch operations—927.5 FTE positions.....	\$ 84,248,600
Central operations—371.5 FTE positions	47,761,600
Commemorative license plates—14.0 FTE positions.....	1,897,300
Motorcycle safety education administration—2.0 FTE positions	330,100
Motorcycle safety education grants.....	1,800,000
Credit and debit assessment services	5,000,000
Specialty license plates—3.0 FTE positions	750,000
Organ donor program	129,100
GROSS APPROPRIATION	\$ 141,916,700
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDOT, Michigan transportation fund	20,000,000
Federal revenues:	
Federal funds	1,460,000
Special revenue funds:	
Private funds	100
Abandoned vehicle fees.....	204,800
Auto repair facilities fees	1,734,600
Child support clearance fees	364,100
Credit and debit assessment service fees	5,000,000
Driver education provider and instructor fund	49,600
Driver fees	25,852,100
Driver improvement course fund.....	1,248,400
Enhanced driver license and enhanced official state personal identification card fund.....	7,691,800
Expedient service fees.....	2,608,200
Marine safety fund	1,394,600
Michigan state police auto theft fund.....	123,700
Mobile home commission fees	508,200
Motorcycle safety fund.....	1,830,100
Off-road vehicle title fees.....	167,300
Parking ticket court fines.....	1,632,600
Personal identification card fees.....	2,278,500
Recreation passport fee	1,000,000
Reinstatement fees - operator licenses	2,362,100
Snowmobile registration fee revenue	390,600
Thomas Daley gift of life fund.....	50,000
Transportation administration collection fund.....	59,534,900
Vehicle theft prevention fees	743,600
State general fund/general purpose	\$ 3,686,800
(6) ELECTION REGULATION	
Full-time equated classified positions	45.0
Election administration and services—45.0 FTE positions.....	\$ 7,100,300
County clerk education and training fund.....	100,000
Fees to local units	109,800
GROSS APPROPRIATION	\$ 7,310,100
Appropriated from:	
Special revenue funds:	
Notary education and training fund.....	100,000
Notary fee fund	344,100
State general fund/general purpose	\$ 6,866,000
(7) DEPARTMENTWIDE APPROPRIATIONS	
Building occupancy charges/rent.....	\$ 9,540,700
Worker's compensation.....	264,600
GROSS APPROPRIATION	\$ 9,805,300

For Fiscal Year
Ending Sept. 30,
2015

Appropriated from:	
Special revenue funds:	
Auto repair facilities fees	134,300
Driver fees	711,400
Enhanced driver license and enhanced official state personal identification card fund.....	26,200
Parking ticket court fines.....	445,000
Transportation administration collection fund.....	5,909,700
State general fund/general purpose	\$ 2,578,700

(8) INFORMATION TECHNOLOGY

Information technology services and projects.....	\$ 21,969,900
GROSS APPROPRIATION	\$ 21,969,900

Appropriated from:

Special revenue funds:

Administrative order processing fee.....	11,700
Auto repair facilities fees	190,200
Driver fees	788,300
Enhanced driver license and enhanced official state personal identification card fund.....	269,800
Expedient service fees.....	1,086,300
Parking ticket court fines.....	87,600
Personal identification card fees.....	171,900
Reinstatement fees - operator licenses	593,000
Transportation administration collection fund.....	17,023,500
Vehicle theft prevention fees	181,200
State general fund/general purpose	\$ 1,566,400

Sec. 107. DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET

(1) APPROPRIATION SUMMARY

Full-time equated unclassified positions.....	6.0
Full-time equated classified positions	2,817.0
GROSS APPROPRIATION	\$ 1,262,810,400

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental transfers	677,671,700
ADJUSTED GROSS APPROPRIATION	\$ 585,138,700

Federal revenues:

Total federal revenues.....	7,974,100
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Special revenue funds:

Total local revenues.....	3,553,700
Total private revenues.....	190,400
Total other state restricted revenues	94,322,000
State general fund/general purpose	\$ 479,098,500

State general fund/general purpose schedule:

Ongoing state general fund/general purpose	460,848,200
One-time state general fund/general purpose	18,250,300

(2) EXECUTIVE DIRECTION

Full-time equated unclassified positions.....	6.0
Full-time equated classified positions	12.0
Unclassified positions—6.0 FTE positions	\$ 824,600
Executive operations—12.0 FTE positions	2,269,800
GROSS APPROPRIATION	\$ 3,094,400

Appropriated from:

Interdepartmental grant revenues:

IDG from building occupancy and parking charges.....	207,500
IDG from technology user fees	1,918,700

Special revenue funds:

Special revenue, internal service, and pension trust funds.....	300,000
State general fund/general purpose	\$ 668,200

For Fiscal Year
Ending Sept. 30,
2015

(3) DEPARTMENT SERVICES

Full-time equated classified positions	708.5	
Administrative services—132.5 FTE positions		\$ 17,611,900
Budget and financial management—135.0 FTE positions		17,667,800
Office of the state employer—23.0 FTE positions.....		3,374,400
Design and construction services—40.0 FTE positions.....		6,388,900
Business support services—91.0 FTE positions.....		10,476,400
Building operation services—210.0 FTE positions.....		91,352,000
Building occupancy charges, rent, and utilities.....		6,862,800
Motor vehicle fleet—35.0 FTE positions.....		67,669,300
Information technology services and projects.....		29,574,700
Bureau of labor market information and strategies—42.0 FTE positions.....		5,387,200
GROSS APPROPRIATION		\$ 256,365,400

Appropriated from:

Interdepartmental grant revenues:

IDG from accounting service centers user charges.....		2,690,800
IDG from building occupancy and parking charges.....		93,505,200
IDG from MDLARA.....		100,000
IDG from motor transport fund.....		67,669,300
IDG from MDCH.....		482,900
IDG from MDHS.....		213,500
IDG from user fees.....		6,703,600
IDG from technology user fees.....		7,949,100

Federal revenues:

Federal funds.....		4,905,000
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Special revenue funds:

Local - MPSCS subscriber and maintenance fees.....		20,800
Deferred compensation.....		2,600
Health management funds.....		2,176,900
MAIN user charges.....		4,434,600
Pension trust funds.....		7,427,000
Special revenue, internal service, and pension trust funds.....		16,845,100
State restricted indirect funds.....		3,383,900
State general fund/general purpose		\$ 37,855,100

(4) TECHNOLOGY SERVICES

Full-time equated classified positions	1,474.5	
Education services—29.0 FTE positions.....		\$ 4,108,700
Health and human services—617.5 FTE positions		285,947,700
Public protection—154.5 FTE positions		50,407,600
Resources services—146.5 FTE positions.....		19,254,400
Transportation services—89.5 FTE positions.....		30,446,000
General services—324.5 FTE positions		90,562,100
Enterprisewide information technology investment projects.....		11,400,000
General government and public safety information technology investment projects.....		28,600,000
Health and human services information technology investment projects		6,000,000
MAIN system replacement information technology investment projects.....		17,000,000
Homeland security initiative/cyber security—13.0 FTE positions.....		9,068,200
Michigan public safety communications system—100.0 FTE positions.....		41,859,000
GROSS APPROPRIATION		\$ 594,653,700

Appropriated from:

Interdepartmental grant revenues:

IDG from technology user fees.....		480,726,500
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Special revenue funds:

Local - MPSCS subscriber and maintenance fees.....		2,212,100
State general fund/general purpose		\$ 111,715,100

For Fiscal Year
Ending Sept. 30,
2015

(5) STATEWIDE APPROPRIATIONS

Professional development fund - AFSCME	\$	50,000
Professional development fund - MPE, SEIU, scientific and engineering unit		125,000
Professional development fund - NEREs		200,000
Professional development fund - UAW		720,000
GROSS APPROPRIATION	\$	<u>1,095,000</u>

Appropriated from:

Interdepartmental grant revenues:

IDG from employer contributions		1,095,000
State general fund/general purpose	\$	0

(6) SPECIAL PROGRAMS

Full-time equated classified positions	176.0	
Building occupancy charges - property management services for executive/legislative building occupancy		\$ 1,124,600
Retirement services—162.0 FTE positions		25,983,700
Office of children’s ombudsman—14.0 FTE positions		1,771,800
Public private partnership		1,500,000
Regional prosperity grants		2,500,000
GROSS APPROPRIATION		\$ <u>32,880,100</u>

Appropriated from:

Special revenue funds:

Deferred compensation		1,542,400
Pension trust funds		19,196,500
Public private partnership investment fund		1,500,000
State general fund/general purpose	\$	10,641,200

(7) STATE BUILDING AUTHORITY RENT

State building authority rent - state agencies	\$	58,405,800
State building authority rent - department of corrections		44,879,900
State building authority rent - universities		124,825,300
State building authority rent - community colleges		26,459,600
GROSS APPROPRIATION	\$	<u>254,570,600</u>

Appropriated from:

State general fund/general purpose	\$	254,570,600
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(8) CIVIL SERVICE COMMISSION

Full-time equated classified positions	446.0	
Agency services—74.0 FTE positions		\$ 12,601,900
Executive direction—40.0 FTE positions		9,403,400
Employee benefits—16.0 FTE positions		5,671,200
Training		1,300,000
Human resources operations—316.0 FTE positions		35,766,900
Information technology services and projects		4,385,800
GROSS APPROPRIATION		\$ <u>69,129,200</u>

Appropriated from:

Interdepartmental grant revenues:

IDG, training charges		1,300,000
IDG, 1% special funds		3,337,900

Federal revenues:

Federal funds 1%		3,069,100
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Special revenue funds:

Local funds 1%		1,320,800
Private funds 1%		190,400
State restricted funds 1%		21,244,900
State restricted indirect funds		7,700,200
State sponsored group insurance		2,743,100
State sponsored group insurance, flexible spending accounts and COBRA		5,824,800
State general fund/general purpose	\$	<u>22,398,000</u>

	For Fiscal Year Ending Sept. 30, 2015
(9) CAPITAL OUTLAY	
Major special maintenance, remodeling, and additions for state agencies	\$ 2,000,000
Enterprisewide special maintenance for state facilities	23,000,000
GROSS APPROPRIATION	<u>\$ 25,000,000</u>
Appropriated from:	
Interdepartmental grant revenues:	
IDG from building occupancy charges	2,000,000
State general fund/general purpose	\$ 23,000,000
(10) ONE-TIME BASIS ONLY APPROPRIATIONS	
Regional prosperity grants	\$ 1,000,000
Capital outlay - enterprisewide special maintenance for state facilities	7,000,000
Technology services funding	6,900,300
Litigation fund	4,000,000
Office of urban initiatives	5,000,000
Michigan business one stop - depreciation	871,700
Special projects	1,250,000
GROSS APPROPRIATION	<u>\$ 26,022,000</u>
Appropriated from:	
Interdepartmental grant revenues:	
Interdepartmental grant revenues	7,771,700
Special revenue funds:	
State general fund/general purpose	\$ 18,250,300
Sec. 108. DEPARTMENT OF TREASURY	
(1) APPROPRIATION SUMMARY	
Full-time equated unclassified positions	10.0
Full-time equated classified positions	2,619.5
GROSS APPROPRIATION	\$ 2,948,023,700
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	9,409,100
ADJUSTED GROSS APPROPRIATION	\$ 2,938,614,600
Federal revenues:	
Total federal revenues	667,075,700
Special revenue funds:	
Total local revenues	6,416,000
Total private revenues	5,678,000
Total other state restricted revenues	1,745,389,100
State general fund/general purpose	\$ 514,055,800
State general fund/general purpose schedule:	
Ongoing state general fund/general purpose	431,005,800
One-time state general fund/general purpose	83,050,000
(2) EXECUTIVE DIRECTION	
Full-time equated unclassified positions	10.0
Full-time equated classified positions	16.0
Unclassified positions—10.0 FTE positions	\$ 1,099,500
Executive direction and operations—16.0 FTE positions	3,008,400
GROSS APPROPRIATION	<u>\$ 4,107,900</u>
Appropriated from:	
Federal revenues:	
DED-OPSE, federal lenders allowance	20,000
DED-OPSE, higher education act of 1965, insured loans	45,000
Special revenue funds:	
Delinquent tax collection revenue	1,330,600
Michigan state housing development authority fees and charges	258,100
State lottery fund	281,600
State services fee fund	319,900
State general fund/general purpose	\$ 1,852,700

	For Fiscal Year Ending Sept. 30, 2015
(3) DEPARTMENTWIDE APPROPRIATIONS	
Rent and building occupancy charges - property management services	\$ 5,948,800
Worker's compensation insurance premium	129,200
GROSS APPROPRIATION	\$ 6,078,000
Appropriated from:	
Special revenue funds:	
Delinquent tax collection revenue	2,945,200
State general fund/general purpose	\$ 3,132,800
(4) LOCAL GOVERNMENT PROGRAMS	
Full-time equated classified positions	111.0
Supervision of the general property tax law—86.0 FTE positions	\$ 18,817,500
Property tax assessor training—4.0 FTE positions	1,031,900
Local finance—21.0 FTE positions	2,571,200
GROSS APPROPRIATION	\$ 22,420,600
Appropriated from:	
Special revenue funds:	
Local - assessor training fees	1,031,900
Local - audit charges	810,600
Local - equalization study chargebacks	40,000
Local - revenue from local government	100,000
Delinquent tax collection revenue	1,494,300
Land reutilization fund	5,304,500
Municipal finance fees	534,900
State general fund/general purpose	\$ 13,104,400
(5) TAX PROGRAMS	
Full-time equated classified positions	811.0
Tax compliance—345.0 FTE positions	\$ 45,452,100
Tax and economic policy—93.0 FTE positions	13,100,000
Tax processing—345.0 FTE positions	36,932,300
Health insurance claims fund—15.0 FTE positions	2,033,800
Home heating assistance	3,023,400
Bottle act implementation	250,000
Tobacco tax enforcement—13.0 FTE positions	1,579,500
GROSS APPROPRIATION	\$ 102,371,100
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDOT, Michigan transportation fund	2,300,000
IDG from MDOT, state aeronautics fund	71,000
Federal revenues:	
HHS-SSA, low-income energy assistance	3,023,400
Special revenue funds:	
Bottle deposit fund	250,000
Delinquent tax collection revenue	70,170,400
Emergency 911 fund	156,200
Health insurance claims assessment fund	2,033,800
Tobacco tax revenue	4,027,700
Waterways fund	105,100
State general fund/general purpose	\$ 20,233,500
(6) FINANCIAL AND ADMINISTRATIVE SERVICES	
Full-time equated classified positions	383.0
Department and budget services—88.0 FTE positions	\$ 9,001,700
Unclaimed property—29.0 FTE positions	4,772,800
Office of collections—203.0 FTE positions	26,303,200
Office of accounting services—24.0 FTE positions	2,441,900
Office of financial services—39.0 FTE positions	4,396,900
GROSS APPROPRIATION	\$ 46,916,500

For Fiscal Year
Ending Sept. 30,
2015

Appropriated from:	
Interdepartmental grant revenues:	
IDG from accounting service center user charges	484,200
IDG from MDHS, title IV-D	764,700
IDG, levy/warrant cost assessment fees	2,000,000
IDG, state agency collection fees	2,892,100
IDG, data/collection services fees	290,800
Special revenue funds:	
Delinquent tax collection revenue	27,127,700
Escheats revenue.....	4,772,800
Garnishment fees	2,487,900
Justice system fund.....	479,400
State restricted indirect funds.....	273,000
Treasury fees	46,200
State general fund/general purpose	\$ 5,297,700
(7) FINANCIAL PROGRAMS	
Full-time equated classified positions	211.5
Investments—82.0 FTE positions.....	\$ 20,321,700
John R. Justice grant program.....	287,700
Common cash and debt management—22.5 FTE positions.....	1,633,600
Dual enrollment payments.....	1,005,200
Student financial assistance programs—25.5 FTE positions.....	2,695,000
Michigan finance authority - bond finance programs—72.5 FTE positions	38,728,000
Financial independence team—9.0 FTE positions	4,500,000
GROSS APPROPRIATION	\$ 69,171,200
Appropriated from:	
Interdepartmental grant revenues:	
IDG, fiscal agent service fees	206,300
Federal revenues:	
DED-OPSE, federal lenders allowance	10,626,700
DED-OPSE, higher education act of 1965, insured loans.....	25,082,800
Federal - John R. Justice grant.....	287,700
Special revenue funds:	
Defined contribution administrative fee revenue.....	100,000
MFA, bond and loan program revenue.....	3,018,500
Michigan merit award trust fund.....	1,143,200
Retirement funds	18,814,400
School bond fees	837,600
Treasury fees	1,619,500
State general fund/general purpose	\$ 7,434,500
(8) DEBT SERVICE	
Quality of life bond.....	\$ 81,360,000
Clean Michigan initiative	57,224,000
Great Lakes water quality bond	13,811,000
GROSS APPROPRIATION	\$ 152,395,000
Appropriated from:	
Special revenue funds:	
State general fund/general purpose	\$ 152,395,000
(9) GRANTS	
Convention facility development distribution.....	\$ 90,950,000
Senior citizen cooperative housing tax exemption program.....	12,020,000
Emergency 911 payments.....	27,000,000
Facility for rare isotope beams debt service	7,300,000
Health and safety fund grants.....	9,000,000
GROSS APPROPRIATION	\$ 146,270,000

	For Fiscal Year Ending Sept. 30, 2015
Appropriated from:	
Special revenue funds:	
Emergency 911 fund.....	27,000,000
Convention facility development fund.....	90,950,000
Health and safety fund	9,000,000
State general fund/general purpose	\$ 19,320,000
(10) BUREAU OF STATE LOTTERY	
Full-time equated classified positions	183.0
Lottery operations—183.0 FTE positions	\$ 24,273,400
Promotion and advertising.....	18,622,000
Lottery information technology services and projects	5,211,100
GROSS APPROPRIATION	\$ 48,106,500
Appropriated from:	
Special revenue funds:	
State lottery fund.....	48,106,500
State general fund/general purpose	\$ 0
(11) CASINO GAMING	
Full-time equated classified positions	129.0
Michigan gaming control board	\$ 50,000
Casino gaming control administration—119.0 FTE positions	25,269,400
Casino gaming information technology services and projects	1,984,400
Racing commission—10.0 FTE positions	2,352,400
GROSS APPROPRIATION	\$ 29,656,200
Appropriated from:	
Special revenue funds:	
Casino gambling agreements.....	814,500
Equine development fund.....	2,475,400
Laboratory fees.....	700,000
State services fee fund.....	25,666,300
State general fund/general purpose	\$ 0
(12) PAYMENTS IN LIEU OF TAXES	
Commercial forest reserve.....	\$ 3,207,700
Purchased lands	7,298,400
Swamp and tax reverted lands.....	10,668,800
GROSS APPROPRIATION	\$ 21,174,900
Appropriated from:	
Special revenue funds:	
Private funds.....	23,100
Game and fish protection fund	2,527,900
Michigan natural resources trust fund.....	1,735,500
Michigan state waterways fund.....	219,100
State general fund/general purpose	\$ 16,669,300
(13) MICHIGAN STRATEGIC FUND	
Full-time equated classified positions	403.0
Administrative services—22.0 FTE positions	\$ 3,131,700
Job creation services—139.0 FTE positions	19,021,100
Pure Michigan	29,000,000
Entrepreneurship eco-system.....	25,000,000
Business attraction and community revitalization.....	112,100,000
Community ventures—7.0 FTE positions	9,800,000
Michigan film office—6.0 FTE positions	891,900
Film incentives	25,000,000
Energy programs.....	3,610,900
Community development block grants	47,000,000
Arts and cultural program	10,150,000
GEAR-UP program grants.....	4,730,700
Carl D. Perkins grants	19,000,000

	For Fiscal Year Ending Sept. 30, 2015
Adult basic education	20,000,000
Adult education—16.0 FTE positions	2,939,800
Postsecondary education—9.0 FTE positions	2,064,300
Employment services—125.0 FTE positions	35,166,900
Workforce development agency administrative services—22.0 FTE positions	1,740,400
Workforce program administration—57.0 FTE positions	13,404,400
Workforce development programs	250,819,100
Welfare-to-work programs.....	75,357,200
Community college skilled trades equipment program	4,600,000
Workforce development agency rent and property management.....	870,500
Skilled trades training program	10,000,000
Information technology services and projects	925,000
GROSS APPROPRIATION	\$ 726,323,900
Appropriated from:	
Federal revenues:	
DAG, employment and training	3,500,000
DED-OESE, GEAR-UP.....	4,730,700
DED-OVAE, adult education.....	20,000,000
DED-OVAE, basic grants to states	19,000,000
DOE-OEERE, multiple grants.....	3,796,800
DOL-ETA, workforce investment act.....	174,003,300
DOL, federal funds.....	112,800,000
Federal funds	5,950,000
Social security act, temporary assistance to needy families	64,898,800
NFAH-NEA, promotion of the arts, partnership agreements	1,050,000
HUD-CPD, community development block grant.....	49,780,700
Special revenue funds:	
Local revenues.....	4,433,500
Private funds.....	5,274,900
Private - oil overcharge	30,000
Private - special project advances	250,000
Private - Michigan council for the arts fund	100,000
Industry support fees	5,500
Defaulted loan collection fees	150,000
Michigan film promotion fund	654,800
Public utility assessments.....	872,400
21st century jobs trust fund.....	75,000,000
State general fund/general purpose	\$ 180,042,500
(14) REVENUE SHARING	
Constitutional state general revenue sharing grants	\$ 758,272,400
City, village, and township revenue sharing.....	243,040,000
County incentive program	42,240,000
County revenue sharing.....	168,960,000
Financially distressed cities, villages, or townships.....	5,000,000
GROSS APPROPRIATION	\$ 1,217,512,400
Appropriated from:	
Sales tax	1,217,512,400
State general fund/general purpose	\$ 0
(15) MICHIGAN STRATEGIC FUND - MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY	
Full-time equated classified positions	353.0
Payments on behalf of tenants.....	\$ 166,860,000
Housing and rental assistance—347.0 FTE positions	57,957,900
Land bank fast track authority—6.0 FTE positions	5,250,000
Lighthouse preservation program.....	307,500

	For Fiscal Year Ending Sept. 30, 2015
Rent and administrative support.....	3,870,700
Michigan state housing development authority technology services and projects.....	3,559,900
GROSS APPROPRIATION.....	\$ 237,806,000
Appropriated from:	
Federal revenues:	
Federal funds.....	1,000,000
HUD, lower income housing assistance.....	166,860,000
Special revenue funds:	
Michigan state housing development authority fees and charges.....	65,388,500
Michigan lighthouse preservation fund.....	307,500
Land bank fast track fund.....	300,000
State general fund/general purpose.....	\$ 3,950,000
(16) STATE BUILDING AUTHORITY	
Full-time equated classified positions..... 4.0	
State building authority—4.0 FTE positions.....	\$ 712,400
GROSS APPROPRIATION.....	\$ 712,400
Appropriated from:	
Special revenue funds:	
State building authority revenue.....	712,400
State general fund/general purpose.....	\$ 0
(17) INFORMATION TECHNOLOGY	
Treasury operations information technology services and projects.....	\$ 25,151,100
GROSS APPROPRIATION.....	\$ 25,151,100
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDOT, Michigan transportation fund.....	400,000
Federal revenues:	
DED-OPSE, federal lenders allowance.....	619,800
Special revenue funds:	
Delinquent tax collection revenue.....	15,671,400
Tobacco tax revenue.....	127,700
Retirement funds.....	758,800
State general fund/general purpose.....	\$ 7,573,400
(18) ONE-TIME BASIS ONLY APPROPRIATIONS	
Full-time equated classified positions..... 15.0	
City, village, and township revenue sharing.....	\$ 5,800,000
Financially distressed cities, villages, or townships.....	3,000,000
MSF, film incentives.....	25,000,000
MSF, business attraction and community revitalization.....	17,900,000
MSF, Automotive, engineering and manufacturing technology fund.....	2,000,000
MSF, special grants.....	15,750,000
Credit card payment service—6.0 FTE positions.....	500,000
Personal property tax reform—9.0 FTE positions.....	20,800,000
Treasury, city of Flint police and fire safety grant.....	1,100,000
GROSS APPROPRIATION.....	\$ 91,850,000
Appropriated from:	
Special revenue funds:	
Sales tax.....	8,800,000
State general fund/general purpose.....	\$ 83,050,000

PART 2
PROVISIONS CONCERNING APPROPRIATIONS
FOR FISCAL YEAR 2014-2015

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 2014-2015 is \$3,259,556,300.00 and state spending from state resources to be paid

to local units of government for fiscal year 2014-2015 is \$1,434,623,200.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF STATE

Fees to local units	\$	109,800
Motorcycle safety grants		1,251,000
Subtotal.....	\$	<u>1,360,800</u>

DEPARTMENT OF TREASURY

Senior citizen cooperative housing tax exemption	\$	12,020,000
Health and safety fund grants.....		9,000,000
Constitutional state general revenue sharing grants		758,272,400
City, village, and township revenue sharing.....		248,840,000
Convention facility development fund distribution		90,950,000
Emergency 9-1-1 payments		27,000,000
Financially distressed cities, villages, or townships.....		8,000,000
County incentive program		42,240,000
County revenue sharing payments.....		168,960,000
Airport parking distribution pursuant to section 909		16,280,300
Payments in lieu of taxes		21,174,900
Personal property tax reform.....		19,300,000
Welfare-to-work programs.....		11,224,800
Subtotal.....	\$	<u>1,433,262,400</u>
TOTAL GENERAL GOVERNMENT	\$	<u>1,434,623,200</u>

(2) Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state sources for fiscal year 2014-2015 is estimated at \$30,123,412,800.00 in the 2014-2015 appropriations acts and total state spending from state sources paid to local units of government for fiscal year 2014-2015 is estimated at \$16,428,104,600.00. The state-local proportion is estimated at 54.5% of total state spending from state resources.

(3) If payments to local units of government and state spending from state sources for fiscal year 2014-2015 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 2014-2015 to the senate and house of representatives standing committees on appropriations within 30 days after the final book-closing for fiscal year 2014-2015.

Sec. 202. The appropriations authorized under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this part and part 1:

- (a) "AFSCME" means American federation of state, county, and municipal employees.
- (b) "ATM" means automated teller machine.
- (c) "COBRA" means the consolidated omnibus budget reconciliation act of 1985, Public Law 99-272, 100 Stat. 82.
- (d) "DAG" means the United States department of agriculture.
- (e) "DED" means the United States department of education.
- (f) "DED-OESE" means the DED office of elementary and secondary education.
- (g) "DED-OPSE" means the DED office of postsecondary education.
- (h) "DED-OVAE" means the DED office of vocational and adult education.
- (i) "DOE-OEERE" means the United States department of energy, office of energy efficiency and renewable energy.
- (j) "DOL-ETA" means the United States department of labor, employment and training administration.
- (k) "EEOC" means the United States equal employment opportunity commission.
- (l) "EPA" means the United States environmental protection agency.
- (m) "FTE" means full-time equated.
- (n) "Fund" means the Michigan strategic fund.
- (o) "GEAR-UP" means gaining early awareness and readiness for undergraduate programs.
- (p) "GED" means a general educational development certificate.
- (q) "GF/GP" means general fund/general purpose.
- (r) "HAVA" means help America vote act.
- (s) "HHS" means the United States department of health and human services.
- (t) "HHS-OS" means the HHS office of the secretary.
- (u) "HHS-SSA" means the HHS social security administration.
- (v) "HUD" means the United States department of housing and urban development.
- (w) "HUD-CPD" means the United States department of housing and urban development - community planning and development.
- (x) "IDG" means interdepartmental grant.

- (y) "JCOS" means the joint capital outlay subcommittee.
- (z) "MAIN" means the Michigan administrative information network.
- (aa) "MCL" means the Michigan Compiled Laws.
- (bb) "MDCH" means the Michigan department of community health.
- (cc) "MDE" means the Michigan department of education.
- (dd) "MDLARA" means the Michigan department of licensing and regulatory affairs.
- (ee) "MDEQ" means the Michigan department of environmental quality.
- (ff) "MDHS" means the Michigan department of human services.
- (gg) "MDMVA" means the Michigan department of military and veterans affairs.
- (hh) "MDOT" means the Michigan department of transportation.
- (ii) "MDSP" means the Michigan department of state police.
- (jj) "MDTMB" means the Michigan department of technology, management, and budget.
- (kk) "MEDCC" means the Michigan economic development corporation, which is the public body corporate created under section 28 of article VII of the state constitution of 1963 and the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, by contractual interlocal agreement effective April 5, 1999, between local participating economic development corporations formed under the economic development corporations act, 1974 PA 338, MCL 125.1601 to 125.1636, and the Michigan strategic fund.
- (ll) "MFA" means the Michigan finance authority.
- (mm) "MPE" means the Michigan public employees.
- (nn) "MSF" means the Michigan strategic fund.
- (oo) "MSHDA" means Michigan state housing development authority.
- (pp) "NERE" means nonexclusively represented employees.
- (qq) "NFAH-NEA" means the national foundation of the arts and the humanities - national endowment for the arts.
- (rr) "PA" means public act.
- (ss) "PATH" means partnership, accountability, training, and hope.
- (tt) "RFI" means a request for information.
- (uu) "RFP" means a request for a proposal.
- (vv) "RFQ" means a request for qualifications.
- (ww) "SEIU" means service employees international union.
- (xx) "WDA" means the workforce development agency.
- (yy) "WIC" means women, infants, and children.

Sec. 206. The departments and agencies receiving appropriations in part 1 shall cooperate with the department of technology, management, and budget to maintain a searchable website that is updated at least quarterly and that is accessible by the public at no cost that includes, but is not limited to, all of the following for each department or agency:

- (a) Fiscal year-to-date expenditures by category.
- (b) Fiscal year-to-date expenditures by appropriation unit.
- (c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.
- (d) The number of active department employees by job classification.
- (e) Job specifications and wage rates.

Sec. 207. (1) For each new program or program expansion for which funds in excess of \$500,000.00 are appropriated in part 1, the department shall identify specific benchmarks intended to measure the performance or return on taxpayer investment of the program and its associated expenditures. Not later than November 1, 2014, the department shall report the proposed benchmarks to the house and senate appropriations subcommittees for that department, the house and senate fiscal agencies, and the state budget director. The department shall provide an update on its progress in achieving those benchmarks at an appropriations subcommittee meeting called for the purpose of discussing benchmarks and their status.

(2) It is the intent of the legislature that, beginning with the budget for the fiscal year ending September 30, 2016, any proposal for a new program or an expansion of an existing program in excess of \$500,000.00 initiated by the executive branch or the legislature shall include, as part of the original proposal or budget request, a list of benchmarks intended to measure the performance or return on taxpayer investment of the program or spending increase.

Sec. 208. The departments and agencies receiving appropriations in part 1 shall use the Internet to fulfill the reporting requirements of this part. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on an Internet or Intranet site.

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. Preference shall be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality. In addition, preference should be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 210. The director of each department and agency receiving appropriations in part 1 shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. Each director 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. (1) Pursuant to section 352 of the management and budget act, 1984 PA 431, MCL 18.1352, which provides for a transfer of state general fund revenue into or out of the countercyclical budget and economic stabilization fund, the calculations required by section 352 of the management and budget act, 1984 PA 431, MCL 18.1352, are determined as follows:

	2013	2014	2015
Michigan personal income (millions).....	\$388,053	\$400,859	\$418,096
less: transfer payments.....	85,163	88,825	94,510
Subtotal	\$302,890	\$312,034	\$323,586
Divided by: Detroit Consumer Price Index for 12 months ending June 30..	2.182	2.206	2.239
Equals: real adjusted Michigan personal income.....	\$138,813	\$141,448	\$144,517
Percentage change	N/A	1.9%	2.2%
Growth rate in excess of 2%?	N/A	NO	0.2%
Equals: countercyclical budget and economic stabilization fund pay-in calculation for the fiscal year ending September 30, 2015 (millions).....	N/A	\$0.0	N/A
Growth rate less than 0%?	N/A	N/A	NO
Equals: countercyclical budget and economic stabilization fund pay-out calculation for the fiscal year ending September 30, 2015 (millions).....	N/A	N/A	\$0.0

(2) Notwithstanding subsection (1), there is appropriated for the fiscal year ending September 30, 2015, from general fund/general purpose revenue for deposit into the countercyclical budget and economic stabilization fund the sum of \$94,000,000.00.

Sec. 212. The departments and agencies receiving appropriations in part 1 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. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 213. 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, 1996 IL 1, MCL 432.201 to 432.226.

Sec. 215. A department or state agency shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 216. The departments and agencies receiving appropriations in part 1 shall prepare a report on out-of-state travel expenses not later than January 1 of each year. The travel report shall be a listing of all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department’s budget. The report shall be submitted to the house and senate standing committees on appropriations, the house and senate fiscal agencies, and the state budget director. The report shall include the following information:

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

Sec. 217. General fund appropriations in part 1 shall not be expended for items in cases where federal funding is available for the same expenditures.

Sec. 219. The departments and agencies receiving appropriations in part 1 shall maintain, on a publicly accessible website, a department or agency scorecard that identifies, tracks, and regularly updates key metrics that are used to monitor and improve the department’s or agency’s performance.

Sec. 221. Each department and agency shall report no later than April 1 on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year to the senate and house of representatives standing committees on appropriations subcommittees on general government, the joint committee on administrative rules, and the senate and house fiscal agencies.

Sec. 226. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those activities that the attorney general authorizes.

Sec. 227. Within 14 days after the release of the executive budget recommendation, the departments and agencies receiving appropriations in part 1 shall cooperate with the state budget director to provide the chairs of the senate and

house of representatives standing committees on appropriations, the chairs of the senate and house of representatives standing committees on appropriations subcommittees on general government, and the senate and house fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2014 and September 30, 2015.

Sec. 228. Not later than November 30, the state budget office shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the prior fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the chairpersons of the senate and house of representatives standing committees on appropriations and the senate and house fiscal agencies.

Sec. 229. If the office of the auditor general has identified an initiative or made a recommendation that is related to savings and efficiencies in an audit report for an executive branch department or agency, the department or agency shall report within 6 months of the release of the audit on their efforts and progress made toward achieving the savings and efficiencies identified in the audit report. The report shall be submitted to the chairs of the senate and house of representatives standing committees on appropriations, the chairs of the senate and house of representatives standing committees with jurisdiction over matters relating to the department that is audited, and the senate and house fiscal agencies.

Sec. 231. (1) It is the intent of the legislature that departments and agencies receiving appropriations in part 1 properly account for their spending and do not use FTE positions as placeholders for spending in other parts of their budgets.

(2) The departments and agencies receiving appropriations under part 1 shall provide a report to the legislature specifying the number of filled, FTE positions in pay status in the immediately preceding fiscal year by February 1. When reporting on the number of filled, FTE positions in pay status, the department or agency shall provide the maximum number of filled, FTE positions in pay status by appropriation line item in the last pay period of each quarter of the immediately preceding fiscal year. The report shall also include a listing of all funded, FTE positions by position title.

Sec. 233. In addition to the general fund/general purpose appropriations for special maintenance, remodeling, and addition - state facilities in part 1, there is also appropriated related federal and state restricted funds up to the amounts that will be earned based upon the initiatives undertaken with the funds in part 1. The state budget director shall determine and authorize the appropriate manner for implementing this section.

Sec. 234. In addition to the general fund/general purpose appropriations for enterprisewide information technology investments in part 1, there is also appropriated related federal and state restricted funds up to the amounts that will be earned based upon the initiatives undertaken with the funds in part 1. The state budget director shall determine and authorize the appropriate manner for implementing this section.

Sec. 235. No state department or agency shall issue an RFP for a contract in excess of \$5,000,000.00 unless the department or agency has first considered issuing an RFI or an RFQ relative to that contract to better enable the department or the agency to learn more about the market for the products or services that are the subject of the future RFP. The department or agency shall notify MDTMB of the evaluation process used to determine if an RFI or RFQ was not necessary prior to issuing the RFP.

Sec. 239. The department of technology, management, and budget, with the assistance of the Michigan energy office as necessary, shall assess the energy performance of state-owned buildings so that state departments, agencies, and authorities are better able to identify priority projects for energy improvements that can be achieved with internal resources and energy savings performance contracts under the cost-effective governmental energy use act, 2012 PA 625, MCL 18.1711 to 18.1725.

DEPARTMENT OF ATTORNEY GENERAL

Sec. 301. (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 part 1 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 part 1 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 part 1 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 part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 302. (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. 303. The attorney general may sell copies of the biennial report in excess of the 350 copies that the attorney general may distribute on a gratis basis. Gratis copies shall not be provided to members of the legislature. Electronic copies of biennial reports shall be made available on the department of attorney general's website. 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. 304. The department of attorney general is responsible for the legal representation for state of Michigan state employee worker's disability compensation cases. The risk management revolving fund revenue appropriation in part 1 is to be satisfied by billings from the department of attorney general for the actual costs of legal representation, including salaries and support costs.

Sec. 305. In addition to the funds appropriated in part 1, not more than \$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 department of human services, the prosecuting attorneys association of Michigan, 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. 306. 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. 307. (1) In addition to the antitrust revenues in part 1, antitrust, securities fraud, consumer protection or class action enforcement revenues, or attorney fees recovered by the department, not to exceed \$250,000.00, are appropriated to the department for antitrust, securities fraud, and consumer protection or class action enforcement cases.

(2) Any unexpended funds from antitrust, securities fraud, or consumer protection or class action enforcement revenues at the end of the fiscal year, including antitrust funds in part 1, may be carried forward for expenditure in the following fiscal year up to the maximum authorization of \$250,000.00.

Sec. 308. (1) In addition to the funds appropriated in part 1, there is appropriated up to \$500,000.00 from litigation expense reimbursements awarded to the state.

(2) The funds may be expended for the payment of court judgments, settlements, arbitration awards or other administrative and litigation decisions, attorney fees, and litigation costs, assessed against the office of the governor, the department of the attorney general, the governor, or the attorney general when acting in an official capacity as the named party in litigation against the state. The funds may also be expended for the payment of state costs incurred under section 16 of chapter X of the code of criminal procedure, 1927 PA 175, MCL 770.16.

(3) Unexpended funds at the end of the fiscal year may be carried forward for expenditure in the following year, up to a maximum authorization of \$500,000.00.

Sec. 309. From the prisoner reimbursement funds appropriated in part 1, the department may spend up to \$614,400.00 on activities related to the state correctional facility reimbursement act, 1935 PA 253, MCL 800.401 to 800.406. In addition to the funds appropriated in part 1, if the department collects in excess of \$1,131,000.00 in gross annual prisoner reimbursement receipts provided to the general fund, the excess, up to a maximum of \$1,000,000.00, is appropriated to the department of attorney general and may be spent on the representation of the department of corrections and its officers, employees, and agents, including, but not limited to, the defense of litigation against the state, its departments, officers, employees, or agents in civil actions filed by prisoners.

Sec. 310. (1) For the purposes of providing title IV-D child support enforcement funding, the department of human services, as the state IV-D agency, shall maintain a cooperative agreement with the attorney general for federal IV-D funding to support the child support enforcement activities within the office of the attorney general.

(2) The attorney general or his or her designee shall, to the extent allowable under federal law, have access to any information used by the state to locate parents who fail to pay court-ordered child support.

Sec. 312. The department of attorney general shall not receive and expend funds in addition to those authorized in part 1 for legal services provided specifically to other state departments or agencies except for costs for expert witnesses, court costs, or other nonsalary litigation expenses associated with a pending legal action.

Sec. 315. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2015 are \$17,694,100.00. From this amount, total agency appropriations for pension-related legacy costs are estimated at \$9,790,800.00. Total agency appropriations for retiree health care legacy costs are estimated at \$7,903,300.00.

Sec. 320. The department of attorney general shall provide a detailed work and spending plan for the appropriation in part 1 for sexual assault prosecutions outlining the anticipated litigation action and expenditures resulting from findings of the rape kit testing results discovered by Michigan state police upon the closure of the Detroit crime lab. The spending plan shall be transmitted to the state budget office, the senate and house fiscal agencies, and the senate and house of representatives standing committees on appropriations subcommittees on general government. The appropriation shall not be available for expenditure until the work plan is approved by the state budget director. The state budget office shall notify the senate and house of representatives standing committees on appropriations subcommittees on general government at least 15 days prior to release of the funds.

DEPARTMENT OF CIVIL RIGHTS

Sec. 401. (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 part 1 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 \$750,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 402. (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.
- (f) Workshops, seminars, and recognition or award programs consistent with the programmatic mission of the individual unit sponsoring or coordinating the programs.
- (g) Staffing costs for all activities included in this subsection.

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

Sec. 403. 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.

Sec. 404. (1) The department of civil rights shall prepare and transmit a detailed report that includes, but is not limited to, the following information for the most recent fiscal year:

- (a) A detailed description of the department operations.
- (b) A detailed description of all subunits within the department, including FTE positions associated with each subunit, responsibilities of each subunit, and all revenues and expenditures for each subunit.
- (c) The number of complaints by type of complaint.
- (d) The average cost of, and time expended, investigating complaints.
- (e) The percentage of complaints that are meritorious and worthy of investigation or settlement and the percentage of complaints that have no merit.
- (f) A listing of amounts awarded to claimants.
- (g) Expenditures associated with complaint investigation and enforcement.
- (h) A listing of complaint investigations closed per FTE position for each of the past 5 years.
- (i) A listing of complaint evaluations completed per FTE position for each of the past 5 years.
- (j) Productivity projections for the current fiscal year, including investigations closed per FTE, complaint evaluations completed per FTE, and average time expended investigating complaints.

(2) The report required under subsection (1) shall be posted online and transmitted electronically not later than November 30 to the state budget director, the chairpersons of the senate and house of representatives standing committees on appropriations, the senate and house appropriations subcommittees on general government, and the senate and house fiscal agencies.

Sec. 405. The department of civil rights shall notify the office of the state budget, senate and house of representatives standing committees on appropriations, and senate and house fiscal agencies prior to submitting a report or complaint to the United States commission on civil rights or other federal departments.

Sec. 410. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2015 are \$3,139,500.00. From this amount, total agency appropriations for pension-related legacy costs are estimated at \$1,745,300.00. Total agency appropriations for retiree health care legacy costs are estimated at \$1,394,200.00.

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 before the year-end book-closing date for that legislative entity, 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 legislative council entities.

(2) Funds appropriated within the legislative branch, to a legislative council 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 other properties.

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

Sec. 604. (1) The appropriation in part 1 to the Michigan state capitol historic site includes funds to operate the legislative parking facilities in the capitol area. The Michigan state capitol commission shall establish rules regarding the operation of the legislative parking facilities.

(2) The Michigan state capitol commission 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 Michigan state capitol commission.

Sec. 605. The appropriation in part 1 to the legislative council for publication of the Michigan manual is 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 appropriations in part 1 to the legislative branch, for property management, shall be used to purchase equipment and services for building maintenance in order to ensure a safe and productive work environment. These funds are designated as work project appropriations 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 \$500,000.00, and the tentative completion date is September 30, 2019.

Sec. 607. The appropriations in part 1 to the legislative branch, for automated data processing, shall be used to purchase equipment, software, and services in order to support and implement data processing requirements and technology improvements. These funds are designated as work project appropriations 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 \$500,000.00, and the tentative completion date is September 30, 2019.

Sec. 608. 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. 609. The appropriations in part 1 from the capitol historic site fund do not take effect unless Senate Bill No. 678 of the 97th Legislature is enacted into law.

Sec. 615. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2015 are \$22,824,900.00. From this amount, total agency appropriations for pension-related legacy costs are estimated at \$12,198,100.00. Total agency appropriations for retiree health care legacy costs are estimated at \$10,626,800.00.

Sec. 618. It is the intent of the legislature that all administrative functions and associated funding for the Michigan legislative retirement system shall be transferred from the legislative council to the department of technology, management, and budget before the end of the 2014-2015 fiscal year.

LEGISLATIVE AUDITOR GENERAL

Sec. 620. 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. 621. (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 the auditor general 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. 622. From the funds appropriated in part 1 to the legislative auditor general, the auditor general's salary and the salaries of the remaining 2.0 FTE unclassified positions shall be set by the speaker of the house of representatives, the senate majority leader, the house of representatives minority leader, and the senate minority leader.

Sec. 623. Any audits, reviews, or investigations requested of the auditor general by the legislature or by legislative leadership, legislative committees, or individual legislators shall include an estimate of the additional costs involved and, when those costs exceed \$50,000.00, should provide supplemental funding. The auditor general shall determine whether to perform those activities in keeping with Audit Directive No. 29, which describes the office of the auditor general's policy on responding to legislative requests.

Sec. 625. From the funds appropriated in part 1 to the legislative auditor general, an amount not to exceed \$400,000.00 may be used for the hiring of up to 10 additional auditors for the specific purpose of providing audit support and oversight of this state's most critical information technology systems and services. Funds appropriated for this purpose shall be expended for salaries and wages, fringe benefits, supplies, and equipment necessary to provide the appropriate audit support and oversight. Any unobligated balance of the funds received shall revert to the general fund of this state at the close of the fiscal year.

DEPARTMENT OF STATE

Sec. 701. (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 part 1 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 part 1 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 part 1 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 part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 703. 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 \$8.00 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 revenue received from the sale of records shall be credited to the transportation administration collection fund created under section 810b of the Michigan vehicle code, 1949 PA 300, MCL 257.810b.

Sec. 704. 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. 705. (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" includes 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. 707. 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. 708. 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 \$332,000.00 for the services provided by the traffic accident records program as first appropriated in 1990 PA 196 and 1990 PA 208.

Sec. 709. 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. 710. (1) Commemorative and specialty license plate fee revenue collected by the department of state and deposited into the transportation administration collection fund created in section 810b of the Michigan vehicle code, 1949 PA 300, MCL 257.810b, 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 transportation administration collection fund created in section 810b of the Michigan vehicle code, 1949 PA 300, MCL 257.810b, in addition to the amount appropriated in part 1 to the department of state, shall remain in the transportation administration collection fund created in section 810b of the Michigan vehicle code, 1949 PA 300, MCL 257.810b, and be available for future appropriation.

Sec. 711. Collector plate and fund-raising registration plate revenues collected by the department of state are appropriated and allotted for distribution to the recipient university or public or private 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. 712. 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. 713. (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 under 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 for expenditure for the purposes described in this section.

(4) 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.

(5) 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.

(6) In addition to the appropriations in part 1, the department of state may receive and expend funds from the organ and tissue donation education fund for administrative expenses.

Sec. 714. (1) Except as otherwise provided under subsection (2), at least 180 days before closing a branch office or consolidating a branch office and at least 60 days before relocating a branch office, the department of state shall inform members of the senate and house of representatives standing committees on appropriations and legislators who represent affected areas regarding the details of the proposal. The information provided shall be in written form and include all analyses done regarding criteria for changes in the location of branch offices, including, but not limited to, branch transactions, revenue, and the impact on citizens of the affected area. The impact on citizens shall include information regarding additional distance to branch office locations resulting from the plan. The written notice provided by the department of state shall also include detailed estimates of costs and savings that will result from the overall changes made to the branch office structure and the same level of detail regarding costs for new leased facilities and expansions of current leased space.

(2) If the consolidation of a branch office is with another branch office that is located within the same local unit of government or the relocation of a branch office is to another location that is located within the same local unit of government, the department of state is not required to provide the notification or written information described in subsection (1).

(3) As used in this section, "local unit of government" means a city, village, township, or county.

Sec. 715. (1) Any service assessment collected by the department of state from the user of a credit or debit card under section 3 of 1995 PA 144, MCL 11.23, may be used by the department for necessary expenses related to that service and may be remitted to a credit or debit card company, bank, or other financial institution.

(2) The service assessment imposed by the department of state for credit and debit card services may be based either on a percentage of each individual credit or debit card transaction, or on a flat rate per transaction, or both, scaled to the amount of the transaction. However, the department shall not charge any amount for a service assessment which exceeds the costs billable to the department for service assessments.

(3) If there is a balance of service assessments received from credit and debit card services remaining on September 30, the balance may be carried forward to the following fiscal year and appropriated for the same purpose.

(4) As used in this section, "service assessment" means and includes costs associated with service fees imposed by credit and debit card companies and processing fees imposed by banks and other financial institutions.

Sec. 716b. The department of state shall provide a report that calculates the total amount of funds expended for the business application modernization project to date from the inception of the program. The report shall contain information on the original start and completion dates for the project, the original cost to complete the project, and a listing of all revisions to project completion dates and costs. The report shall include the total amount of funds paid to the state by the contract provider for penalties. The report shall be submitted to the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the state budget director by January 1.

Sec. 717. (1) The department of state may accept nonmonetary gifts, donations, or contributions of property from any private or public source to support, in whole or in part, the operation of a departmental function relating to licensing, regulation, or safety. The department may recognize a private or public contributor for making the contribution. The department may reject a gift, donation, or contribution.

(2) The department of state shall not accept a gift, donation, or contribution under subsection (1) if receipt of the gift, donation, or contribution is conditioned upon a commitment of future state funding.

(3) 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 list any gift, donation, or contribution received by the department under subsection (1) for the prior calendar year.

Sec. 718. From the funds appropriated in part 1 to the department of state, branch operations, the department shall maintain a full service secretary of state branch office in Buena Vista Township.

Sec. 721. From the funds appropriated in part 1, the department of state may collect ATM commission fees from companies that have ATMs located in secretary of state branch offices. The commission received from the use of these ATMs shall be credited to the transportation administration collection fund created under section 810b of the Michigan vehicle code, 1949 PA 300, MCL 257.810b.

Sec. 725. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2015 are \$32,541,800.00. From this amount, total agency appropriations for pension-related legacy costs are estimated at \$18,188,200.00. Total agency appropriations for retiree health care legacy costs are estimated at \$14,353,600.00.

DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET

Sec. 801. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$4,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 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 \$8,000,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 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 \$150,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 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 part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 802. 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 technology, management, and budget to offset costs incurred in the acquisition and distribution of federal surplus property. The department of technology, management, and budget shall provide consolidated Internet auction services through the state's contractors for all local units of government.

Sec. 803. (1) The department of technology, 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, the judicial branch, or private tenants, or provided in connection with facilities transferred to the operational jurisdiction of the department of technology, management, and budget.

(2) The department of technology, 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 technology, 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 technology, 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. 804. (1) The source of financing in part 1 for statewide appropriations shall be funded by assessments against longevity and insurance appropriations throughout state government in a manner prescribed by the department of technology, management, and budget. Funds shall be used as specified in joint labor/management agreements or through the coordinated compensation hearings process. 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) In addition to the funds appropriated in part 1 for statewide appropriations, the department of technology, 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 subsection (1).

Sec. 805. To the extent a specific appropriation is required for a detailed source of financing included in part 1 for the department of technology, 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. 806. In addition to the funds appropriated in part 1 to the department of technology, management, and budget, the department may receive and expend funds from other principal executive departments and state agencies to implement 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 technology, 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. 807. The source of financing 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. 808. (1) Deposits against the interdepartmental grant from building occupancy and parking charges appropriated in part 1 shall be collected, in part, from state agencies, the legislative branch, and the judicial branch based on estimated costs associated with maintenance and operation of buildings managed by the department of technology, 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 technology, 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. 808a. (1) The department of technology, management, and budget in conjunction with the state budget office shall not charge building occupancy rates to a state department or agency for unoccupied space if the department or agency has submitted a notice to the department of technology, management, and budget and the state budget office to vacate the property at least 12 months prior to the date to vacate. If the state department or agency does not vacate the property by the end of the notification date, the state department or agency shall be charged building occupancy rates for that space for time the space is occupied beyond the 12-month notice date to vacate.

(2) The department of technology, management, and budget in conjunction with the state budget office shall require state departments or agencies to pay building occupancy rates when moving into a building managed by the department of technology, management, and budget at the beginning of the start of the fiscal year immediately following building occupancy.

Sec. 809. The department of technology, 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 that increase or decrease current contracts by more than \$500,000.00 for computer software development, hardware acquisition, or quality assurance at least 14 days before the department of technology, management, and budget finalizes the revisions.

Sec. 810. The department of technology, 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.

Sec. 811. The department of technology, management, and budget may receive and expend funds from the Vietnam veterans memorial monument fund as provided in the Michigan Vietnam veterans memorial act, 1988 PA 234, MCL 35.1051 to 35.1057. Funds are appropriated and allocated when received and may be expended upon receipt.

Sec. 812. The Michigan veterans' memorial park commission may receive and expend money from any source, public or private, including, but not limited to, gifts, grants, donations of money, and government appropriations, for the purposes described in Executive Order No. 2001-10. Funds are appropriated and allocated when received and may be expended upon receipt. Any deposits made under this section and unencumbered funds are restricted revenues and may be carried over into succeeding fiscal years.

Sec. 813. (1) Funds in part 1 for motor vehicle fleet are appropriated to the department of technology, management, and budget for administration and for the acquisition, lease, operation, maintenance, repair, replacement, and disposal of state motor vehicles.

(2) The appropriation in part 1 for motor vehicle fleet shall be funded by revenue from rates charged to principal executive departments and agencies for utilizing vehicle travel services provided by the department. Revenue in excess of the amount appropriated in part 1 from the motor transport fund and any unencumbered funds are restricted revenues and may be carried over into the succeeding fiscal year.

(3) Pursuant to the department of technology, management, and budget's authority under sections 213 and 215 of the management and budget act, 1984 PA 431, MCL 18.1213 and 18.1215, the department shall maintain a plan regarding the operation of the motor vehicle fleet. The plan shall include the number of vehicles assigned to, or authorized for use by, state departments and agencies, efforts to reduce travel expenditures, the number of cars in the motor vehicle fleet, the number of miles driven by fleet vehicles, and the number of gallons of fuel consumed by fleet vehicles. The plan shall include a calculation of the amount of state motor vehicle fuel taxes that would have been incurred by fleet vehicles if fleet vehicles were required by law to pay motor fuel taxes. The plan shall include a description of fleet garage operations, the goods sold and services provided by the fleet garage, the cost to operate the fleet garage, the number of fleet garage locations, and the number of employees assigned to each fleet garage. The plan may be adjusted during the fiscal year based on needs and cost savings to achieve the maximum value and efficiency from the state motor fleet. Within 60 days after the close of the fiscal year, the department shall provide a report to the senate and house of representatives standing committees on appropriations and the senate and house fiscal agencies detailing the current plan and changes made to the plan during the fiscal year.

(4) The department of technology, management, and budget may charge state agencies for fuel cost increases that exceed \$3.04 per gallon of unleaded gasoline. The department shall notify state agencies, in writing or by electronic mail, at least 30 days before implementing additional charges for fuel cost increases. Revenues received from these charges are appropriated upon receipt.

(5) In order to reduce costs and maintain quality, it is the intent of the legislature that, excluding the fleet of motor vehicles for the department of state police, when economically feasible, the department of technology, management, and budget will prioritize the utilization of remanufactured parts as the primary means of maintenance and repair for the state of Michigan's fleet of motor vehicles.

(6) The state budget director, upon notification to the senate and house of representatives standing committees on appropriations, may adjust spending authorization and the IDG from motor transport fund in the department of technology, management, and budget in order to ensure that the appropriations for motor vehicle fleet in the department budget equal the expenditures for motor vehicle fleet in the budgets for all executive branch agencies.

Sec. 814. The department of technology, management, and budget shall develop a plan regarding the use of the funds appropriated in part 1 for the enterprisewide information technology investment projects. The plan shall include, but not be limited to, a description of proposed information technology investment projects, the time frame for completion of the information technology investment projects, the proposed cost of the information technology investment projects, the number of employees assigned to implement each information technology investment project, the contracts entered into for each information technology investment project, and any other information the department deems necessary. The plan shall be distributed to the senate and house of representatives standing committees on appropriations subcommittees on general government, as well as the senate and house fiscal agencies on a quarterly basis. The submitted plan shall also include anticipated spending reductions or overages for each of the proposed information technology investment projects. The department of technology, management, and budget shall notify the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies when a project funded under an information technology investment project line item in part 1 is expected to require a transfer of dollars from another project in excess of \$500,000.00.

Sec. 815. (1) The department of technology, management, and budget shall review all existing and proposed capital improvement projects over \$500,000.00 for inclusion in an energy savings performance contract under the cost-effective governmental energy use act, 2012 PA 625, MCL 18.1711 to 18.1725.

(2) By February 15, 2015, the department of technology, management, and budget shall report to the senate and house appropriations subcommittees on general government and the senate and house fiscal agencies on the use of energy savings performance contracts. At a minimum, the report shall identify each capital improvement project over \$500,000.00 and for each project listed, include the following information:

- (a) A brief project description.
- (b) Whether the project was included in an energy savings performance contract, and if not, a brief explanation of why the project was not included in an energy savings performance contract.
- (c) If applicable, identification of the energy savings performance contract and the qualified energy service provider under the contract.
- (d) If included in an energy savings performance contract, an estimate of the energy savings to be achieved.
- (e) If included in an energy savings performance contract, the cost of inclusion in the contract.

Sec. 816. An RFP issued for the purpose of privatization shall include all factors used in evaluating and determining price.

Sec. 817. The department of technology, management, and budget may require that any vendor or subcontractor providing call or contact center services to the state of Michigan disclose to inbound callers the location from which the call or contact center services are being provided.

Sec. 818. In addition to the funds appropriated in part 1, the department of technology, management, and budget may receive and expend money from the Michigan law enforcement officers memorial monument fund as provided in the Michigan law enforcement officers memorial act, 2004 PA 177, MCL 28.781 to 28.787.

Sec. 819. In addition to the funds appropriated in part 1, the department of technology, management, and budget may receive and expend money from the Ronald Wilson Reagan memorial monument fund as provided in the Ronald Wilson Reagan memorial monument fund commission act, 2004 PA 489, MCL 399.261 to 399.266.

Sec. 820. The department shall make available to the public a list of all parcels of real property owned by the state that are available for purchase. The list shall be posted on the Internet through the department's website.

Sec. 821. The department of technology, management, and budget shall annually update the office space consolidation project plan, including the use of the funds appropriated pursuant to 2012 PA 200 for the space consolidation fund. By February 15, the department shall report to senate and house of representatives committees on appropriations subcommittees on general government and the senate and house fiscal agencies on the revised plan and plan implementation. The report shall include, but is not limited to, the description of the proposed office space to be consolidated, the time frame for completion of the office space consolidation, the proposed itemized cost of the office space consolidation, the number of employees assigned to implement the office space consolidation, the contracts entered into for the office space consolidation, information on completed projects, anticipated savings, savings achieved, and any other information the department deems necessary.

Sec. 822. The department of technology, management, and budget shall compile a report by January 1 pertaining to the salaries of unclassified employees, as well as gubernatorial appointees, within all state departments and agencies. The report shall enumerate each unclassified employee and gubernatorial appointee and his or her annual salary individually. The report shall be distributed to the chairs of the senate and house of representatives standing committees on appropriations subcommittees on general government, as well as the senate and house fiscal agencies.

Sec. 822d. (1) A public-private partnership investment fund is created in MDTMB. Subject to subsections (2) and (3), public-private partnership investments shall include, but are not limited to, all of the following:

- (a) Capital asset improvements including buildings, land, or structures.
- (b) Energy resource exploration, extraction, generation, and sales.
- (c) Financial and investment incentive opportunities.
- (d) Infrastructure construction, maintenance, and operation.
- (e) Public-private sector joint ventures that provide economic benefit to an area or to the state.

(2) Public-private investments shall not include projects, consultant expenses, staff effort, or any other activity related to the development, financing, construction, operation, or implementation of the Detroit River International Crossing or any successor project unless the project is approved by the legislature and signed into law.

(3) The state budget director shall determine whether or not a specific public-private partnership investment opportunity qualifies for funding under subsection (1).

(4) Investment development revenue, including a portion of the proceeds from the sale of any public-private partnership investment designated in subsection (1), shall be deposited into the fund created in subsection (1) and shall be available for administration, development, financing, marketing, and operating expenditures associated with public-private partnerships, unless otherwise provided by law. Public-private partnership investments authorized in subsection (1) are authorized for public or private operation or sale consistent with state law. Expenditures from the fund are authorized for investment purposes as designated in subsection (1) to enhance the marketable value of each investment. The unencumbered balance remaining in the fund at the end of the fiscal year may be carried forward for appropriation in future years.

(5) An annual report shall be transmitted to the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the state budget office not later than December 31 of each year. This report shall detail both of the following:

- (a) The revenue and expenditure activity in the fund for the preceding fiscal year.
- (b) Public-private partnership investments as identified under subsection (1).

(6) MDTMB shall monitor the revenue deposited in the public-private partnership investment fund created in subsection (1). If the revenue in the fund is insufficient to pay the amount appropriated in part 1 for public-private partnership investment, then MDTMB shall propose a legislative transfer to fund the line from the appropriations in part 1.

Sec. 822e. The funds appropriated in part 1 shall not be used to support any staff effort, projects, consultant expenses, or any other activity related to the development, financing, construction, operation, or implementation of the Detroit River International Crossing or any successor project unless the project is approved by the legislature and signed into law.

Sec. 822f. By December 31, 2014, the department shall provide a report to the senate and house appropriations subcommittees on general government and the senate and house fiscal agencies that identifies fee and rate schedules to be used by state departments and agencies for services, including information technology, provided by the department during fiscal year 2015-2016. The report shall also identify changes from fees and rates charged in fiscal year 2014-2015 and include an explanation of the factors that justify each fee and rate increase.

Sec. 822g. The department of technology, management, and budget shall provide assistance as necessary to the department of state police regarding discussions with the city of Wayland on a potential partnership between the city and the department of state police for a joint public safety building located in that city.

Sec. 822h. The department of technology, management, and budget, working jointly with the department of state police, shall review and evaluate the feasibility of repurposing the one division building in Grand Rapids for a new state police crime laboratory. By January 1, 2015, the department of technology, management, and budget shall report to the senate and house appropriations subcommittees on general government and the senate and house fiscal agencies on the results of that review, including matters considered, any recommendations, and the reasons for those recommendations.

Sec. 822i. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2015 are \$81,943,200.00. From this amount, total agency appropriations for pension-related legacy costs are estimated at \$45,810,900.00. Total agency appropriations for retiree health care legacy costs are estimated at \$36,132,300.00.

INFORMATION TECHNOLOGY

Sec. 823. (1) The department of technology, management, and budget may sell and accept paid advertising for placement on any state website under its jurisdiction. The department shall review and approve the content of each advertisement. The department may refuse to accept advertising from any person or organization or require modification to advertisements based upon criteria determined by the department. Revenue received under this subsection shall be used for operating costs of the department 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 department of technology, management, and budget 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 webpages or services offered on those webpages. A private or public funding source may receive recognition in the webpage. The department of technology, management, and budget may reject any gift, donation, contribution, bequest, or grant.

(3) Funds accepted by the department of technology, management, and budget under subsection (1) are appropriated and allotted when received and may be expended upon approval of the state budget director. The state budget office shall notify the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies within 10 days after the approval is given.

Sec. 824. The department of technology, management, and budget may enter into agreements to supply spatial information and technical services to other principal executive departments, state agencies, local units of government, and other organizations. The department of technology, 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 products. The department of technology, management, and budget may expend amounts received for salaries, supplies, and equipment necessary to provide informational products and technical services. Prior to December 1 of each year, the department shall provide a report to the senate and house of representatives standing committees on appropriations subcommittees on general government, detailing the sources of funding and expenditures made under this section.

Sec. 825. 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. 826. When used in this part and part 1, "information technology services" means services involving all aspects of managing and processing information, including, but not limited to, all of the following:

- (a) Application and mobile development and maintenance.
- (b) Desktop computer support and management.
- (c) Cyber security.
- (d) Social media.
- (e) Mainframe computer support and management.
- (f) Server support and management.
- (g) Local area network support and management, including, but not limited to, wired and wireless network build-out, support, and management.
- (h) Information technology project management.
- (i) Information technology planning and budget management.
- (j) Telecommunication services, infrastructure, and support.

Sec. 827. (1) Funds appropriated in part 1 for the Michigan public safety communications system shall be expended upon approval of an expenditure plan by the state budget director.

(2) The department of technology, management, and budget shall assess all subscribers of the Michigan public safety communications system reasonable access and maintenance fees.

(3) All money received by the department of technology, management, and budget under this section shall be expended for the support and maintenance of the Michigan public safety communications system.

(4) The department of technology, management, and budget shall provide a report to the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the state budget director on April 15 and on October 15, indicating the amount of revenue collected under this section and expended for support and maintenance of the Michigan public safety communications system for the immediately preceding 6-month period. Any deposits made under this section and unencumbered funds are restricted revenues and shall be carried forward into succeeding fiscal years.

Sec. 828. The department of technology, management, and budget shall submit a report for the immediately preceding fiscal year ending September 30 to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies by March 1. The report shall include the following:

(a) The total amount of funding appropriated for information technology services and projects, by funding source, for all principal executive departments and agencies.

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

Sec. 829. The department of technology, management, and budget shall provide a report that analyzes and makes recommendations on the life-cycle of information technology hardware and software. The report shall be submitted to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies by March 1.

Sec. 830. By December 31, the department shall provide a report that lists all information technology-related change orders and follow-on contracts, greater than \$50,000.00, whether they are bid, exercise options, or no-bid, and the amount of each change order or contract extension contract entered into by the department to the senate and house of representatives standing committees on appropriations subcommittees on general government, the senate and house fiscal agencies, and the state budget director.

Sec. 831. (1) The information, communications, and technology innovation fund, established pursuant to 2011 PA 63, 2012 PA 200, and 2013 PA 59, shall be administered by the department of technology, management, and budget for the purpose of providing a revolving, self-sustaining resource for financing information, communications, and technology

innovation projects. From the funds appropriated to the information, communications, and technology innovation fund by 2011 PA 63, 2012 PA 200, and 2013 PA 59, or received by the information, communications, and technology innovation fund under subsections (2) and (3), the department of technology, management, and budget may issue loans to state agencies, local units of government, colleges and universities in this state, school districts, other public entities that provide public sector services, and nonprofit organizations that provide public sector services, as determined by the department of technology, management, and budget in support of information, communications, and technology innovation projects.

(2) In addition to funds appropriated by 2011 PA 63, 2012 PA 200, and 2013 PA 59, the information, communications, and technology innovation fund may accept contributions, gifts, bequests, devises, grants, and donations.

(3) In addition to the funds appropriated by 2011 PA 63, 2012 PA 200, and 2013 PA 59, money received by the department of technology, management, and budget as repayment of information, communications, and technology innovation project loans, or other reimbursement or revenue received by the department of technology, management, and budget as a result of information, communications, and technology innovation project loans, interest earned on that money, or subsection (2) revenue, shall be deposited in the information, communications, and technology innovation fund and is appropriated for information, communications, and technology innovation fund projects described in subsection (1). At the close of the fiscal year, any unencumbered funds remaining in the information, communications, and technology innovation fund shall remain in the fund and be carried forward into the succeeding fiscal year.

(4) This section is not effective if legislation is enacted that creates and provides for the administration and use of the information, communications, and technology innovation fund.

Sec. 832. (1) The department of technology, management, and budget shall inform the senate and house appropriations subcommittees on general government and the senate and house fiscal agencies within 30 days of any potential or actual penalties assessed by the federal government for failure of the Michigan child support enforcement system to achieve certification by the federal government.

(2) If potential penalties are assessed by the federal government, the department of technology, management, and budget shall submit a report to the senate and house appropriations subcommittees on general government and the senate and house fiscal agencies within 90 days specifying the department's plans to avoid actual penalties and ensure federal certification of the Michigan child support enforcement system.

Sec. 833. (1) The state budget director, upon notification to the senate and house of representatives standing committees on appropriations, may adjust spending authorization and user fees in the department of technology, management, and budget in order to ensure that the appropriations for information technology in the department budget equal the appropriations for information technology in the budgets for all executive branch agencies.

(2) If during the course of the fiscal year a transfer or supplemental to or from the information technology line item within an agency budget is made under section 393 of the management and budget act, 1984 PA 431, MCL 18.1393, there is appropriated an equal amount of user fees in the department of technology, management, and budget budget to accommodate an increase or decrease in spending authorization.

Sec. 834. (1) Revenue collected from licenses issued under the antenna site management project shall be deposited into the antenna site management revolving fund created for this purpose in the department of technology, management, and budget. The department may receive and expend money from the fund for costs associated with the antenna site management project, including the cost of a third-party site manager. Any excess revenue remaining in the fund at the close of the fiscal year shall be proportionately transferred to the appropriate state restricted funds as designated in statute or by constitution.

(2) An antenna shall not be placed on any site pursuant to this section without complying with the respective local zoning codes and local unit of government processes.

Sec. 835. In addition to the funds appropriated in part 1, the funds collected by the department for supplying census-related information and technical services, publications, statistical studies, population projections and estimates, and other demographic products are appropriated for all expenses necessary to provide the required services. These funds are available for expenditure when they are received and may be carried forward into the next succeeding fiscal year.

Sec. 836. (1) From the funds appropriated in part 1 for information technology investment projects, the department shall conduct an analysis of public or private cloud computing technologies for new projects. The analysis shall include, but is not limited to, potential cost savings, data security, complexity, and improved information technology flexibility for the state. The department shall give preference to cloud computing technologies that present the highest opportunity for information technology savings and that have a proven track record.

(2) For existing projects or system upgrades, the department shall conduct an analysis of migrating the project to a cloud-based platform. The analysis shall include, but is not limited to, potential cost savings, data security, complexity, and improved information technology flexibility for the state. The department shall give preference to cloud computing technologies that present the highest opportunity for information technology savings.

Sec. 840. From the funds appropriated in part 1, the department, in consultation with the department of treasury, shall issue an RFP for a publicly accessible statewide online citizens guide and dashboard web service that offers access to state of Michigan reports and data from municipalities, local, and intermediate school districts as a common transparency

solution and that has a fiscal stress warning system as a component. The RFP shall meet the requirements listed in section 958. For local and intermediate school districts, the web service shall provide access to revenue and expenditure data, statements of financial position, fiscal distress indicators, and miscellaneous reports such as enrollment, retirement rates, and long-term debt.

STATE BUILDING AUTHORITY RENT

Sec. 842. (1) The state building authority rent appropriations in part 1 may also be expended for the payment of required premiums for insurance on facilities owned by the state building authority or payment of costs that may be incurred as the result of any deductible provisions in such insurance policies.

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

CIVIL SERVICE COMMISSION

Sec. 850. (1) In accordance with section 5 of article XI of the state constitution of 1963, all restricted funds shall be assessed a sum not less than 1% of the total aggregate payroll paid from those funds for financing the civil service commission on the basis of actual 1% restricted sources total aggregate payroll of the classified service for the preceding fiscal year. This includes, but is not limited to, restricted funds appropriated in part 1 of any appropriations act. Unexpended 1% appropriated funds shall be returned to each 1% fund source at the end of the fiscal year.

(2) The appropriations in part 1 are estimates of actual charges based on payroll appropriations. With the approval of the state budget director, the commission is authorized to adjust financing sources for civil service charges based on actual payroll expenditures, provided that such adjustments do not increase the total appropriation for the civil service commission.

(3) The financing from restricted sources shall be credited to the civil service commission by the end of the second fiscal quarter.

Sec. 851. Except where specifically appropriated for this purpose, financing from restricted sources shall be credited to the civil service commission. 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 commission operating deducts first and civil service obligations second. General fund dollars are appropriated for any shortfall, pursuant to approval by the state budget director.

Sec. 852. The appropriation in part 1 to the civil service commission, 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 the civil service commission. 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 civil service commission. 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.

CAPITAL OUTLAY

Sec. 860. As used in sections 861 through 865:

- (a) "Board" means the state administrative board.
- (b) "Community college" does not include a state agency or university.
- (c) "Department" means the department of technology, management, and budget.
- (d) "Director" means the director of the department of technology, management, and budget.
- (e) "Fiscal agencies" means the senate fiscal agency and the house fiscal agency.
- (f) "State agency" means an agency of state government. State agency does not include a community college or university.
- (g) "State building authority" means the authority created under 1964 PA 183, MCL 830.411 to 830.425.
- (h) "University" means a 4-year university supported by the state. University does not include a community college or a state agency.

Sec. 861. Each capital outlay project authorized in this part and part 1 or any previous capital outlay act shall comply with the procedures required by the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 862. (1) The department shall provide the JCOS, state budget director, and the senate and house fiscal agencies with reports as considered necessary relative to the status of each planning or construction project financed by the state building authority, by this part and part 1, or by previous acts.

(2) Before the end of each fiscal year, the department shall report to the JCOS, state budget director, and the senate and house fiscal agencies for each capital outlay project other than lump sums all of the following:

- (a) The account number and name of each construction project.
- (b) The balance remaining in each account.
- (c) The date of the last expenditure from the account.

- (d) The anticipated date of occupancy if the project is under construction.
 - (e) The appropriations history for the project.
 - (f) The professional service contractor.
 - (g) The amount of the project financed with federal funds.
 - (h) The amount of the project financed through the state building authority.
 - (i) The total authorized cost for the project and the state authorized share if different than the total.
- (3) Before the end of each fiscal year, the department shall report the following for each project by a state agency, university, or community college that is authorized for planning but is not yet authorized for construction:
- (a) The name of the project and account number.
 - (b) Whether a program statement is approved.
 - (c) Whether schematics are approved by the department.
 - (d) Whether preliminary plans are approved by the department.
 - (e) The name of the professional service contractor.

(4) As used in this section, "project" includes appropriation line items made for purchase of real estate.

Sec. 864. The appropriations in part 1 for capital outlay shall be carried forward at the end of the fiscal year consistent with the provisions of section 248 of the management and budget act, 1984 PA 431, MCL 18.1248.

Sec. 865. (1) A site preparation economic development fund is created in the department. As used in this section, "economic development sites" means those state-owned sites declared as surplus property pursuant to section 251 of the management and budget act, 1984 PA 431, MCL 18.1251, that would provide economic benefit to the area or to the state. The Michigan economic development corporation board and the state budget director shall determine whether or not a specific state-owned site qualifies for inclusion in the fund created under this subsection.

(2) Proceeds from the sale of any sites designated in subsection (1) shall be deposited into the fund created in subsection (1) and shall be available for site preparation expenditures, unless otherwise provided by law. The economic development sites authorized in subsection (1) are authorized for sale consistent with state law. Expenditures from the fund are authorized for site preparation activities that enhance the marketable sale value of the sites. Site preparation activities include, but are not limited to, demolition, environmental studies and abatement, utility enhancement, and site excavation.

(3) A cash advance in an amount of not more than \$25,000,000.00 is authorized from the general fund to the site preparation economic development fund.

(4) An annual report shall be transmitted to the senate and house of representatives standing committees on appropriations not later than December 31 of each year. This report shall detail both of the following:

- (a) The revenue and expenditure activity in the fund for the preceding fiscal year.
- (b) The sites identified as economic development sites under subsection (1).

Sec. 866. For the state building authority financed construction authorization in part 1, the legislature hereby determines that the leasing of the facility from the authority is for a public purpose as authorized under 1964 PA 183, MCL 830.411 to 830.425. The legislature approves and authorizes the lease and conveyance of property to the state building authority, the state building authority acquiring the facility and leasing it to the state and the educational institution, as applicable, and the governor and secretary of state executing the lease for and on behalf of the state pursuant to the requirements of 1964 PA 183, MCL 830.411 to 830.425. Per the requirements of the lease, the legislature also agrees to appropriate annually sufficient amounts to pay the rent as obligated pursuant to the lease.

CAPITAL OUTLAY - UNIVERSITIES AND COMMUNITY COLLEGES

Sec. 873. (1) This section applies only to projects for community colleges.

(2) State support is directed towards the remodeling and additions, special maintenance, or construction of certain community college buildings. The community college shall obtain or provide for site acquisition and initial main utility installation to operate the facility. Funding shall be composed of local and state shares and not more than 50% of a capital outlay project, not including a lump-sum special maintenance project or remodeling and addition project, for a community college shall be appropriated from state and federal funds, unless otherwise appropriated by the legislature.

(3) An expenditure under this part and part 1 is authorized when the release of the appropriation is approved by the board upon the recommendation of the director. The director may recommend to the board the release of any appropriation in part 1 only after the director is assured that the legal entity operating the community college to which the appropriation is made has complied with this part and part 1 and has matched the amounts appropriated as required by this part and part 1. A release of funds in part 1 shall not exceed 50% of the total cost of planning and construction of any project, not including lump-sum remodeling and additions and special maintenance, unless otherwise appropriated by the legislature. Further planning and construction of a project authorized by this part and part 1 or applicable sections of the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, shall be in accordance with the purpose and scope as defined and delineated in the approved program statements and planning documents. This part and part 1 are applicable to all projects for which planning appropriations were made in previous acts.

(4) The community college shall take the steps necessary to secure available federal construction and equipment money for projects funded for construction in this part and part 1 if an application was not previously made. If there is a

reasonable expectation that a prior year unfunded application may receive federal money in a subsequent year, the college shall take whatever action necessary to keep the application active.

Sec. 874. If university and community college matching revenues are received in an amount less than the appropriations for capital projects contained in this part and part 1, the state funds shall be reduced in proportion to the amount of matching revenue received.

Sec. 875. (1) The director may require that community colleges and universities that have an authorized project listed in part 1 submit documentation regarding the project match and governing board approval of the authorized project not more than 60 days after the beginning of the fiscal year.

(2) If the documentation required by the director under subsection (1) is not submitted, or does not adequately authenticate the availability of the project match or board approval of the authorized project, the authorization may terminate. The authorization terminates 30 days after the director notifies the JCOS of the intent to terminate the project unless the JCOS convenes to extend the authorization.

ONE-TIME APPROPRIATIONS

Sec. 890. (1) The funds appropriated in part 1 for the regional prosperity initiative are to be used as grants to eligible regional planning organizations qualifying for funding as a regional prosperity collaborative, a regional prosperity council, or a regional prosperity board. A regional planning organization may not qualify for funding under more than 1 category in the same state fiscal year. An eligible regional planning organization is defined under any of the following:

(a) An existing regional planning commission pursuant to 1945 PA 281, MCL 125.11 to 125.25.

(b) An existing regional economic development commission pursuant to 1966 PA 46, MCL 125.1231 to 125.1237.

(c) An existing metropolitan area council pursuant to 1989 PA 292, MCL 124.651 to 124.729.

(d) A Michigan metropolitan planning organization pursuant to the moving ahead for progress in the 21st century act, Public Law 112-141.

(2) Regional planning organizations may qualify to receive not more than \$250,000.00 of incentive based funding as a regional prosperity collaborative subject to meeting all of the following requirements:

(a) The existence or formation of a regional prosperity collaborative, defined as any committee developed by a regional planning organization which serves to bring organizational representation together from private, public, and nonprofit entities within a region for the purpose of creating a phase one: regional prosperity plan, as follows:

(i) The collaborative must include regional representatives from adult education, workforce development, economic development, transportation, and higher education organizations.

(ii) The phase one: regional prosperity plan is required, at a minimum, to include a 5-year economic development blueprint for the region, a performance dashboard and measurable annual goals.

(iii) The 5-year economic development blueprint must include plans related to regional planning of adult education, workforce development, economic development, transportation, and higher education.

(iv) The regional prosperity collaborative shall adopt its phase one: regional prosperity plan by a 2/3 majority vote of its members.

(b) Accountability and transparency, which requires the regional prosperity collaborative to meet the following requirements:

(i) Convene monthly meetings to consider and discuss issues leading to a common vision of economic prosperity for the region, including, but not limited to, economic development, talent, and infrastructure opportunities.

(ii) Make available on a publicly accessible Internet site by 1 or all of the regional prosperity collaborative member organizations, pertinent documents, including, but not limited to, monthly meeting agendas, minutes of monthly meetings, and the regional prosperity plan and performance dashboard.

(c) The existence of a status report detailing the spending associated with previous regional prosperity initiative grants. Organizations that have successfully received grant awards in previous fiscal years shall be required to make available to the department and on a publicly accessible Internet site information regarding the use of those grant dollars.

(3) Regional planning organizations eligible to receive a payment as a regional prosperity collaborative under subsection (2) may qualify to receive a 1-time grant of not more than \$75,000.00 for feasibility and process mapping to produce a plan to transform the regional prosperity collaborative into a regional prosperity council or regional prosperity board, including necessary local formal agreements, to make recommendations that eliminate duplicative efforts and administrative functions, and to leverage resources through cooperation, collaboration, and consolidations of structures throughout the region. Plans produced to transform the regional prosperity collaborative into a regional prosperity council or regional prosperity board shall be made available on a publicly accessible Internet site by at least 1 of the regional prosperity collaborative member organizations.

(4) Regional planning organizations may qualify to receive not more than \$375,000.00 of incentive based funding as a regional prosperity council subject to meeting all of the following requirements:

(a) The formation of a regional prosperity council, defined as a regional body with representation from private, public, and nonprofit entities with shared administrative services and an executive governing entity, as demonstrated by a formal local agreement or agreements for the purpose of creating a phase two: regional prosperity plan, as follows:

(i) The council must include regional representatives from adult education, workforce development, economic development, transportation, and higher education organizations.

(ii) The council shall identify additional opportunities for shared administrative services and decision-making among the private, public, and nonprofit entities within the region and continue collaboration among regional prosperity council members, including, but not limited to, representatives from adult education providers, workforce development agencies, economic development agencies, transportation service providers, and higher education institutions.

(iii) The phase two: regional prosperity plan is required to include a status report of the approved 5-year plan and the addition of a 10-year economic development blueprint for the region, including a performance dashboard with measurable annual goals, and a prioritized list of regional projects.

(iv) The regional prosperity council shall adopt its phase two: regional prosperity plan by a 2/3 vote.

(b) Accountability and transparency, which requires the regional prosperity council to meet the following requirements:

(i) Convene monthly meetings to consider, discuss, and make business decisions on issues leading to a common vision of economic prosperity for the region, including, but not limited to, economic development, talent, and infrastructure opportunities.

(ii) Make available on a publicly accessible Internet site by 1 or all of the regional prosperity council member organizations, pertinent documents, including, but not limited to, monthly meeting agendas, minutes of monthly meetings, local agreements pertinent to the organization and operations of the council, feasibility studies, the regional prosperity plan, and performance dashboard.

(c) The existence of a status report detailing the spending associated with previous regional prosperity initiative grants. Organizations that have successfully received grant awards in previous fiscal years shall be required to make available to the department and on a publicly accessible Internet site information regarding the use of those grant dollars.

(5) Regional planning organizations eligible to receive a payment as a regional prosperity council under subsection (4) may qualify to receive a 1-time grant of not more than \$75,000.00 for feasibility and process mapping to produce a plan to transform the regional prosperity council into a regional prosperity board, including a singular private/public governance structure that comports with federal guidelines for governance under the workforce investment act, Public Law 105-220, the moving ahead for progress in the 21st century act, Public Law 112-141, the economic development administration and Appalachian regional development reform act of 1998, Public Law 105-393, and recommendations to eliminate duplicative efforts, administrative functions, and leverage resources through cooperation, collaboration, and consolidations of structures throughout the region.

(6) Regional planning organizations may qualify to receive not more than \$500,000.00 of incentive based funding as a regional prosperity board subject to meeting all of the following requirements:

(a) The formation of a regional prosperity board, defined as a regional body with representation from private, public, and nonprofit entities engaged in joint decision-making practices for the purpose of creating a phase three: regional prosperity plan, as follows:

(i) The board, at a minimum, must demonstrate the consolidation of regional metropolitan planning organization board or boards, state designated regional planning agency board or boards, workforce development board or boards, and federally designated economic development district or districts.

(ii) The board shall create a regional services recommendations report outlining the prioritized list of state funded services and programs provided to the region, and recommendations for state-regional partnerships to support the adopted regional prosperity plan.

(iii) The phase three: regional prosperity plan is required to include a status report of the approved 10-year plan.

(iv) The regional prosperity board shall adopt its phase three: regional prosperity plan by a 2/3 vote of its members.

(b) Accountability and transparency, which requires the regional prosperity board to meet the following requirements:

(i) Convene monthly meetings to consider, discuss, and make business decisions on issues leading to a common vision of economic prosperity for the region, including, but not limited to, economic development, talent, and infrastructure opportunities.

(ii) Make available on a publicly accessible Internet site by 1 or all of the regional prosperity board member organizations, pertinent documents, including, but not limited to, monthly meeting agendas, minutes of monthly meetings, local agreements pertinent to the organization and operations of the council, feasibility studies, the regional prosperity plan, performance dashboard, and the regional services recommendation report.

(7) Regional planning organizations eligible to receive a payment as a regional prosperity board under subsection (6) may qualify to receive not more than \$125,000.00, to build or enhance infrastructure or tools necessary to facilitate greater collaboration among regional prosperity board members, and to implement the regional prosperity plan projects.

(8) Regional planning organizations eligible to receive a payment as a regional prosperity collaborative, board, or council may partner with other eligible regional planning organizations as defined in this section to submit joint applications. In the instance of a joint application, 1 regional planning organization must be utilized as the overall applicant. The department may award a joint application award of no greater than the sum of potential application dollars which would have otherwise been available through individual applications.

(9) The department shall develop an application process and method of grant distribution for the regional prosperity initiative. Funding applications from regional planning organizations shall be due to the department by November 1, 2014. The department shall notify regional planning organizations of grant application status by January 1, 2015. The

department shall ensure that processes are established to verify that qualifying regional planning organizations meet the requirements under subsections (2), (3), (4), (5), (6), and (7), as applicable.

(10) Unexpended funds appropriated in part 1 for the regional prosperity initiative are designated as work project appropriations, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditure for regional prosperity initiative projects under this section until the projects have been completed. 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 projects is to provide incentive-based grants to recipients under this section.
- (b) The projects will be accomplished by grants to qualified regional planning organizations.
- (c) The total estimated cost of all projects is \$2,500,000.00.
- (d) The estimated completion date is September 30, 2019.

Sec. 891. The department of technology, management, and budget shall report quarterly to the senate and house appropriations subcommittees on general government and the senate and house fiscal agencies on litigation fund expenditures. The report shall itemize expenditures by case, purpose, and department involved.

Sec. 895. (1) The amount appropriated in part 1 for Michigan business one stop - depreciation expenses shall be expended solely to pay the remaining capitalized development cost of the Michigan business one stop.

(2) Notwithstanding subsection (1), the department shall not charge state departments or agencies for, nor expend state resources on, the continued development of the Michigan business one stop. The department shall not charge state departments or agencies for maintenance or operation of the Michigan business one stop. To the extent necessary to minimize disruptions while transitioning to elimination of the Michigan business one stop, the department may expend up to \$1,500,000.00 on continued maintenance and operation of the Michigan business one stop. Funds expended on continued maintenance and operation of the Michigan business one stop shall not be derived from interdepartmental grant revenues or other sources of funds deriving from fees or rates charged to other state departments and agencies.

(3) The state budget director shall reduce user fees charged to state departments by amounts equivalent to the reduction in appropriation for the Michigan business one stop.

Sec. 896. (1) From the appropriations in part 1, up to \$7,000,000.00 shall be made available to the senate for future lease, purchase, and transition costs related to relocation from the Farnum building. Funds shall be disbursed to the senate upon executing a contract, lease, letter of intent, or other binding agreement issued by the senate following a competitive bid process conducted by the senate. Funds will be released upon submittal of a purchase order or other documentation of expenses for transition costs.

(2) Proceeds from the sale of the Farnum building shall be subsequently appropriated to the department in accordance with any legislation enacted that authorizes the sale of that property and an amount equal to that which was disbursed to the senate pursuant to subsection (1) shall also be appropriated to the department.

Sec. 897. (1) From the funds appropriated for special projects in part 1, \$250,000.00 is appropriated for the Catholic charities center for hope to restore and renovate the building where the center for hope is located and for any other necessary expenses.

(2) From the funds appropriated for special projects in part 1, \$500,000.00 is appropriated for payments to individuals and surviving spouses receiving retirement pay under section 411 of the Michigan military act, 1967 PA 150, MCL 32.811. Payments shall be in the amount of \$120.00 for each qualifying individual. If legislation is enacted that would otherwise duplicate payments made under this subsection, the \$500,000.00 appropriated under this subsection shall be used to fund the costs of any statutorily required payments to affected military retirees.

DEPARTMENT OF TREASURY OPERATIONS

Sec. 901. (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 part 1 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 part 1 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 part 1 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 \$40,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 902. (1) Amounts needed to pay for interest, fees, principal, mandatory and optional redemptions, 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.

(3) In addition to the amount appropriated to the department of treasury for debt service in part 1, there is appropriated all repayments received by the state on loans made from the school bond loan fund not required to be deposited in the school loan revolving fund by or pursuant to section 4 of 1961 PA 112, MCL 388.984, to the extent determined by the state treasurer, for the payment of debt service, including, without limitation, optional and mandatory redemptions, on bonds, notes or commercial paper issued by the state pursuant to 1961 PA 112, MCL 388.981 to 388.985.

Sec. 902a. The department of treasury shall notify the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the state budget office not more than 30 days after a refunding or restructuring bond issue is sold. The notification shall compare the annual debt service prior to the refinancing or restructuring, the annual debt service after the refinancing or restructuring, the change in the principal and interest over the duration of the debt, and the projected change in the present value of the debt service due to the refinancing and restructuring.

Sec. 903. (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 are 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 each 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) From the funds appropriated in part 1, the department of treasury may contract with private collections agencies and law firms to collect defaulted student loans and other accounts due the Michigan guaranty agency. In addition to the amounts appropriated in part 1 to the department of treasury, there are appropriated amounts necessary to fund collection costs and fees not to exceed 24.34% of the collection or a lesser amount as prescribed by the contract. The appropriation to fund collection costs and fees for the auditing and collection of defaulted student loans due the Michigan guaranty agency is from the fund or account to which the revenues being collected are recorded or dedicated.

(3) 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. 904. (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 to prudently manage the retirement funds' investment portfolios. The state treasurer shall report annually to the senate and house of representatives standing committees on appropriations and the state budget office concerning the performance of each portfolio by investment advisor.

Sec. 904a. (1) There is appropriated an amount sufficient to recognize and pay expenditures for financial services provided by financial institutions as provided under section 1 of 1861 PA 111, MCL 21.181.

(2) The appropriations under subsection (1) shall be funded by restricting revenues from common cash interest earnings and investment earnings in an amount sufficient to record these expenditures.

Sec. 905. A revolving fund known as the municipal finance fee fund is created in the department of treasury. Fees are established under the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, and the fees collected shall be credited to the municipal finance fee fund and may be carried forward for future appropriation.

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 for the immediately preceding fiscal year shall be submitted to the state budget director and the senate and house fiscal agencies not later than November 30.

(2) A revolving fund known as the audit charges fund is created in the department of treasury. The contractual charges collected shall be credited to the audit charges fund and may be carried forward for future appropriation.

Sec. 907. A revolving fund known as the assessor certification and training fund is created in 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 examination fees not to exceed \$50.00 per examination and certification fees not to exceed \$175.00. 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 amount appropriated in part 1 to the department of treasury, home heating assistance program, is to cover the costs, including data processing, of administering federal home heating credits to eligible claimants and to administer the supplemental fuel cost payment program for eligible tax credit and welfare recipients.

Sec. 909. Revenue from the airport parking tax act, 1987 PA 248, MCL 207.371 to 207.383, is appropriated and shall be distributed under section 7a of the airport parking tax act, 1987 PA 248, MCL 207.377a.

Sec. 910. The disbursement by the department of treasury from the bottle deposit fund to dealers as required by section 3c(2) of 1976 IL 1, MCL 445.573c, is appropriated.

Sec. 911. (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. 912. A plaintiff in a garnishment action involving this state shall pay to the state treasurer 1 of the following:

(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. 913. (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 may be utilized for a program audit of the program. The department of treasury shall forward copies of any audit report completed to the senate and house of representatives standing committees on appropriations subcommittees on general government and to the state budget office. The department of treasury may utilize up to 1% of the funds for program administration and auditing.

Sec. 914. 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. 915. 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 2013. 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 shall revert to the general fund.

Sec. 916. 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 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. 917. (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 immediately preceding fiscal year to the state budget director and the senate and house fiscal agencies not later than November 30 stating the amounts appropriated for write-offs and advances under subsection (1).

Sec. 918. In addition to funds appropriated in part 1, the department of treasury may receive and expend funds for conducting tax orientation workshops and seminars. Funds received may not exceed costs incurred in conducting the workshops and seminars.

Sec. 919. (1) From funds appropriated in part 1, the department of treasury may contract with private auditing firms to audit for and collect unclaimed property due this state in accordance with the uniform unclaimed property act, 1995 PA 29, MCL 567.221 to 567.265. In addition to the amounts appropriated in part 1 to the department of treasury, there are appropriated amounts necessary to fund auditing and collection costs and fees not to exceed 12% of the collections, or a lesser amount as prescribed by the contract. The appropriation to fund collection costs and fees for the auditing and collection of unclaimed property due this state is from the fund or account to which the revenues being collected are recorded or dedicated.

(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 auditing 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. 924. (1) In addition to the funds appropriated in part 1, the department of treasury may receive and expend principal residence audit fund revenue for administration of principal residence audits under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155.

(2) The department of treasury shall submit a report for the immediately preceding fiscal year to the state budget director and the senate and house fiscal agencies not later than December 31 stating the amount of exemptions denied and the revenue received under the program.

Sec. 926. Unexpended appropriations of the John R. Justice grant program are designated as work project appropriations 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 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 is to provide student loan forgiveness to qualified public defenders and prosecutors.

(b) The project will be accomplished by utilizing state employees or contracts with private vendors, or both.

(c) The total estimated cost of the project is \$287,700.00.

(d) The tentative completion date is September 30, 2016.

Sec. 927. The department of treasury shall submit annual progress reports to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies, regarding personal property tax audits. The report shall include the number of audits, revenue generated, and number of complaints received by the department related to the audits.

Sec. 928. The department of treasury may provide receipt, warrant and cash processing, data, collection, investment, fiscal agent, levy and warrant cost assessment, writ of garnishment, and other user services on a contractual basis 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. Any unobligated balance of the funds received shall revert to the general fund of this state as of September 30.

Sec. 930. (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 the immediately preceding fiscal year to the state budget director and the senate and house fiscal agencies not later than November 30 stating the principal executive departments and state agencies served, funds collected, and costs of collection under subsection (1).

Sec. 931. (1) The appropriation in part 1 to the department of treasury for treasury fees shall be assessed against all restricted funds that receive common cash earnings or other investment income. Treasury fees include all costs, including administrative overhead, relating to the investment of each restricted fund. The fee assessed against each restricted fund will be based on the size of the restricted fund (the absolute value of the average daily cash balance plus the market value of investments in the prior fiscal year) and the level of effort necessary to maintain the restricted fund as required by each department. The department of treasury shall provide a report to the state budget director, the senate and house of representatives standing committees on appropriations subcommittees on general government, and the senate and house fiscal agencies by November 30 of each year identifying the fees assessed against each restricted fund and the methodology used for assessment.

(2) In addition to the funds appropriated in part 1, the department of treasury may receive and expend investment fees relating to new restricted funding sources that participate in common cash earnings or other investment income during the current fiscal year. When a new restricted fund is created starting on or after October 1, that restricted fund shall be assessed a fee using the same criteria identified in subsection (1).

Sec. 932. Revenue received under the Michigan education trust act, 1986 PA 316, MCL 390.1421 to 390.1442, 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. 934. (1) The department of treasury may expend revenues received under the hospital finance authority act, 1969 PA 38, MCL 331.31 to 331.84, the shared credit rating act, 1985 PA 227, MCL 141.1051 to 141.1076, the higher education facilities authority act, 1969 PA 295, MCL 390.921 to 390.934, the Michigan public educational facilities authority, Executive Reorganization Order No. 2002-3, MCL 12.192, the Michigan tobacco settlement finance authority act, 2005 PA 226, MCL 129.261 to 129.279, the land bank fast track act, 2003 PA 258, MCL 124.751 to 124.774, part 505 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.50501 to 324.50522, the state housing

development authority act of 1966, 1966 PA 346, MCL 125.1401 to 125.1499c, and the Michigan finance authority, Executive Reorganization Order No. 2010-2, MCL 12.194, for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, grants to the civil service commission and state employees' retirement fund, and other expenses as allowed under those acts.

(2) The department of treasury shall report by January 31 to the senate and house appropriations subcommittees, the senate and house fiscal agencies, and the state budget director on the amount and purpose of expenditures made under subsection (1) from funds received in addition to those appropriated in part 1. The report shall also include a listing of reimbursement of revenue, if any. The report shall cover the 2013-2014 fiscal year.

Sec. 935. The funds appropriated in part 1 for dual enrollment payments for an eligible student enrolled in a state-approved nonpublic school shall be distributed as provided under the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524, and the career and technical preparation act, 2000 PA 258, MCL 388.1901 to 388.1913, in a form and manner as determined by the department of treasury.

Sec. 944. If the department hires a pension plan consultant using any of the funds appropriated in part 1, the department shall annually forward any report provided to the department by that consultant to the senate and house of representatives standing committees on appropriations subcommittees on general government, the senate and house fiscal agencies, and the state budget director.

Sec. 945. The assessment and certification division of the department of treasury shall conduct a review of local unit assessment administration practices, procedures, and records, also known as the 14-point review, in at least 1 assessment jurisdiction per county.

Sec. 946. Revenue collected in the convention facility development fund is appropriated and shall be distributed under sections 8 and 9 of the state convention facility development act, 1985 PA 106, MCL 207.628 and 207.629.

Sec. 947. Financial independence teams shall cooperate with the office of fiscal responsibility to coordinate and streamline efforts in identifying and addressing fiscal emergencies in school districts and intermediate school districts.

Sec. 949. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2015 are \$48,636,500.00. From this amount, total agency appropriations for pension-related legacy costs are estimated at \$26,860,700.00. Total agency appropriations for retiree health care legacy costs are estimated at \$21,775,800.00.

Sec. 949a. The appropriation of \$1,100,000.00 in part 1 for the city of Flint shall be allocated to support city police and firefighters. The emergency manager shall determine which public safety personnel are to be funded from this award. If the city has an appointed receivership transition advisory board, then that board is vested with the authority to make the determination of which personnel are funded from this award.

REVENUE SHARING

Sec. 950. The funds appropriated in part 1 for constitutional revenue sharing shall be distributed by the department to cities, villages, and townships, as required under section 10 of article IX of the state constitution of 1963. Revenue collected in accordance with section 10 of article IX of the state constitution of 1963 in excess of the amount appropriated in part 1 for constitutional revenue sharing is appropriated for distribution to cities, villages, and townships, on a population basis as required under section 10 of article IX of the state constitution of 1963.

Sec. 952. (1) The funds appropriated in part 1 for city, village, and township revenue sharing are for grants to cities, villages, and townships such that, subject to fulfilling the requirements under subsection (3), each city, village, or township that received a payment under section 950(2) of 2009 PA 128 greater than \$4,500.00 is eligible to receive a payment equal to 78.51044% of its total payment received under section 950(2) of 2009 PA 128 or for each city, village, or township with a population in excess of 7,500, notwithstanding whether it received a payment greater than \$4,500.00 under section 950(2) of 2009 PA 128, a payment equal to the population of the city, village, or township multiplied by \$2.64659, whichever is greater, rounded to the nearest dollar. Payments under this section to cities, villages, or townships that did not receive a payment under section 950(2) of 2009 PA 128 greater than \$4,500.00 are 1-time payments for which eligibility is based on a presumed level of local services provided. For purposes of this subsection, any city, village, or township that completely merges with another city, village, or township will be treated as a single entity, such that when determining the payment received under section 950(2) of 2009 PA 128 for the combined single entity, the amount each of the merging local units received under section 950(2) of 2009 PA 128 is summed. For purposes of this subsection, population is determined in the same manner as under section 3 of the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.903. In addition, any city or village that according to the 2010 federal decennial census is determined to have population in more than 1 county shall be treated as a single entity when determining the payment received under section 950(2) of 2009 PA 128.

(2) The funds appropriated in part 1 for the county incentive program are to be used for grants to counties such that each county is eligible to receive an amount equal to the amount by which the balance in its revenue sharing reserve fund under section 44a of the general property tax act, 1893 PA 206, MCL 211.44a, for the county's most recent fiscal year that ends prior to the January 1 of the state's fiscal year is less than the amount calculated under section 44a(13) of the general property tax act, 1893 PA 206, MCL 211.44a, for the county fiscal year that begins in the state's fiscal year. The amount calculated under this subsection shall be adjusted as necessary to reflect partial county fiscal years and prorated

based on the total amount appropriated for distribution to all eligible counties. Except as otherwise provided under this subsection, payments under this subsection will be distributed to an eligible county subject to the county's fulfilling the requirements under subsection (3).

(3) For purposes of accountability and transparency, each eligible city, village, township, or county shall certify by December 1, or the first day of a payment month, that it has produced a citizen's guide of its most recent local finances, including a recognition of its unfunded liabilities; a performance dashboard; a debt service report containing a detailed listing of its debt service requirements, including, at a minimum, the issuance date, issuance amount, type of debt instrument, a listing of all revenues pledged to finance debt service by debt instrument, and a listing of the annual payment amounts; and a projected budget report, including, at a minimum, the current fiscal year and a projection for the immediately following fiscal year. The projected budget report shall include revenues and expenditures and an explanation of the assumptions used for the projections. The citizen's guide, performance dashboard, debt service report, and projected budget report shall be made available for public viewing in the city, village, township, or county clerk's office or posted on a publicly accessible Internet site. Each city, village, township, and county applying for a payment under this subsection shall submit a copy of the citizen's guide, a copy of the performance dashboard, a copy of the debt service report, and a copy of the projected budget report to the department of treasury. The department of treasury shall develop detailed guidance for a city, village, township, or county to follow to meet the requirements of this subsection. The detailed guidance shall be posted on the department of treasury website and distributed to cities, villages, townships, and counties by October 1.

(4) City, village, and township revenue sharing payments and county incentive program payments are subject to the following conditions:

(a) The city, village, township, or county shall certify to the department that it has met the required criteria for subsection (3) and submitted the required citizen's guide, performance dashboard, debt service report, and projected budget report as required by subsection (3). A department of treasury review of the citizen's guide, dashboard, or reports is not required in order for a city, village, township, or county to receive a payment under subsection (1) or (2). The department shall develop a certification process and method for cities, villages, townships, and counties to follow.

(b) Subject to subdivisions (c), (d), and (e), if a city, village, township, or county meets the requirements of subsection (3), the city, village, township, or county shall receive its full potential payment under this section.

(c) Cities, villages, and townships eligible to receive a payment under subsection (1) shall receive 1/6 of their eligible payment on the last business day of October, December, February, April, June, and August. After the specified due date for subsection (3), payments shall be made to a city, village, or township only if that city, village, or township has complied with subdivision (a).

(d) After the specified due date for subsection (3), payments shall be made to a county only if that county has complied with subdivision (a).

(e) If a county does not provide the required certification or fails to submit the required citizen's guide, performance dashboard, debt service report, and projected budget report by the first day of a payment month, the county shall forfeit the payment in that payment month.

(f) Any city, village, township, or county that falsifies certification documents shall forfeit any future city, village, and township revenue sharing payments or county incentive program payments and shall repay to this state all payments it has received under this section.

(g) City, village, and township revenue sharing payments and county incentive program payments under this section shall be distributed on the last business day of October, December, February, April, June, and August.

(h) Payments distributed under this section may be withheld pursuant to sections 17a and 21 of the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.917a and 141.921.

(5) The unexpended funds appropriated in part 1 for city, village, and township revenue sharing and the county incentive program shall be available for expenditure under the program for financially distressed cities, villages, or townships 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. 955. (1) The funds appropriated in part 1 for county revenue sharing shall be distributed by the department to eligible counties pursuant to the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921.

(2) The department of treasury shall annually certify to the state budget director the amount each county is authorized to expend from its revenue sharing reserve fund.

Sec. 956. (1) The funds appropriated in part 1 for financially distressed cities, villages, and townships shall be granted by the department of treasury to cities, villages, and townships that have 1 or more conditions that indicate probable financial distress, as determined by the department of treasury. A city, village, or township with 1 or more conditions that indicate probable financial distress may apply in a manner determined by the department of treasury for a grant to pay for specific projects or services that move the city, village, or township toward financial stability. The city, village, or township may use, but is not limited to using, the grants under this section to make payments to reduce unfunded accrued liability; to repair critical infrastructure owned and maintained by the city, village, or township; to reduce general fund debt; or for costs associated with a transition to shared services. The plan for use of the grant shall be developed by the city, village, or township in conjunction with the department of treasury. The department of treasury shall award no more than \$2,000,000.00 to any city, village, or township under this section.

(2) The department of treasury shall provide a report to the senate and house of representatives appropriations subcommittees on general government, the senate and house fiscal agencies, and the state budget office by March 15. The report shall include a list by grant recipient of the date each grant was approved, the amount of the grant, the schedule for disbursement, and a description of the project or projects that will be paid by the grant.

(3) The unexpended funds appropriated in part 1 for financially distressed cities, villages, and townships are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditure for projects under this section until the projects have been completed. 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 is to provide assistance to financially distressed cities, villages, and townships under this section.

(b) The projects will be accomplished by grants to cities, villages, and townships approved by the department of treasury.

(c) The total estimated cost of all projects is \$8,000,000.00.

(d) The tentative completion date is September 30, 2019.

Sec. 958. (1) From the funds appropriated in part 1, the department shall work with the department of technology, management, and budget to issue an RFP pursuant to section 840 for a statewide online financial accountability reporting system accessible to the general public that displays local government audit data submitted pursuant to section 4 of the uniform budgetary and accounting act, 1968 PA 2, MCL 141.424, and any other data. The online financial accountability reporting system shall include reports of fiscal distress indicators, revenue and expenditures, unfunded liabilities, statements of financial position, crime statistics, public safety, shared services, revenues and expenses per full-time employee, and other indicators as determined by the department. The online financial accountability reporting system shall allow the comparison of the financial statistics between local units of government and access to the audit data submitted by each local unit of government. The reporting system shall include the capability to generate the citizens' guide to local finances required of recipients of funding under section 952.

(2) The department shall report to the house and senate appropriations subcommittees on general government, the house and senate fiscal agencies, and the state budget director by March 15 on the status of the RFP for the online system described in subsection (1).

LOTTERY

Sec. 960. In addition to the funds appropriated in part 1 to the bureau of state lottery, there is appropriated from state lottery fund revenues the amount necessary for, and directly related to, implementing and operating lottery games under the McCauley-Traxler-Law-Bowman-McNeely lottery act, 1972 PA 239, MCL 432.1 to 432.47, and activities under the Traxler-McCauley-Law-Bowman bingo act, 1972 PA 382, MCL 432.101 to 432.120, including expenditures for contractually mandated payments for vendor commissions, contractually mandated payments for instant tickets intended for resale, the contractual costs of providing and maintaining the online system communications network, and incentive and bonus payments to lottery retailers.

Sec. 963. The bureau of state lottery shall inform all lottery retailers that the cash side of department of human services bridge cards cannot be used to purchase lottery tickets.

CASINO GAMING

Sec. 971. 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 the Michigan gaming control and revenue act, 1996 IL 1, MCL 432.212a.

Sec. 973. (1) Funds appropriated in part 1 for local government programs may be used to provide assistance to a local revenue sharing board referenced in an agreement authorized by the Indian gaming regulatory act, Public Law 100-497.

(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) A local revenue sharing board described in subsection (1) shall comply with all applicable provisions of any agreement authorized by the Indian gaming regulatory act, Public Law 100-497, in which the local revenue sharing board is referenced, including, but not limited to, the disbursement of tribal casino payments received under applicable provisions of the tribal-state class III gaming compact in which those funds are received.

(5) 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.

(6) The Michigan gaming control board shall submit a report by September 30 to the senate and house of representatives standing committees on appropriations and the state budget director on the receipts and distribution of revenues by local revenue sharing boards.

Sec. 974. If revenues collected in the state services fee fund are less than the amounts appropriated from the fund, available revenues shall be used to fully fund the appropriation in part 1 for casino gaming regulation activities before distributions are made to other state departments and agencies. If the remaining revenue in the fund is insufficient to fully fund appropriations to other state departments or agencies, the shortfall shall be distributed proportionally among those departments and agencies.

Sec. 976. The executive director of the Michigan gaming control board may pay rewards of not more than \$5,000.00 to a person who provides information that results in the arrest and conviction on a felony or misdemeanor charge for a crime that involves the horse racing industry. A reward paid pursuant to this section shall be paid out of the appropriation in part 1 for the racing commission.

Sec. 977. All appropriations from the Michigan agriculture equine industry development fund, except for the racing commission and laboratory analysis program appropriations, shall be reduced proportionately if revenues to the Michigan agriculture equine industry development fund decline during the fiscal year ending September 30, 2015 to a level lower than the amount appropriated in part 1.

Sec. 978. The Michigan gaming control board shall use actual expenditure data in determining the actual regulatory costs of conducting racing dates and shall provide that data to the senate and house appropriations subcommittees on agriculture and general government and the senate and house fiscal agencies. The Michigan gaming control board shall not be reimbursed for more than the actual regulatory cost of conducting race dates. If a certified horsemen's organization funds more than the actual regulatory cost, the balance shall remain in the agriculture equine industry development fund to be used to fund subsequent race dates conducted by race meeting licensees with which the certified horsemen's organization has contracts. If a certified horsemen's organization funds less than the actual regulatory costs of the additional horse racing dates, the Michigan gaming control board shall reduce the number of future race dates conducted by race meeting licensees with which the certified horsemen's organization has contracts. Prior to the reduction in the number of authorized race dates due to budget deficits, the executive director of the Michigan gaming control board shall provide notice to the certified horsemen's organizations with an opportunity to respond with alternatives. In determining actual costs, the Michigan gaming control board shall take into account that each specific breed may require different regulatory mechanisms.

Sec. 979. In addition to the funds appropriated in part 1, the Michigan gaming control board may receive and expend state lottery fund revenue in an amount not to exceed \$4,000,000.00 for necessary expenses incurred in the licensing and regulation of millionaire parties pursuant to Executive Order No. 2012-4. In accordance with section 8 of the Traxler-McCauley-Law-Bowman bingo act, 1972 PA 382, MCL 432.108, the amount of necessary expenses shall not exceed the amount of revenue received under that act. The Michigan gaming control board shall provide a report to the senate and house of representatives appropriations subcommittees on general government, the senate and house fiscal agencies, and the state budget office by April 15. The report shall include, but not be limited to, total expenditures related to the licensing and regulating of millionaire parties, steps taken to ensure charities are receiving revenue due to them, progress on promulgating rules to ensure compliance with the Traxler-McCauley-Law-Bowman bingo act, 1972 PA 382, MCL 432.101 to 432.120, and any enforcement actions taken.

MICHIGAN STRATEGIC FUND - HOUSING AND COMMUNITY DEVELOPMENT

Sec. 980. MSHDA shall annually present a report to the state budget office and the subcommittees on the status of the authority's housing production goals under all financing programs established or administered by the authority. The report shall give special attention to efforts to raise affordable multifamily housing production goals.

Sec. 981. MSHDA shall report to the subcommittees, the state budget director, and the fiscal agencies by December 1 on the status of the loans entered into by the Michigan broadband development authority.

Sec. 984. In addition to the funds appropriated in part 1, the funds collected by state historic preservation programs for document reproduction and services and application fees are appropriated for all expenses necessary to provide the required services. These funds are available for expenditure when they are received and may be carried forward into the succeeding fiscal year.

Sec. 985. In addition to the amounts appropriated in part 1, the land bank fast track authority may expend revenues received under the land bank fast track act, 2003 PA 258, MCL 124.751 to 124.774, for the purposes authorized by the act, including, but not limited to, the acquisition, lease, management, demolition, maintenance, or rehabilitation of real or personal property, payment of debt service for notes or bonds issued by the authority, and other expenses to clear or quiet title property held by the authority.

Sec. 986. As a condition for receiving funds in part 1, the land bank fast track authority shall provide a report, not later than February 15, to the chairpersons of the senate and house of representatives standing committees on appropriations, the chairpersons of the senate and house of representatives standing committees on appropriations subcommittees on general government, the senate and house fiscal agencies, and the state budget office that shall include, but is not limited to, all the following:

(a) A detailed listing of revenue generating activities that would mitigate or eliminate the need for state GF/GP appropriations to support operations.

(b) A listing of any identified barriers to implementation of the revenue generating activities listed in subdivision (a).

(c) A timeline for implementing the revenue generating activities listed in subdivision (a).

Sec. 990. (1) By November 1, 2014, the Michigan state housing development authority shall work in conjunction with the department of community health and the department of human services to appoint members as provided in this section to a joint task force to review housing rehabilitation, energy and weatherization, and hazard abatement program policies and to make recommendations for integrating and coordinating project delivery with the goals of serving more families and achieving better outcomes by maximizing state and federal resources. The joint task force workgroup shall consist of the following members:

- (a) A representative of the healthy homes section.
- (b) A representative of the lead safe home program.
- (c) A representative from the department of community health.
- (d) A construction management specialist.
- (e) A representative from the community development division.
- (f) A representative of the Michigan state housing development authority.
- (g) An energy and weatherization staff representative from the department of human services.
- (h) A local weatherization operator.
- (i) A certified lead professional or a certified lead contractor.
- (j) At least 2 representatives from community organizations that address harmful housing conditions.

(2) The department of community health and the Michigan state housing development authority shall organize the initial meeting of the task force and shall provide administrative support for the task force.

(3) By March 1, 2015, the task force described in subsection (1) shall provide to the house and senate chairs of the appropriations subcommittee for the departments in this section, the senate and house fiscal agencies, and the senate and house policy offices a report of its findings and recommendations.

MICHIGAN STRATEGIC FUND

Sec. 1001. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$20,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 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 \$2,000,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 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 \$2,000,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 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 local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 1005. In addition to the appropriations in part 1, Travel Michigan may receive and expend private revenue related to the use of "Pure Michigan" and all other copyrighted slogans and images. This revenue may come from the direct licensing of the name and image or from the royalty payments from various merchandise sales. Revenue collected is appropriated for the marketing of the state as a travel destination. The funds are available for expenditure when they are received by the department of treasury. The fund shall provide a report that lists the revenues by source received from the use of "Pure Michigan" and all other copyrighted slogans and images. The report shall provide a detailed list of expenditures of revenues received under this section. The report shall be provided to the appropriations subcommittees on general government, the fiscal agencies, and the state budget office by June 1.

Sec. 1007. (1) The fund shall provide reports to the relevant subcommittees, the state budget director, and the fiscal agencies concerning the activities of the MEDC grants and investment programs financed from the fund using investment, Indian gaming revenues, or other revenues. The report shall provide a list of individual grants, loans, and investments made from the fund or by the MEDC from the funds appropriated in part 1 and shall include the name of the recipient, the amount awarded to the recipient, and the purpose of the grant. The activities report shall also include, but not be limited to, the following programs funded in part 1:

(a) Travel Michigan, including any expenditures authorized under section 89b of the Michigan strategic fund act, 1984 PA 270, MCL 125.2089b, to supplement the Michigan promotion program. The report shall include the number of commercials produced, the markets in which media buys have been made, any web-based products that were created with these funds and identify the geographical market locations and recreational activities used in Michigan tourism promotion material.

(b) Business attraction, retention, and growth, including any expenditures authorized under section 89b of the Michigan strategic fund act, 1984 PA 270, MCL 125.2089b, to supplement the Michigan business marketing program. The report shall include the number of commercials produced, the markets in which media buys have been made, and any web-based products that were created as a result of this appropriation.

(c) Business services.

- (d) Community development block grants.
- (e) Strategic fund administration.
- (f) Renaissance zones.
- (g) 21st century investment program.
- (h) Business and clean air ombudsman.
- (i) Michigan business development program.
- (j) Community revitalization program.
- (k) Film incentives.
- (l) Any other programs of the fund.

(2) As a condition of the expenditure of funds appropriated in part 1 for business attraction and community revitalization and film incentives, the fund shall submit a report to the chairpersons of the senate and house of representatives standing committees on appropriations, the chairpersons of the senate and house of representatives standing committees on appropriations subcommittees on general government, the senate and house fiscal agencies, and the state budget office that provides performance metrics for the Michigan business development program, community revitalization program, and film incentives. The report shall include, but is not limited to, all of the following for funds appropriated in 2011 PA 63, 2012 PA 200, and 2013 PA 59:

- (a) Total verified jobs created compared to total committed jobs.
- (b) Total actual private investment compared to total projected private investment.
- (c) An estimate of the return on investment to the state as a result of the incentives.
- (d) A listing of projects previously awarded incentives that were revoked and the reason for revocation.
- (e) A listing of projects that had incentive contracts amended by the fund or MEDC. The listing shall include a detailed listing of the amendments made to the contract.

(3) The reports in subsections (1) and (2) shall be submitted by February 15. The report for each program in subsection (1)(a) through (l) shall include details on all revenue sources, actual expenditures, and number of FTEs for that program for the previous fiscal year.

Sec. 1008. As a condition of receiving funds under part 1, any interlocal agreement entered into by the fund shall include language which states that if a local unit of government has a contract or memorandum of understanding with a private economic development agency, the MEDC will work cooperatively with that private organization in that local area.

Sec. 1009. (1) Of the funds appropriated to the fund or through grants to the MEDC, no funds shall be expended for the purchase of options on land or the purchase of land unless at least 1 of the following conditions applies:

- (a) The land is located in an economically distressed area.
- (b) The land is obtained through a purchase or exercise of an option at the invitation of the local unit of government and local economic development agency.
- (2) Consideration may be given to purchases where the proposed use of the land is consistent with a regional land use plan, will result in the redevelopment of an economically distressed area, can be supported by existing infrastructure, and will not cause shifts in population away from the area's population centers.

(3) As used in this section, "economically distressed area" means an area in a city, village, or township that has been designated as blighted; a city, village, or township that shows negative population change from 1970 and a poverty rate and unemployment rate greater than the statewide average; or an area certified as a neighborhood enterprise zone under the neighborhood enterprise zone act, 1992 PA 147, MCL 207.771 to 207.786.

Sec. 1010. As a condition for receiving funds in part 1, not later than February 15, the fund shall provide a report for the immediately preceding fiscal year on the jobs for Michigan investment fund, created in section 88h of the Michigan strategic fund act, 1984 PA 270, MCL 125.2088h. The report shall be submitted to the chairpersons of the senate and house of representatives standing committees on appropriations, the chairpersons of the senate and house of representatives standing committees on appropriations subcommittees on general government, the senate and house fiscal agencies, and the state budget office. The report shall include, but is not limited to, all of the following:

- (a) A detailed listing of revenues, by fund source, to the jobs for Michigan investment fund. The listing shall include the manner and reason for which the funds were appropriated to the jobs for Michigan investment fund.
- (b) A detailed listing of expenditures, by project, from the jobs for Michigan investment fund.
- (c) A fiscal year-end balance of the jobs for Michigan investment fund.

Sec. 1011. (1) From the appropriations in part 1 to the fund and granted or transferred to the MEDC, any unexpended or unencumbered balance shall be disposed of in accordance with the requirements in the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, unless carryforward authorization has been otherwise provided for.

(2) Any encumbered funds shall be used for the same purposes for which funding was originally appropriated in this part and part 1.

Sec. 1012. (1) As a condition of receiving funds under part 1, the fund shall ensure that the MEDC and the fund comply with all of the following:

- (a) The freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

- (b) The open meetings act, 1976 PA 267, MCL 15.261 to 15.275.
- (c) Annual audits of all financial records by the auditor general or his or her designee.
- (d) All reports required by law to be submitted to the legislature.
- (2) If the MEDC is unable for any reason to perform duties under this part, the fund may exercise those duties.

Sec. 1013. As a condition for receiving the appropriations in part 1, any staff of the MEDC involved in private fund-raising activities shall not be party to any decisions regarding the awarding of grants, incentives, or tax abatements from the fund, the MEDC, or the Michigan economic growth authority.

Sec. 1014. (1) All funds received from repayment of loans, unused grants, revenues received from sales or cash flow participation agreements, guarantees, or any combination of these or accrued interest originally distributed as part of the core communities fund, created by 2000 PA 291, shall be received, held, and applied by the fund for the purposes described in 2000 PA 291.

(2) The fund shall provide an annual report on the status of this fund which includes information that details the awards made. The report shall be provided to the appropriations subcommittees on general government, the fiscal agencies, and the state budget office by February 15.

Sec. 1020. Federal pass-through funds to local institutions and governments that are received in amounts in addition to those included in part 1 and that do not require additional state matching funds are appropriated for the purposes intended. The fund may carry forward into the succeeding fiscal year unexpended federal pass-through funds to local institutions and governments that do not require additional state matching funds. The fund shall report the amount and source of the funds to the senate appropriation subcommittee on economic development, the house appropriation subcommittee on general government, the senate and house fiscal agencies, and the state budget office within 10 business days after receiving any additional pass-through funds.

Sec. 1024. From the funds appropriated in part 1 for business attraction and community revitalization, not less than \$20,000,000.00 shall be granted by the fund board for brownfield redevelopment and historic preservation projects under the community revitalization program authorized by chapter 8C of the Michigan strategic fund act, 1984 PA 270, MCL 125.2090 to 125.2090d.

Sec. 1031. The fund shall report to the senate and house of representatives appropriations subcommittees on general government, the senate and house fiscal agencies, and the state budget office by April 15 on the spending plan for the line items for entrepreneurship eco-system and business attraction and community revitalization. If the spending plan for the fiscal year is changed after that date, the fund shall notify the report recipients listed previously within 10 business days.

Sec. 1032. (1) The Michigan film office shall report to the subcommittees and the fiscal agencies on the status of the film incentives at the same time as it submits the annual report required under section 455 of the Michigan business tax act, 2007 PA 36, MCL 208.1455. The department of treasury and the fund shall provide the Michigan film office with the data necessary to prepare the report. Incentives included in the report shall include all of the following:

- (a) The tax credit provided under section 455 of the Michigan business tax act, 2007 PA 36, MCL 208.1455.
- (b) The tax credit provided under section 457 of the Michigan business tax act, 2007 PA 36, MCL 208.1457.
- (c) The tax credit provided under section 459 of the Michigan business tax act, 2007 PA 36, MCL 208.1459.
- (d) The amount of any tax credit claimed under former section 367 of the income tax act of 1967, 1967 PA 281.
- (e) Any tax credits provided for film and digital media production under the Michigan economic growth authority act, 1995 PA 24, MCL 207.801 to 207.810.
- (f) Loans to an eligible production company or film and digital media private equity fund authorized under section 88d(3), (4), and (5) of the Michigan strategic fund act, 2005 PA 225, MCL 125.2088d.

(g) Any spending or activities supported by the appropriations in part 1 for film incentives.

(2) The report shall include all of the following information:

(a) For each tax credit, the number of contracts signed, the projected expenditures qualifying for the credit, and the estimated value of the credits. For loans, the number of loans made under each section, the interest rate of those loans, the loan amount, the percent of the projected budget of each production financed by those loans, and the estimated interest earnings from the loan. For each film incentive awarded, including any program to support and promote a qualified facility and other film infrastructure as defined in section 29h of the Michigan strategic fund act, 1984 PA 270, MCL 125.2029h, the total funding awarded for each of the following:

- (i) Direct production expenditures.
- (ii) Michigan personnel expenditures.
- (iii) Crew personnel expenditures.
- (iv) Qualified personnel expenditures.
- (v) Postproduction expenditures.
- (vi) Qualified facility or infrastructure expenditures.
- (vii) Spending for program administration.

(b) For credits authorized under section 455 of the Michigan business tax act, 2007 PA 36, MCL 208.1455, for productions completed by December 31, the expenditures of each production eligible for the credit that has filed a request for certificate of completion with the film office, broken down into expenditures for goods, services, or salaries and wages

and showing separately expenditures in each local unit of government, including expenditures for personnel, whether or not they were made to a Michigan entity, and whether or not they were taxable under the laws of this state. For loans, the report shall include the number of loans that have been fully repaid, with principal and interest shown separately, and the number of loans that are delinquent or in default, and the amount of principal that is delinquent or is in default.

(c) For each of the tax credit incentives, loan incentives, and film incentives listed in subsection (1), a breakdown for each project or production showing each of the following:

(i) The number of temporary jobs created.

(ii) The number of permanent jobs created.

(iii) The number of persons employed in Michigan as a result of the incentive, on a full-time equated basis.

(3) For any information not included in the report due to the provisions of section 455(6), 457(6), or 459(6) of the Michigan business tax act, 2007 PA 36, MCL 208.1455, 208.1457, and 208.1459, the report shall do all of the following:

(a) Indicate how the information would describe the commercial and financial operations or intellectual property of the company.

(b) Attest that the information has not been publicly disseminated at any time.

(c) Describe how disclosure of the information may put the company at a competitive disadvantage.

(4) Any information not disclosed due to the provisions of section 455(6), 457(6), or 459(6) of the Michigan business tax act, 2007 PA 36, MCL 208.1455, 208.1457, and 208.1459, shall be presented at the lowest level of aggregation that would no longer describe the commercial and financial operations or intellectual property of the company.

Sec. 1033. The Michigan film office shall report to the chairpersons of the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies on the status of the film incentives approved under section 29h of the Michigan strategic fund act, 1984 PA 270, MCL 125.2029h, not later than 30 days following the end of each quarter of the fiscal year. The report shall include all of the following:

(a) Direct and indirect economic impacts in this state attributable to the assistance.

(b) Direct and indirect job creation in this state attributable to the assistance.

(c) Direct and indirect private investment in this state attributable to the assistance.

(d) The name of each eligible production company and the amount of each incentive disbursed for each state certified qualified production.

Sec. 1033b. For funds appropriated in part 1 from the general fund/general purpose revenue and used for the purpose of the Michigan strategic fund - film incentive program, the applicable percentage of the state certified qualified production expenditures provided in section 29h(3)(d) of the Michigan strategic fund act, 1984 PA 270, MCL 125.2029h, shall be determined based on the date of the agreement.

Sec. 1034. (1) Each business incubator or accelerator that received an award pursuant to section 1034 of article VIII of 2012 PA 200 shall maintain and update a dashboard of indicators to measure the effectiveness of the business incubator and accelerator programs. Indicators shall include the direct jobs created, new companies launched as a direct result of business incubator or accelerator involvement, businesses expanded as a direct result of business incubator or accelerator involvement, direct investment in client companies, private equity financing obtained by client companies, grant funding obtained by client companies, and other measures developed by the recipient business incubators and accelerators in conjunction with the MEDC. Dashboard indicators shall be reported for the prior fiscal year and cumulatively, if available. Each recipient shall submit a copy of their dashboard indicators to the fund by March 1. The fund shall transmit the local reports to the senate and house of representatives appropriations subcommittees on general government, the senate and house fiscal agencies, and the state budget office by March 15.

(2) It is the intent of the legislature that any additional funding awarded for business incubators or accelerators shall be based on the performance of the program as a whole and the results of each incubator or accelerator as reported in the dashboard indicators.

Sec. 1035. (1) From the appropriation in part 1, the Michigan council for arts and cultural affairs shall administer an arts and cultural grant program that maintains an equitable geographic distribution of funding and utilizes past arts and cultural grant programs as a guideline for administering this program. The council shall do all of the following:

(a) On or before October 1, the fund shall publish proposed application criteria, instructions, and forms for use by eligible applicants. The fund shall provide at least a 2-week period for public comment before finalizing the application criteria, instructions, and forms.

(b) A nonrefundable application fee may be assessed for each application. Application fees shall be deposited in the council for the arts fund and are appropriated for expenses necessary to administer the programs. These funds are available for expenditure when they are received and may be carried forward to the following fiscal year.

(c) Grants are to be made to public and private arts and cultural entities.

(d) Within 1 business day after the award announcements, the council shall provide to each member of the legislature and the fiscal agencies a list of all grant recipients and the total award given to each recipient, sorted by county.

(2) The appropriation in part 1 for arts and cultural program shall not be used for the administration of the grant program.

Sec. 1036. (1) The general fund/general purpose funds appropriated in part 1 to the fund for the programs listed below shall be transferred to the specific funds designated by statute for those programs as follows:

(a) The business attraction and community revitalization funds shall be transferred to the 21st century jobs trust fund per section 90b(3) of the Michigan strategic fund act, 1984 PA 270, MCL 125.2090b.

(b) The film incentives program funds shall be transferred to the Michigan film promotion fund established in the Michigan strategic fund act, 1984 PA 270, MCL 125.2029d.

(2) Funds transferred to the 21st century jobs trust fund or Michigan film promotion fund under subsection (1) are appropriated and available for allocation as authorized in the Michigan strategic fund act, 1984 PA 270, MCL 125.2001 to 125.2094.

Sec. 1037. (1) No long-term indebtedness shall be issued by the fund or funds expended from the appropriations in part 1 for facility for rare isotope beams debt service until Michigan State University provides certification to the fund and the state budget director that all necessary approvals have been secured and federal funds are available to commence construction of the facility for rare isotope beams project from the United States department of energy.

(2) Bond proceeds may only be spent to reimburse costs incurred by Michigan State University in the construction of the facility for rare isotope beams project up to an amount not to exceed \$90,960,100.00. All construction costs for the project in excess of this amount are the responsibility of Michigan State University. The fund is not responsible for operating costs of the project facility. Prior to reimbursement, the fund and Michigan State University shall enter into an agreement providing for the terms of reimbursement, allowable costs, financial reporting, and any other requirements necessary to complete the transaction.

(3) The state budget director retains the authority and fiduciary responsibility normally associated with the maintenance of the public's financial and policy interests relative to state-financed construction projects. The state budget director may take appropriate action to protect the public's financial and policy interests, including, but not limited to, rescinding subsection (2) reimbursement payments for construction of the facility for rare isotope beams project should Michigan State University or the United States department of energy not provide the necessary resources to complete the project. The state budget director shall provide notification to the senate and house appropriations committees, senate fiscal agency, house fiscal agency, and the fund within 10 days of exercising the authority under this subsection.

(4) The department of technology, management, and budget may assist the fund with implementation of this program for purposes of administrative efficiency.

Sec. 1039. The fund shall provide a report by February 15 to the senate and house of representatives standing committees on appropriations subcommittees on general government, the state budget director, and the fiscal agencies on the status of the skilled trades training program funded in part 1. The report shall include the following:

(a) The number of awardees participating in the program and the names of those awardees organized by major industry group.

(b) The amount of funding received by each awardee under the program.

(c) Amount of funding leveraged from each awardee or other funding source for each awardee project.

(d) Training models established by each awardee.

(e) The number of individuals enrolled in a skilled trades training program by awardee.

(f) The number of individuals who completed the program and were hired by awardee.

(g) The number of applications received and the number of applications approved for each region.

Sec. 1039b. As a condition of receiving funds in part 1 for the skilled trades training program, the fund shall administer the program as follows:

(a) The fund shall work cooperatively with grantees to maximize the amount of funds from part 1 that are available for direct training.

(b) The fund and regional Michigan Works! agencies shall collaborate and work cooperatively to prioritize and streamline the expenditure of the funds appropriated in part 1. The fund shall ensure that the skilled trades training program provides a collaborative statewide network of workforce and employee skill development partners that addresses the employee talent needs throughout the state.

(c) The fund shall ensure that grants are distributed for individual skill enhancement for employees of Michigan businesses. Funds shall not be distributed to program and process centered training organization employers.

(d) The fund shall develop program goals and detailed guidance for prospective participants to follow to qualify under the program. The program goals and detailed guidance shall be posted on the fund website and distributed to local Michigan Works! agencies by October 1. Periodic assessments of employer and employee needs shall be evaluated on a regional basis, and the fund shall identify solutions and goals to be implemented to satisfy those needs. The fund shall notify the senate and house of representatives standing committees on appropriations, the senate and house of representatives standing committees on appropriations subcommittees on general governments, the senate and house fiscal agencies, and the state budget office on any program goal, solution, or guidance changes not fewer than 14 days prior to the finalization and publication of the changes. The fund may receive and expend revenues related to the skilled trades training program. The funds shall be available for expenditure upon receipt by the department of treasury.

Sec. 1040. As a condition of receiving funds in part 1, the fund shall utilize MAIN, or a successor MDTMB-administered administrative information system used across state government, as an appropriation and expenditure reporting system to track all financial transactions with individual vendors, contractual partners, grantees, recipients of business incentives, and recipients of other economic assistance. Encumbrances and expenditures shall be reported in a timely manner.

Sec. 1041. From the funds appropriated in part 1 for business attraction and community revitalization, the fund shall request the transfer by the state treasurer of not more than 60% of the funds prior to April 1.

Sec. 1042. For the funds appropriated in part 1 for business attraction and community revitalization, the fund shall report quarterly on the amount of funds considered appropriated, pre-encumbered, encumbered, and expended. The report shall also include a listing of appropriations for business attraction and community revitalization, or a predecessor, in 2011 PA 63, 2012 PA 200, and 2013 PA 59, that were considered appropriated, pre-encumbered, encumbered, or expended that have lapsed back to the fund for any purpose. The report shall be submitted to the chairpersons of the senate and house of representatives standing committees on appropriations, the chairpersons of the senate and house of representatives standing committees on appropriations subcommittees on general government, the senate and house fiscal agencies, and the state budget office.

Sec. 1043. Not less than \$250,000.00 of the funds appropriated in part 1 for film incentives shall be granted to the west Michigan film office.

Sec. 1044. From the funds appropriated in part 1 for special grants, the fund shall establish a competitive grant program to fund restoration and preservation projects in historically designated neighborhoods throughout the state of Michigan. The program shall have the following characteristics:

(a) The fund shall designate \$600,000.00 for neighborhood organizations registered as a 501(c)(3) organization that provide preservation or restoration services to projects within historically designated neighborhoods.

(b) Grants shall not exceed \$250,000.00 for any project.

(c) Grant funds shall be used solely for historic restoration and preservation purposes.

(d) The fund shall develop detailed guidance for applicants to follow to qualify for a grant under the Michigan heritage restoration program. The detailed guidance shall be posted on the fund website by October 1.

Sec. 1045. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2015 are \$18,801,300.00. From this amount, total agency appropriations for pension-related legacy costs are estimated at \$10,508,300.00. Total agency appropriations for retiree health care legacy costs are estimated at \$8,293,000.00.

Sec. 1049. For every \$1.00 raised from sources other than the funds appropriated in part 1 for construction of the monument by the Michigan law enforcement officers memorial monument fund created in section 3 of the Michigan law enforcement officers memorial act, 2004 PA 177, MCL 28.783, the fund shall distribute \$2.00 from the funds appropriated in part 1 as matching funds to the Michigan law enforcement officers memorial monument fund up to a maximum of \$2,000,000.00 from state resources.

Sec. 1050. (1) The fund shall publish the "activities classification structure data book" for Michigan community colleges on or before March 1.

(2) The fund shall compile information received from community colleges on North American Indian tuition waivers granted pursuant to 1976 PA 174, MCL 390.1251 to 390.1253, and shall submit this compilation to the house and senate appropriations subcommittees on community colleges, the fiscal agencies, and the state budget director by March 1.

(3) The fund shall compile information received from community colleges on the number and types of associate degrees and other certificates awarded during the previous fiscal year and shall submit this compilation to the house and senate appropriations subcommittees on community colleges, the fiscal agencies, and the state budget director by March 1.

(4) The fund shall place the reports required in this section on a publicly available website.

Sec. 1052. (1) No long-term indebtedness shall be issued by the fund or funds expended from the appropriations for the annual debt service in part 1 until the Michigan strategic fund board approves the request for proposals and guidelines for the community colleges skilled trades equipment program.

(2) Up to \$50,000,000 for the community colleges skilled trades equipment program shall be made available for equipment and related investments that ensure that Michigan community colleges can deliver educational programs in high-wage, high-skill, and high-demand occupations, as identified by regional labor market conditions and that build and retain a talented workforce in Michigan. Awards shall be made through a competitive process and will require a cash match. Program awards shall be made by the Michigan strategic fund board no later than April 1, 2015. Proposal requirements shall include at least the following:

(a) Description of the equipment to be purchased and a detailed cost estimate.

(b) A plan that directly addresses demonstrated employer demand in the prosperity region in which the community college is located. A plan that demonstrates collaboration between postsecondary and school districts or intermediate school districts in the prosperity region in meeting demonstrated employer demand shall receive extra consideration in the competitive process.

(c) Demonstrated alignment with a prosperity region annual talent needs plan addressing the needs of Michigan companies.

(d) Demonstration that funded equipment and related improvements address the identified talent needs and will support training that provides industry-recognized credentials or degrees in high-skill, high-demand occupations in the prosperity region.

(e) Source of cash and other cost share that will be provided as match for the award. The community college shall provide, at a minimum, 25% of the total project cost in excess of any donated equipment. Additional cash match may be provided from Michigan businesses on behalf of the community college but shall not be the amount paid to students for internships or employment of graduates from the programs.

(3) Bond proceeds may only be spent to reimburse eligible costs incurred by Michigan community colleges. Eligible costs include the costs of equipment, renovations related to installation of the equipment, installation costs of the equipment, and training for instructors that will be providing instruction using the equipment. The fund and the community colleges shall enter into an agreement providing for the terms of reimbursement, the project budget, amount of the cash match provided by the community college, allowable costs, financial reporting, reporting requirements of annual progress to talent needs plan goals that are due by October 15 each year, and any other requirements necessary to complete the transaction. Approved award activity shall commence by April 1, 2016 or the award may be terminated by the Michigan strategic fund board for noncompliance with the award agreement.

(4) All awards shall contain a provision that the fund and the auditor general have access to the books and records, including financial records and all other information and data relevant to the terms of the award, related to the use of the grant funds and goals included in the award document.

(5) The fund may receive and expend bond proceeds and other revenues relating to these programs including administrative expenses that shall not exceed 1% of the awards. The MEDC may provide administration for these programs.

(6) The state budget director retains the authority and fiduciary responsibility normally associated with the maintenance of the public's financial and policy interests relative to state-financed construction projects. The state budget director may take appropriate action to protect the public's financial and policy interests, including, but not limited to, rescinding subsection (2) reimbursement payments for any award involving construction of a facility. The state budget director shall provide notification to the senate and house of representatives standing committees on appropriations, senate and house fiscal agencies, and the fund within 10 days of exercising the authority under this subsection.

(7) The department of technology, management, and budget may assist the fund and the MEDC with implementation of this program for purposes of administrative efficiency.

(8) The fund shall provide a report to the senate and house of representatives appropriations general government subcommittees, senate and house fiscal agencies, and the state budget director program no later than April 15, 2015 that includes a brief description of each of the fund awards, the evaluation criteria used to award funding, and the amount of funding awarded to each recipient. Annual status reports from the fund and award recipients will be included in the fund annual report to the legislature as required in the Michigan strategic fund act, 1984 PA 270, MCL 125.2001 to 125.2094, through substantial completion of the awarded projects.

Sec. 1054. From the funds appropriated in part 1 for workforce programs subgrantees, the fund may allocate funding for grants to nonprofit organizations that offer programs to workforce investment act - eligible youth focusing on entrepreneurship, work-readiness skills, job shadowing, and financial literacy. Organizations eligible for funding under this section must have the capacity to provide similar programs in urban areas, as determined by the United States bureau of the census according to the most recent federal decennial census. Additionally, programs eligible for funding under this section must include the participation of local business partners. The fund shall develop other appropriate eligibility requirements to ensure compliance with applicable federal rules and regulations.

Sec. 1057. From the appropriations in part 1 for entrepreneurship eco-system, the fund board may allocate funding for the aerospace supplier development program. Any funds allocated by the fund board to the aerospace supplier development program managed by the Michigan aerospace manufacturer's association shall be used to support the following business development services:

(a) Develop robust supplier-OEM networks using an innovative aggregate demand model (ADM).

(b) Facilitate the adoption of digital manufacturing and modeling, simulation and analysis (MSA) for aerospace suppliers.

(c) Advance aerospace workforce development.

(d) Host funding and investment strategy meetings for aerospace suppliers.

(e) Mentor disadvantaged suppliers.

(f) Provide internship programs to retain Michigan trained engineers for Michigan located aerospace companies.

Sec. 1058. (1) The fund shall conduct a workgroup in conjunction with the department of community health, the department of transportation, the department of corrections, the department of human services, and members from both the senate and house of representatives to determine how the state can maximize its services and funding for transportation for low-income, elderly, and disabled individuals through consolidating all of the current transportation services for these populations under 1 department.

(2) The department shall submit to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office by March 1 of the current fiscal year a report on the findings of the workgroup on the items described in subsection (1).

Sec. 1059. The funds appropriated in part 1 for pre-college engineering shall be allocated to a K-12 educational program focused on the development of a diverse future Michigan workforce which serves multiple communities within southeast Michigan and which enrolls students from multiple school districts. Programs eligible to apply for these dollars shall be measured by the program's ability to expose, motivate, and prepare students for science, technology, engineering, and mathematics based careers and postsecondary education with special attention given to at-risk and underrepresented student groups in technical professions and careers. Recipients of this funding shall provide information to measure program success in such form and at such time as requested by the fund.

MICHIGAN STRATEGIC FUND - WORKFORCE DEVELOPMENT

Sec. 1060. The fund shall administer the PATH training program in accordance with the requirements of section 407(d) of title IV of the social security act, 42 USC 607, the state social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, and all other applicable laws and regulations.

Sec. 1062. The fund shall make available, in person or by telephone, 1 disabled veterans outreach program specialist or local veterans employment representative to Michigan works! service centers, as resources permit, during hours of operation, and shall continue to make the appropriate placement of veterans and disabled veterans a priority.

Sec. 1063. (1) In addition to the funds appropriated in part 1, any unencumbered and unrestricted federal workforce investment act or trade adjustment assistance funds available from prior fiscal years are appropriated for the purposes originally intended.

(2) The fund shall report by February 1 to the subcommittees, the fiscal agencies, and the state budget office on the amount by fiscal year of federal workforce investment act funds appropriated under this section.

Sec. 1068. (1) Of the funds appropriated in part 1 for the workforce training programs, the fund shall provide a report by February 1 to the senate and house of representatives standing committees on appropriations subcommittees on general government, the state budget director, and the fiscal agencies on the status of the workforce training programs. The report shall include the following:

(a) The amount of funding allocated to each Michigan Works! agency and the total funding allocated to the workforce training programs statewide by fund source.

(b) The number of participants enrolled in education or training programs by each Michigan Works! agency.

(c) The average duration of training for training program participants by each Michigan Works! agency.

(d) The number of participants enrolled in remedial education programs and the number of participants enrolled in literacy programs.

(e) The number of participants enrolled in programs at 2-year institutions.

(f) The number of participants enrolled in 4-year institutions.

(g) The number of participants enrolled in proprietary schools or other technical training programs.

(h) The number of participants that have completed education or training programs.

(i) The number of participants who secured employment in Michigan within 1 year of completing a training program.

(j) The number of participants who completed a training program and secured employment in a field related to their training.

(k) The average wage earned by participants who completed a training program and secured employment within 1 year.

(2) Data collection for the report shall be for the period October 1, 2013 through September 30, 2014.

Sec. 1069. (1) From the funds appropriated in part 1 for special grants, the fund shall allocate \$500,000.00 for the purpose of funding the cost of GED testing and certification as provided by this section. The workforce development agency shall administer a Michigan GED-to-school program, which shall cover the cost of providing the GED test free of charge to individuals who meet all of the following requirements:

(a) The GED test is taken and passed on or after June 1, 2015.

(b) The individual has not previously been administered a GED test free of charge under this section.

(c) The individual meets at least 1 of the following requirements:

(i) The individual enrolls in postsecondary academic or vocational coursework at a public Michigan college or university within 2 years after passing the GED test.

(ii) Prior to taking the GED test, the individual successfully completed a WDA-approved GED preparation program.

(2) A WDA-approved GED preparation program shall include all of the following:

(a) Instructional and tutorial assistance.

(b) GED test practice.

(c) Required attendance at program instructional sessions.

(d) A curriculum that prepares students for opportunities in postsecondary education and the job market.

(e) Information on potential postsecondary and career pathways.

(f) Counseling on preparing for and applying to college.

(g) Personal and job readiness skills development.

- (h) Comprehensive information on college costs and financial aid.
 - (i) College and career assessments.
 - (j) Computer-based instruction, practice, or remediation.
- (3) By January 1, 2015, the workforce development agency shall post online an announcement of the Michigan GED-to-school program, minimum standards for GED preparation program approval, and approval procedures.
- (4) By April 1, 2015, the workforce development agency shall do all of the following:
- (a) Develop procedures consistent with this section under which individuals can take the GED test without charge.
 - (b) Develop procedures for collecting payment from individuals who received the GED test under this section without charge but who failed to meet the requirements specified by subsection (2).
 - (c) Provide program information for educators and students on the workforce development agency website, including explanations of the procedures developed under subdivisions (a) and (b), and contact information for questions about the program.
 - (d) Provide an estimate of the full-year cost of the program to the senate and house appropriations subcommittees on general government, the senate and house fiscal agencies, and the state budget director.
- (5) By September 30, 2015, the workforce development agency shall report to the senate and house appropriations subcommittees on general government, the senate and house fiscal agencies, and the state budget director on utilization of the GED incentive program, including numbers of GED certifications issued by location, year-to-date expenditures, and numbers of participants qualifying under subsection (1)(c)(i) or (ii), or both.
- Sec. 1070. (1) The department shall conduct a workgroup with the department of human services and members from both the senate and house of representatives to determine how the state can align the spending on Michigan Works! job readiness programs with the declining family assistance program caseload. The workgroup shall investigate possible reductions in the amount of temporary assistance for needy families funding that is provided to Michigan Works!
- (2) The department shall collaborate with the department of human services to submit to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office by March 1 of the current fiscal year a report on the recommendations of the workgroup on the items described in subsection (1).

STATE BUILDING AUTHORITY

Sec. 1101. (1) Subject to section 242 of the management and budget act, 1984 PA 431, MCL 18.1242, and upon the approval of the state building authority, the department may expend from the general fund of the state during the fiscal year an amount to meet the cash flow requirements of those state building authority projects solely for lease to a state agency identified in both part 1 and this section, and for which state building authority bonds or notes have not been issued, and for the sole acquisition by the state building authority of equipment and furnishings for lease to a state agency as permitted by 1964 PA 183, MCL 830.411 to 830.425, for which the issuance of bonds or notes is authorized by a legislative appropriation act that is effective for the fiscal year ending September 30, 2014. Any general fund advances for which state building authority bonds have not been issued shall bear an interest cost to the state building authority at a rate not to exceed that earned by the state treasurer's common cash fund during the period in which the advances are outstanding and are repaid to the general fund of the state.

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

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

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

Sec. 1102. (1) State building authority funding to finance construction or renovation of a facility that collects revenue in excess of money required for the operation of that facility shall not be released to a university or community college unless the institution agrees to reimburse that excess revenue to the state building authority. The excess revenue shall be credited to the general fund to offset rent obligations associated with the retirement of bonds issued for that facility. The auditor general shall annually identify and present an audit of those facilities that are subject to this section. Costs associated with the administration of the audit shall be charged against money recovered pursuant to this section.

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

Sec. 1103. The state building authority shall provide to the JCOS and senate and house fiscal agencies a report relative to the status of construction projects associated with state building authority bonds as of September 30 of each year, on

or before October 15, or not more than 30 days after a refinancing or restructuring bond issue is sold. The report shall include, but is not limited to, the following:

(a) A list of all completed construction projects for which state building authority bonds have been sold, and which bonds are currently active.

(b) A list of all projects under construction for which sale of state building authority bonds is pending.

(c) A list of all projects authorized for construction or identified in an appropriations act for which approval of schematic/preliminary plans or total authorized cost is pending that have state building authority bonds identified as a source of financing.

REVENUE STATEMENT

Sec. 1201. 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 2014-2015

	<u>Fund</u>	<u>Beginning Available Balance</u>	<u>Estimated Revenue</u>	<u>Ending Balance</u>
OPERATING FUNDS				
General fund/general purpose.....	0110	438.2	9,745.7	2.7
General fund/special purpose.....		1,154.0	24,305.3	3.2
Special Revenue Funds:				
Countercyclical budget and economic stabilization.....	0111	587.5	5.1	591.6
Game and fish protection	0112	6.2	84.7	3.1
Michigan employment security act administration.....	0113	0.0	18.0	0.0
State aeronautics	0114	2.6	103.4	0.0
Michigan veterans' benefit trust	0115	3.5	2.6	3.5
State trunkline	0116	0.0	1,865.5	0.0
Michigan state waterways.....	0117	5.7	26.3	4.7
Blue Water Bridge.....	0118	0.0	23.5	0.0
Michigan transportation	0119	0.0	1,929.6	0.0
Comprehensive transportation	0120	13.8	329.0	0.0
School aid.....	0122	0.0	13,740.0	0.0
Game and fish protection trust.....	0124	0.0	15.7	0.0
State park improvement	0125	2.9	54.0	4.5
Forest development	0126	2.9	32.3	1.3
Michigan natural resources trust	0129	34.7	31.9	39.4
Michigan state parks endowment.....	0130	6.8	46.2	5.5
Safety education and training.....	0131	7.2	10.7	7.7
Bottle deposit	0136	16.5	14.6	7.9
State construction code	0138	2.1	8.2	1.6
Children's trust.....	0139	0.7	1.1	0.6
State casino gaming	0140	1.0	36.4	0.7
Michigan nongame fish and wildlife	0143	0.3	0.5	0.3
Michigan merit award trust.....	0154	53.3	75.5	27.9
Outdoor recreation legacy.....	0162	0.3	2.6	0.3
Off-road vehicle account.....	0163	2.6	6.3	2.8
Snowmobile account.....	0164	5.9	10.0	5.3
Silicosis dust disease and logging.....	0870	1.2	1.4	1.2
Utility consumer representation.....	0893	1.9	1.2	1.4
TOTALS.....		\$2,351.8	\$52,527.3	\$717.2

PART 2A

PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS

FOR FISCAL YEAR 2015-2016

GENERAL SECTIONS

Sec. 1301. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, 2016 for the line items listed in part 1. The fiscal year 2015-2016 appropriations are anticipated to be the same as those for fiscal year 2014-2015, except that the line items will be adjusted for changes in caseload and related costs, federal fund match rates, economic factors, and available revenue. These adjustments will be determined after the January 2015 consensus revenue estimating conference.

ARTICLE X
DEPARTMENT OF HUMAN SERVICES
PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of human services for the fiscal year ending September 30, 2015, from the following funds:

DEPARTMENT OF HUMAN SERVICES

APPROPRIATION SUMMARY

Full-time equated classified positions	12,221.5	
Unclassified positions	6.0	
Total full-time equated positions	12,227.5	
GROSS APPROPRIATION		\$ 5,755,174,700
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers	21,545,900	
ADJUSTED GROSS APPROPRIATION		\$ 5,733,628,800
Federal revenues:		
Social security act, temporary assistance for needy families	530,006,000	
Capped federal revenues	611,479,900	
Federal supplemental security income	8,594,600	
Total other federal revenues	3,401,194,700	
Special revenue funds:		
Total private revenues	20,299,300	
Total local revenues	40,364,300	
Total other state restricted revenues	126,237,400	
State general fund/general purpose		\$ 995,452,600
State general fund/general purpose schedule:		
Ongoing state general fund/general purpose	990,302,600	
One-time state general fund/general purpose	5,150,000	

Sec. 102. EXECUTIVE OPERATIONS

Total full-time equated positions	681.7	
Full-time equated unclassified positions	6.0	
Full-time equated classified positions	675.7	
Unclassified salaries—6.0 FTE positions		\$ 724,600
Salaries and wages—285.7 FTE positions		17,469,700
Contractual services, supplies, and materials		13,453,600
Demonstration projects—7.0 FTE positions		6,805,100
Inspector general salaries and wages—131.0 FTE positions		7,540,200
Electronic benefit transfer EBT		8,509,000
Michigan community service commission—15.0 FTE positions		11,597,800
AFC, children’s welfare and day care licensure—237.0 FTE positions		28,907,100
State office of administrative hearings and rules		7,535,900
GROSS APPROPRIATION		\$ 102,543,000

Appropriated from:

Interdepartmental grant revenues:		
IDG from department of education	8,222,600	
ADJUSTED GROSS APPROPRIATION		\$ 94,320,400

Appropriated from:

Federal revenues:		
Social security act, temporary assistance for needy families	10,155,700	
Capped federal revenues	29,722,900	
Total other federal revenues	20,804,500	
Special revenue funds:		
Total private revenues	3,850,900	
Total local revenues	16,400	
Total other state restricted revenues	5,400	
State general fund/general purpose		\$ 29,764,600

Sec. 103. CHILD SUPPORT ENFORCEMENT

Full-time equated classified positions	190.7	
Child support enforcement operations—184.7 FTE positions		\$ 22,254,500

	For Fiscal Year Ending Sept. 30, 2015
Legal support contracts	113,359,100
Child support incentive payments	24,409,600
State disbursement unit—6.0 FTE positions	9,028,300
GROSS APPROPRIATION	\$ 169,051,500
Appropriated from:	
Federal revenues:	
Capped federal revenues.....	1,700,000
Total other federal revenues	144,366,200
State general fund/general purpose	\$ 22,985,300
Sec. 104. COMMUNITY ACTION AND ECONOMIC OPPORTUNITY	
Full-time equated classified positions	16.0
Bureau of community action and economic opportunity—16.0 FTE positions	\$ 2,068,700
Community services block grant	25,840,000
Weatherization assistance	16,340,000
School success partnership program	300,000
GROSS APPROPRIATION	\$ 44,548,700
Appropriated from:	
Federal revenues:	
Social security act, temporary assistance for needy families	500
Capped federal revenues.....	44,248,200
State general fund/general purpose	\$ 300,000
Sec. 105. ADULT AND FAMILY SERVICES	
Full-time equated classified positions	564.7
Guardian contract	\$ 490,200
Adult services policy and administration—8.0 FTE positions.....	925,000
Office of program policy—28.7 FTE positions.....	3,652,900
Employment and training support services	4,219,100
Wage employment verification reporting	547,300
Nutrition education—2.0 FTE positions.....	23,038,000
Elder law of Michigan MiCAFE contract	350,000
Elder abuse prosecuting attorney.....	300,000
Michigan rehabilitation services—526.0 FTE positions	150,589,700
Independent living	6,488,600
GROSS APPROPRIATION	\$ 190,600,800
Appropriated from:	
Interdepartmental grant revenues:	
IDG from department of corrections	3,000,000
IDG from department of education	13,300
ADJUSTED GROSS APPROPRIATION	\$ 187,587,500
Appropriated from:	
Federal revenues:	
Social security act, temporary assistance for needy families	4,667,900
Capped federal revenues.....	115,450,000
Federal supplemental security income	8,594,600
Total other federal revenues	27,570,900
Special revenue funds:	
Private - gifts, bequests, and donations.....	1,946,000
Local vocational rehabilitation match	6,539,100
Second injury fund	149,400
Rehabilitation service fees.....	1,442,900
State general fund/general purpose	\$ 21,226,700
Sec. 106. CHILDREN'S SERVICES	
Full-time equated classified positions	116.3
Salaries and wages—53.7 FTE positions	\$ 2,461,900
Contractual services, supplies, and materials	1,129,000
Interstate compact.....	179,600

	For Fiscal Year Ending Sept. 30, 2015
Families first.....	16,944,500
Strong families/safe children.....	12,350,100
Child protection and permanency—23.0 FTE positions	12,892,500
Family reunification program.....	3,977,100
Family preservation and prevention services administration—11.0 FTE positions	1,426,800
Children’s trust fund administration—12.0 FTE positions.....	978,300
Children’s trust fund grants.....	2,325,100
Attorney general contract.....	4,226,400
Prosecuting attorney contracts.....	2,561,700
Child protection.....	873,900
Domestic violence prevention and treatment—14.6 FTE positions	15,730,000
Rape prevention and services—0.5 FTE position	5,072,300
Child advocacy centers—0.5 FTE position.....	2,000,000
Child abuse and neglect - children’s justice act—1.0 FTE position.....	619,000
Family preservation and prevention services programs.....	2,500,000
GROSS APPROPRIATION	\$ 88,248,200
Appropriated from:	
Federal revenues:	
Social security act, temporary assistance for needy families.....	43,924,200
Capped federal revenues.....	24,762,800
Total other federal revenues	6,274,300
Special revenue funds:	
Compulsive gambling prevention fund.....	1,040,700
Children’s trust fund.....	2,078,000
Sexual assault victims’ prevention and treatment fund.....	3,000,000
Child advocacy centers fund	2,000,000
State general fund/general purpose	\$ 5,168,200
Sec. 107. CHILD WELFARE SERVICES	
Full-time equated classified positions	3,992.2
Children’s services administration—95.0 FTE positions	\$ 6,756,900
Title IV-E compliance and accountability office—4.0 FTE positions.....	413,500
Child welfare institute—45.0 FTE positions.....	8,142,900
Child welfare field staff - caseload compliance—2,511.0 FTE positions.....	121,626,500
Child welfare field staff - noncaseload compliance—330.0 FTE positions.....	17,561,000
Education planners—15.0 FTE positions	822,200
Peer coaches—56.0 FTE positions.....	3,427,200
Child welfare first line supervisors—585.0 FTE positions	40,493,500
Administrative support workers—243.0 FTE positions	8,303,800
Second line supervisors and technical staff—55.0 FTE positions	4,346,800
Permanency resource managers—28.5 FTE positions	1,736,900
Contractual services, supplies, and materials	8,145,000
Settlement monitor	1,625,800
Foster care payments.....	192,240,200
Serious emotional disturbance - waiver program.....	3,351,600
Serious emotional disturbance - nonwaiver program.....	2,999,900
Guardianship assistance program	7,846,000
Child care fund.....	182,206,400
Child care fund administration—6.2 FTE positions.....	790,100
Adoption subsidies	247,723,200
Adoption support services—10.0 FTE positions.....	27,396,600
Youth in transition—5.5 FTE positions.....	15,053,500
Child welfare medical/psychiatric evaluations	8,735,500
Psychotropic oversight.....	618,200
Performance based funding implementation—3.0 FTE positions	1,272,100
GROSS APPROPRIATION	\$ 913,635,300

For Fiscal Year
Ending Sept. 30,
2015

Appropriated from:	
Interdepartmental grant revenues:	
IDG from department of education	140,200
ADJUSTED GROSS APPROPRIATION	\$ 913,495,100

Appropriated from:	
Federal revenues:	
Social security act, temporary assistance for needy families	217,273,400
Capped federal revenues	65,848,400
Total other federal revenues	233,815,500
Special revenue funds:	
Private - collections	3,244,100
Local funds - county chargeback	14,689,700
State general fund/general purpose	\$ 378,624,000

Sec. 108. JUVENILE JUSTICE SERVICES

Full-time equated classified positions	182.0	
W.J. Maxey training school—69.0 FTE positions		\$ 10,324,500
Bay pines center—42.0 FTE positions		4,836,500
Shawono center—42.0 FTE positions		4,920,900
County juvenile officers		3,904,300
Community support services—3.0 FTE positions		2,098,500
Juvenile justice, administration and maintenance—23.0 FTE positions		3,951,500
Juvenile accountability block grant—0.5 FTE position		1,281,300
Committee on juvenile justice administration—2.5 FTE positions		343,900
Committee on juvenile justice grants		3,000,000
In-home community care		1,000,000
Juvenile justice vision 20/20		1,000,000
GROSS APPROPRIATION		\$ 36,661,400

Appropriated from:	
Federal revenues:	
Capped federal revenues	5,142,900
Total other federal revenues	601,900
Special revenue funds:	
Local funds - state share education funds	2,195,500
Local funds - county chargeback	9,279,300
State general fund/general purpose	\$ 19,441,800

Sec. 109. LOCAL OFFICE STAFF AND OPERATIONS

Full-time equated classified positions	5,904.5	
Field staff, salaries and wages—5,535.5 FTE positions		\$ 297,934,600
Contractual services, supplies, and materials		17,386,300
Healthy Michigan plan administration		19,536,300
Medical/psychiatric evaluations		1,420,100
Donated funds positions—338.0 FTE positions		39,690,800
Training and program support—23.0 FTE positions		2,310,300
Volunteer services and reimbursement		942,400
SSI advocates—8.0 FTE positions		797,400
GROSS APPROPRIATION		\$ 380,018,200

Appropriated from:	
Interdepartmental grant revenues:	
IDG from department of corrections	100,000
IDG from department of education	4,654,100
ADJUSTED GROSS APPROPRIATION	\$ 375,264,100

Appropriated from:	
Federal revenues:	
Social security act, temporary assistance for needy families	66,135,100
Capped federal revenues	32,252,800
Total other federal revenues	115,614,100

	For Fiscal Year Ending Sept. 30, 2015
Special revenue funds:	
Local funds	7,644,300
Private funds - donated funds	11,258,300
Supplemental security income recoveries.....	797,400
State general fund/general purpose	\$ 141,562,100
Sec. 110. DISABILITY DETERMINATION SERVICES	
Full-time equated classified positions	571.4
Disability determination operations—545.9 FTE positions	\$ 107,284,100
Medical consultation program—21.4 FTE positions.....	2,542,200
Retirement disability determination—4.1 FTE positions	506,100
GROSS APPROPRIATION	\$ 110,332,400
Appropriated from:	
Interdepartmental grant revenues:	
IDG from DTMB - office of retirement services	679,400
ADJUSTED GROSS APPROPRIATION	\$ 109,653,000
Appropriated from:	
Federal revenues:	
Total other federal revenues	105,988,900
State general fund/general purpose	\$ 3,664,100
Sec. 111. CENTRAL SUPPORT ACCOUNTS	
Rent	\$ 41,006,400
Occupancy charge.....	10,582,400
Travel.....	9,281,600
Equipment.....	62,600
Worker's compensation.....	2,497,600
Payroll taxes and fringe benefits	434,135,600
GROSS APPROPRIATION	\$ 497,566,200
Appropriated from:	
Interdepartmental grant revenues:	
IDG from department of education	3,601,500
ADJUSTED GROSS APPROPRIATION	\$ 493,964,700
Appropriated from:	
Federal revenues:	
Social security act, temporary assistance for needy families	116,475,800
Capped federal revenues.....	65,425,400
Total other federal revenues	133,710,900
State general fund/general purpose	\$ 178,352,600
Sec. 112. PUBLIC ASSISTANCE	
Full-time equated classified positions	8.0
Family independence program	\$ 146,603,000
State disability assistance payments.....	14,373,000
Food assistance program benefits.....	2,547,185,600
State supplementation.....	62,504,100
State supplementation administration.....	2,381,100
Low-income home energy assistance program.....	174,951,600
Food bank funding.....	1,795,000
Homeless programs	15,721,900
Multicultural integration funding	3,015,500
Indigent burial	4,300,000
Emergency services local office allocations.....	11,508,500
Michigan energy assistance program—1.0 FTE position.....	50,000,000
Refugee assistance program—7.0 FTE positions	27,969,000
GROSS APPROPRIATION	\$ 3,062,308,300
Appropriated from:	
Federal revenues:	
Social security act, temporary assistance for needy families.....	55,029,200

	For Fiscal Year Ending Sept. 30, 2015
Capped federal revenues.....	205,543,000
Total other federal revenues	2,541,695,600
Special revenue funds:	
Child support collections.....	17,996,000
Supplemental security income recoveries.....	10,617,600
Public assistance recoupment revenue.....	7,010,000
Low-income energy assistance fund.....	50,000,000
Michigan merit award trust fund.....	30,100,000
State general fund/general purpose	\$ 144,316,900
Sec. 113. INFORMATION TECHNOLOGY	
Data center operations.....	\$ 8,426,000
Telecommunications	8,530,100
Support services	13,523,300
Staff support	34,328,100
Direct agency charges.....	48,891,600
Administration and Internet.....	6,398,500
Child support automation	41,913,100
GROSS APPROPRIATION	\$ 162,010,700
Appropriated from:	
Interdepartmental grant revenues:	
IDG from department of education	1,134,800
ADJUSTED GROSS APPROPRIATION	\$ 160,875,900
Appropriated from:	
Federal revenues:	
Social security act, temporary assistance for needy families.....	16,344,200
Capped federal revenues.....	21,383,500
Total other federal revenues	70,751,900
State general fund/general purpose	\$ 52,396,300
Sec. 114. ONE-TIME BASIS ONLY APPROPRIATIONS	
Child support enforcement operations.....	\$ 394,500
Legal support contracts	105,500
Michigan rehabilitation services.....	2,600,000
Flint Catholic charities: center for hope.....	250,000
Performance based funding implementation	100,000
Private child welfare information technology services	300,000
Fostering futures endowment fund	500,000
Juvenile justice in-home community care grants	250,000
Food bank funding.....	100,000
Michigan reading corps	350,000
Parent-to-parent adoption support services	200,000
GROSS APPROPRIATION	\$ 5,150,000
Appropriated from:	
State general fund/general purpose	\$ 5,150,000
Sec. 115. BUDGETARY SAVINGS	
Staffing reductions.....	\$ (7,500,000)
GROSS APPROPRIATION	\$ (7,500,000)
Appropriated from:	
State general fund/general purpose	\$ (7,500,000)

PART 2
PROVISIONS CONCERNING APPROPRIATIONS
FOR FISCAL YEAR 2014-2015

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 2014-2015 is \$1,121,690,000.00 and state spending from state resources to be paid to local

units of government for fiscal year 2014-2015 is \$97,343,300.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF HUMAN SERVICES

Child care fund.....	\$ 92,937,300
County juvenile officers	3,656,500
State disability assistance payments.....	726,700
Family independence program	22,800
TOTAL.....	\$ 97,343,300

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

Sec. 203. As used in this part and part 1:

- (a) "AFC" means adult foster care.
- (b) "Current fiscal year" means the fiscal year ending September 30, 2015.
- (c) "Department" means the department of human services.
- (d) "Director" means the director of the department of human services.
- (e) "FTE" means full-time equated.
- (f) "IDG" means interdepartmental grant.
- (g) "MiCAFE" means Michigan's coordinated access to food for the elderly.
- (h) "Previous fiscal year" means the fiscal year ending September 30, 2014.
- (i) "Settlement" means the settlement agreement entered in the case of Dwayne B. v Snyder, docket No. 2:06-cv-13548 in the United States district court for the eastern district of Michigan.
- (j) "SSI" means supplemental security income.
- (k) "Temporary assistance for needy families" or "TANF" or "title IV-A" means part A of title IV of the social security act, 42 USC 601 to 619.
- (l) "Title IV-D" means part D of title IV of the social security act, 42 USC 651 to 669b.
- (m) "Title IV-E" means part E of title IV of the social security act, 42 USC 670 to 679c.

Sec. 204. The civil service commission 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. Pursuant to section 1b of the social welfare act, 1939 PA 280, MCL 400.1b, the department shall treat part 1 and this part as a time-limited addendum to the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b.

Sec. 206. (1) For each new program or program expansion for which funds in excess of \$500,000.00 are appropriated in part 1, the department shall identify specific benchmarks intended to measure the performance or return on taxpayer investment of the program and its associated expenditures. Both of the following apply to the benchmarks:

- (a) By November 1, 2014, the department shall report the proposed benchmarks to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the state budget director.
 - (b) The department shall provide an update on its progress in achieving the benchmarks at an appropriations subcommittee meeting called for the purpose of discussing benchmarks and their status.
- (2) It is the intent of the legislature that, beginning with the budget for the fiscal year ending September 30, 2016, any proposal for a new program or an expansion of an existing program in excess of \$500,000.00 initiated by the executive branch or the legislature will include, as part of the original proposal or budget request, a list of benchmarks intended to measure the performance or return on taxpayer investment of the program or spending increase.

Sec. 207. (1) Sanctions, suspensions, conditions for provisional license status, and other penalties shall not be more stringent for private service providers than for public entities performing equivalent or similar services.

(2) Neither the department nor private service providers or licensees shall be granted preferential treatment or considered automatically to be in compliance with administrative rules based on whether they have collective bargaining agreements with direct care workers. Private service providers or licensees without collective bargaining agreements shall not be subjected to additional requirements or conditions of licensure based on their lack of collective bargaining agreements.

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

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. Preference should be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality. In addition, preference should be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 211. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those outside services that the attorney general authorizes.

Sec. 212. (1) 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.

(2) The department's ability to satisfy appropriation fund sources in part 1 shall not be limited to collections and accruals pertaining to services provided in the current fiscal year, but shall also include reimbursements, refunds, adjustments, and settlements from prior years.

Sec. 213. The department may retain all of the state's share of food assistance 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 assistance 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. 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 part or of a bill or amendment to a bill to amend the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, cannot be implemented because implementation would conflict with or violate federal regulations, the department shall notify the state budget director, the house and senate appropriations committees, and the house and senate fiscal agencies and policy offices of that fact.

Sec. 217. The departments and agencies receiving appropriations in part 1 shall prepare a report on out-of-state travel expenses not later than January 1 of each year. The travel report shall be a listing of all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the house and senate appropriations committees, the house and senate fiscal agencies, and the state budget director. The report shall include the following information:

(a) The dates of each travel occurrence.

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

Sec. 219. The department shall cooperate with the department of technology, management, and budget to maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following for each department or agency:

(a) Fiscal year-to-date expenditures by category.

(b) Fiscal year-to-date expenditures by appropriation unit.

(c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.

(d) The number of active department employees by job classification.

(e) Job specifications and wage rates.

Sec. 220. The department shall ensure that faith-based organizations are able to apply and compete for services, programs, or contracts that they are qualified and suitable to fulfill. The department shall not disqualify faith-based organizations solely on the basis of the religious nature of their organization or their guiding principles or statements of faith.

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

(2) The department shall provide a report on the amount of each revenue stream to be carried forward, as well as the cumulative amount, for the closing fiscal year by October 30 of the current fiscal year to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on families and human services, and the senate and house fiscal agencies and policy offices.

Sec. 222. (1) The department shall provide written notification to the chairpersons of the senate and house appropriations subcommittees on the budget for the department of any policy changes at least 30 days before the implementation date.

(2) The department shall make the entire policy and procedures manual available and accessible to the public via the department website.

(3) The department shall report no later than April 1 of the current fiscal year on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year to the house and senate appropriations subcommittees on the budget for the department, the joint committee on administrative rules, and the senate and house fiscal agencies. The department shall attach each policy bulletin issued during the prior calendar year to this report.

Sec. 225. The department may hire physicians to be part of the medical review team (MRT) on a temporary basis if Medicaid applications are backlogged more than 2,000. The temporary physicians shall be retained until the backlog has dropped below 2,000 for 2 consecutive months. The role of the physicians will be to obtain medical evidence from and grant medical determinations to applicants.

Sec. 226. The department shall not approve any contract for new services, programs, or concepts in excess of \$1,000,000.00 unless both of the following requirements have been met:

(a) The department has issued and received a request for information (RFI) or a request for qualification (RFQ) before issuing a request for proposal for the contract. The request for information or request for qualification will enable the department to learn more about the market for the products or services that are the subject of the future request for proposal.

(b) The department has provided the legislature with the results of the request for information or request for qualification and posted a summary of the results of the request for information or request for qualification on the department's webpage.

Sec. 227. (1) The department shall conduct a workgroup in conjunction with the department of community health, the state transportation department, the department of corrections, the strategic fund in the department of treasury, and members from both the senate and house of representatives to determine how the state can maximize its services and funding for transportation for low-income, elderly, and disabled individuals through consolidating all of the current transportation services for these populations under 1 department.

(2) The department shall submit to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office by March 1 of the current fiscal year a report on the findings of the workgroup on the items described in subsection (1).

Sec. 228. The department shall submit to the department of technology, management, and budget all of the information that is required from the department to finalize the request for information process for all bids that are included in the current fiscal year enacted budget for the department by October 1 of the current fiscal year. The department shall submit to the department of technology, management, and budget all of the information required from the department to finalize the request for proposal process by January 1 of the current fiscal year. Requests for proposals shall remain open on the state website and available for bids for at least 30 days.

Sec. 229. (1) The department shall conduct a workgroup with the department of treasury and members from both the senate and house of representatives to determine how the state can align the spending on Michigan Works! job readiness programs with the declining family independence program caseload. The workgroup shall investigate possible reductions in the amount of TANF funding that is provided to Michigan Works!

(2) The department shall submit to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office by March 1 of the current fiscal year a report on the recommendations of the workgroup on the items described in subsection (1), including, but not limited to, the proposed amount of TANF funding provided to Michigan Works!

Sec. 230. The department shall issue a request for proposal for the income verification contract for public assistance eligibility determination. The request for proposal process shall be completed no later than February 1, 2015.

Sec. 234. The department shall include specific outcome and performance reporting requirements in the interagency agreement with the Michigan strategic fund for TANF funding to provide job readiness and welfare-to-work programming. TANF funding provided to the Michigan strategic fund in the current fiscal year is contingent on compliance with the data and reporting requirements described in this section. The interagency agreement must require the Michigan strategic fund to provide all of the following items by December 1 of the current fiscal year for the previous year:

(a) An itemized spending report on TANF funding, including all of the following:

(i) Direct services to clients.

(ii) Administrative expenditures.

(b) The number of family independence program (FIP) clients served through the TANF funding, including all of the following:

(i) The number and percentage who obtained employment through Michigan Works!

(ii) The number and percentage who fulfilled their TANF work requirement through other job readiness programming.

(iii) Average TANF spending per client.

(iv) The number and percentage of clients who were referred to Michigan Works! but did not receive a job or job readiness placement and the reasons why.

Sec. 240. The department shall notify the house and senate appropriations committees and the house and senate fiscal agencies of any changes to a child welfare master contract not less than 30 days before the change takes effect.

Sec. 250. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of technology, management, and budget. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 251. The department and agencies receiving appropriations in part 1 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. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 264. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 265. Within 14 days after the release of the executive budget recommendation, the department shall cooperate with the state budget office to provide the senate and house appropriations chairs, the senate and house appropriations subcommittee chairs, and the senate and house fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2014 and September 30, 2015.

Sec. 274. (1) The department, in collaboration with the state budget office, shall submit to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the house and senate policy offices on the day the governor submits to the legislature the budget for the ensuing fiscal year a report on spending and revenue projections for each of the capped federal funds listed below. The report shall contain actual spending and revenue in the previous fiscal year, spending and revenue projections for the current fiscal year as enacted, and spending and revenue projections within the executive budget proposal for the fiscal year beginning October 1, 2015 for each individual line item for the department budget. The report shall also include federal funds transferred to other departments. The capped federal funds shall include, but not be limited to, all of the following:

- (a) TANF.
- (b) Title XX social services block grant.
- (c) Title IV-B part I child welfare services block grant.
- (d) Title IV-B part II promoting safe and stable families funds.
- (e) Low-income home energy assistance program.

(2) By February 15 of the current fiscal year, the department shall prepare an annual report of its efforts to identify additional TANF maintenance of effort sources and rationale for any increases or decreases from all of the following, but not limited to:

- (a) Other departments.
- (b) Local units of government.
- (c) Private sources.

Sec. 275. (1) The negative appropriation in the staffing reductions line in part 1 shall be offset only through FTE reductions. The line item shall not be offset through cuts to programs, benefits, caseload savings, or policy changes. The department may use TANF funds to offset general fund/general purpose funds in order to realize these savings.

(2) The department shall provide monthly reports on the savings realized under subsection (1) to the chairpersons of the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices.

(3) The staffing reductions line shall achieve a zero balance by the close of the current fiscal year.

(4) Funds to offset the staffing reductions line shall be made available through the legislative transfer process provided by section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 279. (1) All master contracts relating to human services shall be performance-based contracts that employ a client-centered results-oriented process that is based on measurable performance indicators and desired outcomes and includes the annual assessment of the quality of services provided.

(2) By February 1 of the current fiscal year, the department shall provide the senate and house appropriations subcommittees on the department budget and the senate and house fiscal agencies and policy offices a report detailing measurable performance indicators, desired outcomes, and an assessment of the quality of services provided by the department during the previous fiscal year.

Sec. 284. (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 part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393. These funds shall not be made available to increase TANF authorization.

(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 part 1 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 part 1 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 part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 290. Any public advertisement for state assistance shall also inform the public of the welfare fraud hotline operated by the department.

Sec. 291. (1) The department shall verify, using the e-verify system, that all new department employees, and new hire employees of contractors and subcontractors paid from funds appropriated in part 1, are legally present in the United States. The department may verify this information directly or may require contractors and subcontractors to verify the information and submit a certification to the department.

(2) By February 15 of the current fiscal year, the department shall submit to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the house and senate policy offices a report on the number of new department employees and new hire employees of contractors and subcontractors that were found to not be legally present in the United States.

Sec. 293. The department may use funds from the funds appropriated in part 1 to strengthen marriage and family relations through the practice of marriage and family therapy for individuals, families, couples, or groups. The goal of the therapy shall be strengthening families by helping them avoid, eliminate, relieve, manage, or resolve marital or family conflict or discord.

Sec. 295. If the department fails to provide to the legislature reports and other data required by this part or other statute within 30 days after the date the information is due, the state money appropriated in part 1 for salaries and wages responsible for preparing and submitting the report shall be reduced by \$150,000.00.

Sec. 296. Not later than November 30, the state budget office shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the prior fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the chairpersons of the senate and house appropriations committees and the senate and house fiscal agencies.

Sec. 297. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2015 is \$283,394,300.00. From this amount, total agency appropriations for pension-related legacy costs are estimated at \$159,146,200.00. Total agency appropriations for retiree health care legacy costs are estimated at \$124,248,100.00.

Sec. 298. By March 1 of the current fiscal year, the department shall provide to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices an annual report on the supervisor-to-staff ratio by department divisions and subdivisions.

Sec. 299. The department shall maintain, on a publicly accessible website, a department scorecard that identifies, tracks, and regularly updates key metrics that are used to monitor and improve the department's performance.

EXECUTIVE OPERATIONS

Sec. 307. (1) From the funds appropriated in part 1 for demonstration projects, \$400,000.00 shall be distributed as provided in subsection (2). The amount distributed under this subsection shall not exceed 50% of the total operating expenses of the program described in subsection (2), with the remaining 50% paid by local United Way organizations and other nonprofit organizations and foundations.

(2) Funds distributed under subsection (1) shall be distributed to Michigan 2-1-1, a nonprofit corporation organized under the laws of this state that is exempt from federal income tax under section 501(c)(3) of the internal revenue code, 26 USC 501(c)(3), and whose mission is to coordinate and support a statewide 2-1-1 system. Michigan 2-1-1 shall use the funds only to fulfill the Michigan 2-1-1 business plan adopted by Michigan 2-1-1 in January 2005.

(3) Michigan 2-1-1 shall refer to the department any calls received reporting fraud, waste, or abuse of state-administered public assistance.

(4) Michigan 2-1-1 shall report annually to the department and the house and senate standing committees with primary jurisdiction over matters relating to human services and telecommunications on 2-1-1 system performance, including, but not limited to, call volume by community health and human service needs and unmet needs identified through caller data and customer satisfaction metrics.

Sec. 310. It is the intent of the legislature that the department shall work with youth-oriented nonprofit organizations to provide mentoring programming for children of incarcerated parents and other at-risk children.

Sec. 315. The department, in conjunction with the department of community health, organizations representing disabled and elderly adults, representatives of assisted living facilities, and the legislature, shall conduct a workgroup that explores licensing standards and practices and performance measures for facilities providing adult assisted living services in order to ensure safe, adequately supervised, and protective environments for those individuals and families seeking assisted living services.

ADULT AND FAMILY SERVICES

Sec. 401. (1) All funds appropriated in part 1 for independent living shall be used to support centers for independent living in delivering mandated independent living core services in compliance with federal rules and regulations for the centers, by existing centers for independent living to serve underserved areas, and for projects to build the capacity of centers for independent living to deliver independent living services. Applications for the funds shall be reviewed in accordance with criteria and procedures established by the department. Funds shall be used in a manner consistent

with the state plan for independent living. Services provided should assist people with disabilities to move toward self-sufficiency, including support for accessing transportation and health care, obtaining employment, community living, nursing home transition, information and referral services, education, youth transition services, veterans, and stigma reduction activities.

(2) The Michigan centers for independent living shall provide a report by March 1 of the current fiscal year to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, the house and senate policy offices, and the state budget office on direct customer and system outcomes and performance measures.

Sec. 402. The Michigan rehabilitation services shall work collaboratively with the bureau of services for blind persons, service organizations, and government entities to identify qualified match dollars to maximize use of available federal vocational rehabilitation funds.

Sec. 403. (1) It is the intent of the legislature that the funds appropriated in part 1 for Michigan rehabilitation services, and any future funds appropriated for that purpose, shall not be spent unless Michigan rehabilitation services addresses, works to remedy, and accounts for the deficiencies found in Michigan rehabilitation services as detailed in the most recent auditor general report of Michigan rehabilitation services.

(2) The department shall provide quarterly status reports by February 1, May 1, August 1, and November 1 to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and house and senate policy offices on Michigan rehabilitation services that include all of the following items:

- (a) Reductions and changes in administration costs and staffing.
- (b) Service delivery plans and implementation steps achieved.
- (c) Reorganization plans and implementation steps achieved.
- (d) Plans to integrate Michigan rehabilitative services programs into other services provided by the department.
- (e) Quarterly expenditures by major spending category.
- (f) Employment and job retention rates from both Michigan rehabilitation services and its nonprofit partners.
- (g) Success rate of each district in achieving the program goals.

Sec. 404. From the funds appropriated in part 1 for independent living, the department shall allocate \$1,500,000.00 to Michigan's centers for independent living to continue to pilot guide services to develop accessible, comprehensive, and integrated services for persons with disabilities. The guide services shall also assist persons with disabilities and their families in navigating state systems when accessing public assistance to become financially self-sufficient.

Sec. 405. It is the intent of the legislature that Michigan rehabilitation services shall not implement an order of selection for vocational and rehabilitative services.

Sec. 407. From the funds appropriated in part 1 to Michigan rehabilitation services, the department shall use the interdepartmental grant from the department of corrections to expand the swift and sure sanctions probation program through Michigan rehabilitation services. The department shall allocate up to \$3,000,000.00 as a match for \$11,084,500.00, pending the availability of federal vocational rehabilitation funds, for the purpose described in this section. The department shall establish an interagency agreement with the department of corrections and judicial branch to carry out this purpose. These funds shall be used to assist individuals who have a history of probation or parole violations and exceptional mental health needs and shall not be used for individuals who are currently incarcerated. In order to implement the program described in this section, the department shall contract with accredited, community-based rehabilitation organizations for job placement and other support services for eligible probationers referred from that program. If the amount of available federal funding is less than \$11,084,500.00, the department shall notify the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office within 30 days of this determination and the reasons for the lower match.

Sec. 415. (1) If funds become available in part 1, the department may contract with independent contractors from various counties, including, but not limited to, faith-based and nonprofit organizations. Preference shall be given to independent contractors that provide at least 10% in matching funds, through any combination of local, state, or federal funds or in-kind or other donations. However, an independent contractor that cannot secure matching funds shall not be excluded from consideration for the fatherhood program.

(2) 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.

(3) A fatherhood initiative program established under this section shall minimally include at least 3 of the following components: promoting responsible, caring, and effective parenting through counseling; mentoring and parental education; enhancing the abilities and commitment of unemployed or low-income fathers to provide material support for their families and to avoid or leave welfare programs by assisting them to take advantage of job search programs, job training, and education to improve their work habits and work skills; improving fathers' ability to effectively manage family business affairs by means such as education, counseling, and mentoring in household matters; infant care; effective communication and respect; anger management; children's financial support; and drug-free lifestyle.

(4) The department is authorized to make allocations of TANF funds, of not more than 20% per county, under this section only to agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements.

(5) Upon receipt of the promotion of responsible fatherhood funds from the United States department of health and human services, the department shall use the program criteria set forth in subsection (3) to implement the program with the federal funds.

Sec. 416. (1) If funds become available in part 1, the department may contract with independent contractors from various counties, including, but not limited to, faith-based and nonprofit organizations. Preference shall be given to independent contractors that provide at least 10% in matching funds, through any combination of local, state, or federal funds or in-kind or other donations. However, an independent contractor that cannot secure matching funds shall not be excluded from consideration for a marriage initiative program.

(2) 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.

(3) A marriage initiative program established under this section may include, but is not limited to, 1 or more of the following: public advertising campaigns on the value of marriage and the skills needed to increase marital stability and health; education in high schools on the value of marriage, relationship skills, and budgeting; premarital, marital, family, and domestic violence counseling; effective communication; marriage mentoring programs which use married couples as role models and mentors in at-risk communities; anger management; and parenting skills to improve the family structure.

(4) The department is authorized to make allocations of TANF funds, of not more than 20% per county, under this section only to agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements.

(5) Upon receipt of the healthy marriage promotion grant from the United States department of health and human services, the department shall use the program criteria set forth in subsection (3) to implement the program with the federal funds.

Sec. 420. (1) From the funds appropriated in part 1, the department shall contract with the prosecuting attorneys association of Michigan for 2 elder abuse resource prosecuting attorneys positions to provide the support and services necessary to increase the capability of the state's prosecutors, adult protective service system, and criminal justice system to effectively identify, investigate, and prosecute elder abuse and financial exploitation.

(2) By March 1 of the current fiscal year, the prosecuting attorneys association shall provide a report on the efficacy of the contract to the state budget office, the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the house and senate policy offices.

Sec. 423. From the funds appropriated in part 1 for elder law of Michigan MiCAFE contract, the department shall allocate not less than \$350,000.00 to the elder law of Michigan MiCAFE to assist this state's elderly population to participate in the food assistance program. Of the \$350,000.00 allocated under this section, the department shall use \$175,000.00, which are general fund/general purpose funds, as state matching funds for not less than \$175,000.00 in United States department of agriculture funding to provide outreach program activities, such as eligibility screen and information services, as part of a statewide food assistance hotline.

Sec. 424. The department may contract with a competitively selected contractor whose service area includes region 2 of the prosperity regions identified and defined by the department of technology, management, and budget. The competitively selected contractor shall be a nonprofit organized and operated exclusively for the tax-exempt purposes set forth in section 501(c)(3) of the United States internal revenue code. Allocated funds shall only be used to defray the operational and capital costs for the workers on wheels program. By January 1 of the current fiscal year, the selected contractor shall provide a report on the number of households served, impact of the recipient's household income, employment status of the recipient, and the number of vehicles awarded through purchase and donation to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the house and senate policy offices.

Sec. 425. (1) From the funds appropriated in part 1, the department shall provide individuals not more than \$500.00 for vehicle repairs, including any repairs done in the previous 12 months. However, the department may in its discretion pay for repairs up to \$900.00. Payments under this section shall include the combined total of payments made by the department and work participation program.

(2) By November 30 of the current fiscal year, the department shall provide to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices a report detailing the total number of payments for repairs, the number of payments for repairs that exceeded \$500.00, the number of payments for repairs that cost exactly \$500.00, and the number of payments for repairs that cost exactly \$900.00 in the previous fiscal year.

CHILDREN'S SERVICES

Sec. 501. (1) A goal is established that not more than 27% of all children in foster care at any given time during the current fiscal year will have been in foster care for 24 months or more.

(2) By March 1 of the current fiscal year, the department shall provide to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office a report describing the steps that will be taken to achieve the specific goal established in this

section and on the percentage of children who currently are in foster care and who have been in foster care a total of 24 or more months.

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. (1) In accordance with the final report of the Michigan child welfare performance-based funding task force issued in response to section 503 of article X of 2013 PA 59, the department shall issue a request for proposal not later than October 1, 2014 for an independent actuary designated as a fellow of the society of actuaries to recommend actuarially sound case rates for necessary out-of-home child welfare services that achieve permanency by the department and private child placing agencies in a prospective payment system under a performance-based funding model.

(2) A prospective rate payment system for private agencies that includes funding for adoption incentive payments is the recommended funding model. The full cost prospective rate payment system will identify and cover contractual costs, paid through the case rate developed by an actuary.

(3) By September 30, 2015, the department shall complete a full cost analysis of the performance-based funding model with respect to the current fiscal year, including relevant information on the actuarial rate-setting process and provide a report on the analysis to the senate and house appropriations subcommittees on the department budget.

(4) In accordance with the final report of the Michigan child welfare performance-based funding task force issued in response to section 503 of article X of 2013 PA 59, the department shall implement a 5-year independent, third-party evaluation of the performance-based funding model. The evaluator shall be selected through a competitive process by a rating committee that includes, but is not limited to, representatives from the department and private child placing agencies.

(5) The department shall create a readiness model with input from private child welfare agencies, counties, and courts that gives direction to self-identified counties and the department regarding county participation before any further expansion of the performance-based funding model.

(6) For phase II, the department shall only phase the implementation of the performance-based funding model into additional counties where the department, private child welfare agencies, the county, and the court operating within that county have agreed to implement the performance-based funding model.

(7) The department, in conjunction with members from both the house of representatives and senate, private child placing agencies, the courts, and counties shall implement the fiscal year 2014-2015 recommendations that are described in the workgroup report that was provided in section 503 of article X of 2013 PA 59 to establish a performance-based funding for public and private child welfare services providers. The department shall provide a quarterly report on the status of the performance-based contracting model to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on families and human services, and the senate and house fiscal agencies and policy offices.

Sec. 505. By March 1 of the current fiscal year, the department and Wayne County shall provide to the senate and house appropriations committees on the department budget and the senate and house fiscal agencies and policy offices a report for youth served in the previous fiscal year and in the first quarter of the current fiscal year outlining the number of youth served within each juvenile justice system, the type of setting for each youth, performance outcomes, and financial costs or savings.

Sec. 506. The department shall submit a report by February 15 of the current fiscal year on the number of foster children under department supervision who did not receive Medicaid coverage and the number of foster children under department supervision that experienced a break in Medicaid coverage during the previous fiscal year to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the house and senate policy offices.

Sec. 507. 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 may include revenues collected during the current fiscal year for services provided in prior fiscal years.

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.

(2) The department and the child abuse neglect and prevention board shall collaborate to ensure that administrative delays are avoided and the local grant recipients and direct service providers receive money in an expeditious manner. The department and board shall make available the children's trust fund contract funds to grantees within 31 days of the start date of the funded project.

Sec. 509. (1) From the funds appropriated in part 1 for the child welfare institute, the department shall use up to \$100,000.00 to enter into a contract to provide pilot training for public and contracted child welfare staff to address secondary trauma.

(2) The department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office by March 1 of the current

fiscal year on the results of the pilot program, including the number of participants, actual costs of the pilot program, and a cost estimate to expand the program statewide.

Sec. 511. The department shall provide quarterly reports to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on families and human services, and the senate and house fiscal agencies and policy offices on the number and percentage of children who received timely health examinations after entry into foster care and the number and percentage of children entering foster care who received a required mental health examination after entry into foster care.

Sec. 513. (1) The department shall not expend funds appropriated in part 1 to pay for the direct placement by the department 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 as determined by the department interstate compact office.
 - (b) An out-of-state placement exists that is nearer to the child's home than the closest appropriate in-state placement as determined by the department interstate compact office.
 - (c) The out-of-state facility meets all of the licensing standards of this state for a comparable facility.
 - (d) The out-of-state facility meets all of the applicable licensing standards of the state in which it is located.
 - (e) The department has done an on-site visit to the out-of-state facility, reviewed the facility records, reviewed licensing records and reports on the facility, and believes that the facility is an appropriate placement for the child.
- (2) The department shall not expend money for a child placed in an out-of-state facility without approval of the deputy director for children's services. The department shall notify the appropriate state agency in that state including the name of the out-of-state provider who accepted the placement.

(3) The department shall submit quarterly reports to the state court administrative office, the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the house and senate policy offices on the number of Michigan children residing in out-of-state facilities at the time of the report, the total cost and average per diem cost of these out-of-state placements to this state, and a list of each such placement arranged by the Michigan county of residence for each child.

(4) The department shall submit an annual report by February 15 of the current fiscal year on per diem costs of each residential care provider that has an established state rate and is located or doing business in this state.

(5) It is the intent of the legislature that the department shall work in conjunction with the courts and the state court administrative office to identify data needed to calculate statewide recidivism rates for adjudicated youth placed in either residential secure or nonsecure facilities, defined at 6 months after a youth is released from placement.

(6) By March 1 of the current fiscal year, the department shall notify the legislature on the status of efforts to accomplish the intent of subsection (5).

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 and the state budget director, by January 1 of the current fiscal year, 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 child 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 child abuse or neglect and the child victims, such as age, relationship, race, and ethnicity and whether the perpetrator exposed the child victim to drug activity, including the manufacture of illicit drugs, that exposed the child victim to substance abuse, a drug house, or methamphetamine.
 - (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.
 - (iv) The number of cases that resulted in the separation of the child from the parent or guardian and the period of time of that separation, up to and including termination of parental rights.
 - (v) For the reported complaints of child abuse or neglect by teachers, school administrators, and school counselors, 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.
 - (vi) For the reported complaints of child abuse or neglect by teachers, school administrators, and school counselors, the number of cases that resulted in separation of the child from the parent or guardian and the period of time of that separation, up to and including termination of parental rights.

(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.

(c) The information contained in the report required under section 8d(5) of the child protection law, 1975 PA 238, MCL 722.628d, on cases classified under category III.

(d) The department policy, or changes to the department policy, regarding children who have been exposed to the production or manufacture of methamphetamines.

Sec. 515. (1) By October 1, 2014, the department, in conjunction with court and county personnel and representatives of the private child welfare agencies operating in Kent County, shall transfer all existing foster care cases and pending

foster family home licensing applications in Kent County to private child welfare agencies. Beginning on or before October 1, 2014, the department, in conjunction with court and county personnel and representatives of the private child welfare agencies operating in Kent County, shall assign all new foster care cases and new foster family home licensing applications or recertifications in Kent County to private child welfare agencies. The department shall notify in writing the chairs of the house and senate appropriations subcommittees on the department budget within 10 days after all the foster care cases and pending foster family home licensing applications have been transferred to private child welfare agencies in Kent County. Until an actuary who has been designated as a fellow of the society of actuaries has recommended and the department has amended contracts to include case rates for performance-based contracting pursuant to the workgroup findings described in section 503 of article X of 2013 PA 59, the department shall pay providers of foster care services in Kent County the administrative rate established in section 546(1) and (4) of article X of 2013 PA 59. The carrying out of the workgroup or the workgroup findings described in section 503 of article X of 2013 PA 59 or any other activities associated with establishing performance-based funding or contracting shall not delay in any way the time deadlines for transferring and assigning foster care cases in Kent County to private child welfare agencies in this section. If the department fails to comply with the requirements of this section, the state money appropriated in part 1 for executive operations shall be reduced by \$25,000.00 for each week of noncompliance.

(2) It is the intent of the legislature that the transfers described in this section will not require the children in foster care to be placed into a new foster family home, but that the department will allow the private child welfare agencies to borrow the foster family homes certified through the department.

(3) By March 1, 2015, the department shall submit a report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices that provides an update on the privatization of child welfare services in Kent County as described in section 515 of article X of 2013 PA 59 and includes all of the following:

- (a) Costs or savings that resulted from the program.
- (b) Gaps in funding.
- (c) Program successes.
- (d) Challenges and barriers to a successful implementation.

Sec. 519. The department shall permit any private agency that has an existing contract with this state to provide foster care services to be also eligible to provide treatment foster care services.

Sec. 522. (1) From the funds appropriated in part 1 for youth in transition, the department shall allocate \$750,000.00 for college scholarships through the fostering futures scholarship program in the Michigan education trust to youths who were in foster care because of child abuse or neglect and are attending a college located in this state. Of the funds appropriated, 100% shall be used to fund scholarships for the youths described in this section.

(2) Not later than March 1 of the current fiscal year, the department shall provide a report to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the house and senate policy offices that includes the number of youths who received scholarships and the amount of each scholarship, and the total amount of funds spent or encumbered in the current fiscal year.

Sec. 523. (1) By February 15 of the current fiscal year, the department shall report on the families first, family reunification, and families together building solutions family preservation programs to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices. The report shall contain all of the following for each program:

- (a) The average cost per recipient served.
- (b) Measurable performance indicators.
- (c) Desired outcomes or results and goals that can be measured on an annual basis, or desired results for a defined number of years.
- (d) Monitored results.
- (e) Innovations that may include savings or reductions in administrative costs.

(2) If money becomes available in part 1 for youth in transition and domestic violence prevention and treatment, the department is authorized to make allocations of TANF funds only to agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements.

Sec. 524. As a condition of receiving funds appropriated in part 1 for strong families/safe children, counties must submit the service spending plan to the department by October 1 of the current fiscal year for approval. The department shall approve the service spending plan within 30 calendar days after receipt of a properly completed service spending plan.

Sec. 525. The department shall implement the same on-site evaluation processes for privately operated child welfare and juvenile justice residential facilities as is used to evaluate state-operated facilities. Penalties for noncompliance shall be the same for privately operated child welfare and juvenile justice residential facilities and state-operated facilities.

Sec. 526. 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 demonstration project. As required under the waiver, any savings resulting from the demonstration project must be quantified and reinvested into child welfare programming.

Sec. 532. (1) The department, in collaboration with representatives of private child and family agencies, shall revise and improve the annual licensing review process and the annual contract compliance review process for child placing agencies and child caring institutions. The improvement goals shall be safety and care for children. Improvements to the review process shall be directed toward alleviating administrative burdens so that agency resources may be focused on children. The revision shall include identification of duplicative staff activities and information sought from child placing agencies and child caring institutions in the annual review process. The department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget director on or before January 15 of the current fiscal year on the findings of the annual licensing review.

(2) The department shall conduct licensing reviews no more than once every 2 years for child placing agencies and child caring institutions that are nationally accredited and have no outstanding violations.

Sec. 533. (1) The department shall make payments to child placing facilities for in-home and out-of-home care services and adoption services within 30 days of receiving all necessary documentation from those agencies.

(2) The department shall provide a report on the status of the implementation and operation of this section by February 15 of the current fiscal year.

Sec. 534. The department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office by November 1 of the current fiscal year a report on the planning, implementation, and operation, regardless of the current operational status, of the statewide automated child welfare information system. The report shall include, but not be limited to, all of the following:

- (a) Areas where implementation went as planned.
- (b) The number of known issues.
- (c) The average number of help tickets submitted per day.
- (d) Any additional overtime or other staffing costs to address known issues and volume of help tickets.
- (e) Any contract revisions to address known issues and volume of help tickets.
- (f) Other strategies undertaken to improve implementation.

Sec. 537. The department, in collaboration with child placing agencies, shall develop a strategy to implement section 115o of the social welfare act, 1939 PA 280, MCL 400.115o. The strategy shall include a requirement that a department caseworker responsible for preparing a recommendation to a court concerning a juvenile placement shall provide, as part of the recommendation, information regarding the requirements of section 115o of the social welfare act, 1939 PA 280, MCL 400.115o.

Sec. 540. If a physician or psychiatrist who is providing services to state or court wards placed in a residential facility submits a formal request to the department to change the psychotropic medication of a ward, the department shall, if the ward is a state ward, make a determination on the proposed change within 7 business days after the request or, if the ward is a temporary court ward, seek parental consent within 7 business days after the request. If parental consent is not provided within 7 business days, the department shall petition the court on the eighth business day.

Sec. 546. (1) From the funds appropriated in part 1 for foster care payments and from child care fund, the department shall pay providers of foster care services not less than a \$37.00 administrative rate.

(2) From the funds appropriated in part 1 for foster care payments and from child care fund, the department shall pay providers of general independent living services not less than a \$28.00 administrative rate.

(3) From the funds appropriated in part 1, the department shall pay providers of independent living plus services statewide per diem rates for staff-supported housing and host-home housing based on proposals submitted in response to a solicitation for pricing. The independent living plus program provides staff-supported housing and services for foster youth ages 16 through 19 who, because of their individual needs and assessments, are not initially appropriate for general independent living foster care.

(4) From the funds appropriated in part 1, the department shall pay providers of foster care services an additional \$3.00 administrative rate, provided that section 117a of the social welfare act, 1939 PA 280, MCL 400.117a, is amended to eliminate the county match rate for the additional administrative rate provided in this subsection. Payments under this subsection shall be made, not less than, on a monthly basis.

(5) If required by the federal government to meet title IV-E requirements, providers of foster care services shall submit quarterly expenditure reports to the department to identify actual costs of providing foster care services.

(6) From the funds appropriated in part 1, the department shall provide an increase to each private provider of residential services, if section 117a of the social welfare act, 1939 PA 280, MCL 400.117a, is amended to eliminate the county match rate for the additional rate provided in this section.

Sec. 547. From the funds appropriated in part 1 for the guardianship assistance program, the department shall pay a minimum rate that is not less than the approved age-appropriate payment rates for youth placed in family foster care.

Sec. 556. (1) No later than December 1 for the current fiscal year, the department shall provide an annual report to the subcommittees of the senate and house appropriations committees on the department budget, the house and senate fiscal agencies, and the state budget director that includes the following:

(a) The number of complaints filed by adoptive parents who were not notified that their adopted child had special needs.

(b) The number of cases that received a new or revised determination of care rate as described in subsections (2) and (3), the total expenditures on the program, and the number of cases in each determination of care level of payment.

(2) From the funds appropriated in part 1 for the redetermined adoption assistance program and not later than January 1, 2015, the department shall implement a new state-funded program to allow adoptive parents to request a redetermination of their adoption assistance. Redetermined adoption assistance means a payment as determined by a certification that may be justified when extraordinary care or expense is required for a condition that existed or the cause of which existed before the adoption was finalized. A redetermined adoption assistance rate shall be determined in the same manner using the same criteria as the department uses to determine a support subsidy under section 115g(2) of the social welfare act, 1939 PA 280, MCL 400.115g. The amount of assistance shall be at least 95% of the maximum amount of assistance the department determines the child is eligible to receive and shall be requested as follows:

(a) For adoptive parents with effective adoption assistance agreements signed before January 1, 2015, the adoptive parent may request 1 redetermined adoption assistance certification. If a request for certification under this subdivision is made, it must be requested in writing and received by the department not later than March 31, 2015.

(b) For adoptive parents who sign an adoption assistance agreement on or after January 1, 2015, an adoptive parent may only ever request 1 redetermined adoption assistance certification per adoptee placed in the adoptive parent's home.

(3) If the department denies or the adoptive parent disagrees with the certification, the adoptive parent may request a hearing through an administrative law judge in a manner consistent with the rules promulgated under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

(4) Not later than October 15, 2014, the department shall notify in writing all adoptive parents with adoption assistance agreements about their ability to request a certification for redetermined adoption assistance between January 1, 2015 and March 31, 2015. For all parents entering adoption assistance agreements after this notification, the department shall inform the adoptive parent in writing before the adoption is finalized of his or her right to request 1 certification for a redetermination per adoptee placed in the adoptive parent's home.

(5) If this section conflicts with a state statute enacted subsequent to this act, the state statute controls.

(6) "Certification" under this section means a determination of eligibility by the department that an adoptee is eligible for redetermined adoption assistance.

Sec. 558. The department shall submit to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office by March 1 of the current fiscal year a report on the training programs or courses provided through the child welfare training institute and the annual cost for each program or course.

Sec. 559. (1) From the funds appropriated in part 1 for adoption support services including the funds designated as 1-time basis only, the department shall allocate \$700,000.00 to the adoptive family support network to operate and expand its adoptive parent mentor program to provide a listening ear, knowledgeable guidance, and community connections to adoptive parents and children who were adopted in this state or another state.

(2) The adoptive family support network shall submit to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office by March 1 of the current fiscal year a report on the program described in subsection (1), including, but not limited to, the number of cases served and the number of cases in which the program prevented an out-of-home placement.

Sec. 560. The department, in conjunction with the state court administrative office and the foster care review board, shall coordinate a comprehensive training program for court personnel on the importance of parent-child visitations in foster care cases.

Sec. 562. The department shall provide time and travel reimbursements for foster parents who transport a foster child to parent-child visitations. As part of the foster care parent contract, the department shall provide written confirmation to foster parents that states that the foster parents have the right to request these reimbursements for all parent-child visitations. The department shall provide these reimbursements within 60 days of receiving a request for eligible reimbursements from a foster parent.

Sec. 563. The department shall submit to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office by March 1 of the current fiscal year a report on the number and percentage of department employees who had a satisfactory performance evaluation and the number and percentage of department employees who had an unsatisfactory performance evaluation.

Sec. 564. (1) The department shall develop a clear policy for parent-child visitations. The local county offices, caseworkers, and supervisors shall meet a 50% success rate, after accounting for factors outside of the caseworker's control.

(2) Per the court-ordered number of required meetings between caseworkers and parent, the caseworkers shall achieve a success rate of 65%, after accounting for factors outside of the caseworker's control.

Sec. 565. The department and private child placing agencies shall provide signed copies of the parent agency treatment plan service agreement, that must include, according to department policy, a written plan for parent-child visitation. The agreement should include a signature from the legal parent, when possible. If the parent does not sign the parent agency treatment plan service agreement, the department and private child placing agencies shall provide documentation as to

why the parent did not sign the agreement. The supervisor assigned to a case that does not obtain the parent signature also shall provide documentation as to why the parent did not sign the agreement. The information and documentation described in this section shall be made available to the foster care review board upon request.

Sec. 566. For a child who is under court or state supervision, the MiTEAM family team meeting shall include a review of any psychotropic medication the child is currently prescribed, had been prescribed in the past, or had been recommended to take.

Sec. 567. (1) The caseworker or supervisor who is assigned to a foster care case is responsible for completing a medical passport for the cases assigned to him or her. If a child in foster care is transferred to a new placement or returned to his or her parent's or guardian's home, the medical passport and any school records in the caseworker's or supervisor's possession must be transferred within 2 weeks from the date of placement or return to the home.

(2) The department shall submit to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office by March 1 of the current fiscal year a report on the items described in subsection (1), including the following:

(a) The percentage of medical passports that were properly filled out.

(b) From the total medical passports transferred, the percentage that transferred within 2 weeks from the date of placement or return to the home.

(c) From the total school records, the percentage that transferred within 2 weeks from the date of placement or return to the home.

Sec. 568. (1) From the funds appropriated in part 1 for adoption subsidies, the department shall pay a minimum adoption subsidy rate that is not less than 95% of the rate that was or would have been provided for the adoptee in family foster care at the time of the adoption. This rate includes the determination of care rate that was paid or would have been paid to the adoptive parent for the adoptee in a family foster care placement, and this amount shall be increased to reflect any increase in the standard age appropriate foster care rate.

(2) "Determination of care rate" as described in this section means a supplemental payment to the standard age appropriate foster care rate that may be justified when extraordinary care or expense is required. The supplemental payment is based on 1 or more of the following case situations where additional care is required of the foster care provider or adoptive parent or an additional expense exists:

(a) Physically disabled children for whom the adoptive parent must provide measurably greater supervision and care.

(b) Children with special psychological or psychiatric needs that require extra time and measurably greater amounts of care and attention by the adoptive parent.

(c) Children requiring special diets that are more expensive than a normal diet and that require extra time and effort by the adoptive parent to obtain or prepare.

(d) Children whose severe acting-out or antisocial behavior requires a measurably greater amount of care and attention of the adoptive parent.

(3) The department shall, on a separate form, allow an adoptive parent to sign a certification that he or she rejects a support subsidy.

(4) If this section conflicts with state statute enacted subsequent to this act, the state statute controls.

Sec. 569. The department shall reimburse private child placing agencies that complete adoptions at the rate according to the date on which the petition for adoption and required support documentation was accepted by the court and not according to the date the court's order placing for adoption was entered.

Sec. 574. (1) From the funds appropriated in part 1 for foster care payments, \$2,500,000.00 is allocated to support performance-based contracts with child placing agencies to facilitate the licensure of relative caregivers as foster parents. Agencies shall receive \$2,300.00 for each facilitated licensure if completed within 180 days after a child's placement or, if a waiver was previously approved, 180 days from the application date. If the facilitated licensure, or approved waiver, is completed after 180 days, the agency shall receive up to \$2,300.00. The agency facilitating the licensure would retain the placement and continue to provide case management services for at least 50% of the newly licensed cases for which the placement was appropriate to the agency. Up to 50% of the newly licensed cases would have direct foster care services provided by the department.

(2) From the funds appropriated for foster care payments, \$375,000.00 is allocated to support family incentive grants to private and community-based foster care service providers to assist with home improvements or payment for physical exams for applicants needed by foster families to accommodate foster children.

Sec. 583. By February 1 of the current fiscal year, the department shall provide to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on families and human services, and the senate and house fiscal agencies and policy offices a report that includes:

(a) The number and percentage of foster parents that dropped out of the program in the previous fiscal year and the reasons the foster parents left the program and how those figures compare to prior fiscal years.

(b) The number and percentage of foster parents successfully retained in the previous fiscal year and how those figures compare to prior fiscal years.

Sec. 585. The department shall make available at least 1 pre-service training class each month in which new caseworkers for private foster care and adoption agencies can enroll.

Sec. 587. (1) From the funds appropriated in part 1 to in-home community care programs including the funds designated as 1-time basis only, \$1,250,000.00 shall be used to expand or create new in-home care and community-based juvenile justice services to rural counties through a grant-making process. Counties that received funds for the purpose described in section 587 of article X of 2013 PA 59 are not eligible to receive the funds in this section. The department shall expend the full amount of funds for the purpose described in this section by September 1 of the current fiscal year.

(2) By March 1 of the current fiscal year, the department shall submit a report that describes the program expansion and expenditures in detail to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices.

Sec. 588. (1) Concurrently with public release, the department shall transmit all reports from the court-appointed settlement monitor, including, but not limited to, the needs assessment and period outcome reporting, to the state budget office, the senate and house appropriations subcommittees on the department budget, and the senate and house fiscal agencies, without revision.

(2) The department shall report quarterly to the state budget office, the senate and house appropriations subcommittees on the department budget, and the senate and house fiscal agencies, on the number of children enrolled in the guardianship assistance and foster care - children with serious emotional disturbance waiver programs.

Sec. 589. (1) From the funds appropriated in part 1 for child care fund, the department shall pay 100% of the administrative rate for all new cases referred to providers of foster care services beginning on October 1, 2013.

(2) On a monthly basis, the department shall report on the number of all foster care cases administered by the department and all foster care cases administered by private providers.

Sec. 590. From the funds appropriated in part 1, the department shall provide \$30,000.00 for the task force on the prevention of sexual abuse of children defined under section 12b of the child protection law, 1975 PA 238, MCL 722.632b. Use of funds shall be limited to providing reimbursements to task force members for mileage and other travel expenses related to task force operations.

Sec. 592. (1) The department shall conduct a workgroup to assess the feasibility of reorganizing all child welfare and juvenile justice functions within the department into an autonomous agency through a type I transfer under the executive organization act of 1965, 1965 PA 380, MCL 16.101 to 16.608.

(2) By March 1, 2015, the department shall provide a report on the findings of the workgroup described in this section to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget director.

PUBLIC ASSISTANCE

Sec. 601. 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 vrending has been requested meets applicable local housing codes. Vrending 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.

Sec. 602. The department shall establish a policy to conduct a full evaluation of an individual's assistance needs if the individual has applied for disability 2 times within a 1-year period. Subject to federal approval, individuals are not permitted to apply for disability assistance more than 2 times in 1 year.

Sec. 603. (1) The department shall conduct a workgroup in conjunction with the department of community health and members from both the senate and house of representatives to determine how the state can maximize Medicaid claims for community-based and outpatient treatment services to foster care children and adjudicated youths who are placed in community-based treatment programs. The workgroup shall address the following questions and develop an action plan to implement the feasible items:

(a) Could the department of community health change Medicaid health plan contracts to require the use of the child and adolescent needs and strengths assessment tool?

(b) Could the thresholds for the screening tools for children with mild to moderate mental health needs be changed?

(c) Could the 20-session limit for children and youths not labeled seriously emotionally disturbed be changed to increase coverage?

(d) Could therapeutic interventions such as in-home services or wraparound be substituted for current talk therapy benefits?

(e) Could the community mental health services program provide the mild to moderate treatment that the Medicaid health plans currently provide and does federal law permit this change?

(f) Regarding assessment of children with serious emotional disturbance, which assessment takes precedence if more than 1 tool was used in an evaluation and the conclusions differ?

(g) Could the thresholds to determine serious emotional disturbance be changed, and if so, would a change impact Medicaid eligibility and funding?

(h) Is there a cap on the 1915B waiver, and if not, in what ways could this state access additional intervention services for children with serious emotional disturbance?

(i) How can the department, the department of community health, and the courts take an active role to ensure that adjudicated youths who remain at home are enrolled in Medicaid, if eligible?

(j) What are the needed changes to create a clear policy on suspension or termination of Medicaid for adjudicated youths?

(k) What are the needed changes to update Medicaid system changes?

(l) What can the department do to train the courts on Medicaid eligibility and policy regarding adjudicated youths?

(2) By March 1, 2015, the department shall provide to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office a report on the workgroup findings and requirements described in subsection (1).

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 who meets the requirements specified in subdivision (a), (b), (e), or (f).

(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 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.

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 department offices shall require each recipient of family independence program and 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 family independence program or state disability assistance program upon receipt of retroactive supplemental security income benefits.

Sec. 607. (1) 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 may include revenues collected during the current year that are prior year related and not a part of the department's accrued entries.

(2) The department may use supplemental security income recoveries to satisfy the deduct in any line in which the revenues are appropriated, regardless of the source from which the revenue is recovered.

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 current fiscal year. The legislature shall be notified not less than 30 days before any proposed reduction in the state supplementation level.

Sec. 610. (1) 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.

(2) 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.

(3) State emergency relief payments shall not be made to individuals who have been found guilty of fraud in regard to obtaining public assistance.

(4) State emergency relief payments shall not be made available to persons who are out-of-state residents or illegal immigrants.

(5) State emergency relief payments for rent assistance shall be distributed directly to landlords and shall not be added to Michigan bridge cards.

Sec. 611. The state supplementation level under the supplemental security income program for the living independently or living in the household of another categories shall not exceed the minimum state supplementation level as required under federal law or regulations.

Sec. 612. The department shall implement an asset test as part of the eligibility determination for applicants and existing recipients of the refugee assistance program medical benefits.

Sec. 613. The department shall provide reimbursements for the final disposition of indigent persons. The maximum allowable reimbursement for the final disposition shall be \$800.00. In addition, reimbursement for a cremation permit fee of up to \$75.00 and for mileage at the standard rate will also be made available for an eligible cremation. The reimbursements under this section shall account for religious preferences that prohibit cremation.

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, emergency shelter providers, or other human services agencies who may, as a normal part of doing business, provide food or emergency shelter.

Sec. 616. The department shall require retailers that participate in the electronic benefits transfer program to charge no more than \$2.50 in fees for cash back as a condition of participation.

Sec. 617. The department shall prepare a report on the number and percentage of public assistance recipients, categorized by type of assistance received, who were no longer eligible for assistance because of their status in the law enforcement information network and provide the report by February 15 of the current fiscal year to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on families and human services, and the senate and house fiscal agencies and policy offices.

Sec. 619. (1) Subject to subsection (2), the department shall exempt from the denial of title IV-A assistance and food assistance benefits under 21 USC 862a any individual who has been convicted of a felony that included the possession, use, or distribution of a controlled substance, after August 22, 1996, provided that the individual is not in violation of his or her probation or parole requirements. Benefits shall be provided to such individuals as follows:

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

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

(2) Subject to federal approval, an individual is not entitled to the exemption in this section if the individual was convicted in 2 or more separate cases of a felony that included the possession, use, or distribution of a controlled substance after August 22, 1996.

Sec. 620. (1) 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 if disability is an eligibility factor. For all other Medicaid applicants, including patients of a nursing home, the department shall make a determination of Medicaid eligibility within 45 days of application.

(2) The department shall report on a quarterly basis by February 1, May 1, August 1, and November 1 to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on families and human services, and the senate and house fiscal agencies and policy offices on the average Medicaid eligibility standard of promptness for each of the required standards of promptness under subsection (1) and for medical review team reviews achieved statewide and at each local office.

Sec. 622. (1) Subject to federal rules and regulations, the department shall implement a 1-page application for disability redetermination for all disability redetermination applications and cases no later than November 1, 2014.

(2) If the department is not able to implement the 1-page application described in subsection (1), the department shall submit a waiver request to the United State government to allow the department to implement a 1-page application for disability redeterminations for children and adults who are severely mentally, physically, or developmentally disabled with little or no change of recovery to their chronic condition. The waiver request shall emphasize the expediency, efficiency, and added simplification of a 1-page application for disability redetermination.

Sec. 625. The department may contract with the legal services association of Michigan to provide assistance to individuals who have applied for or wish to apply for SSI or other federal disability benefits. The legal services association of Michigan shall provide a list of new clients accepted to the department to verify that services have been provided to

department clients. The legal services association of Michigan and the department shall work together to develop release forms to share information in appropriate cases. The legal services association of Michigan shall provide quarterly reports indicating cases opened, cases closed, level of services provided on closed cases, and case outcomes on closed cases.

Sec. 626. The department shall collaborate with the department of community health to identify any needed funding, accounting, or other changes needed to provide the department of community health with travel data relating to nonemergency medical services transportation, including, but not limited to, methods of travel, number of people served, travel distances, number of trips, and costs of trips.

Sec. 643. As a condition of receipt of federal TANF funds, homeless shelters and human services agencies shall collaborate with the department 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 programs, 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 or human services agencies 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. 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 department's policies on good cause for not cooperating with child support and paternity requirements.

Sec. 653. From the funds appropriated in part 1 for food assistance, an individual who is the victim of domestic violence and does not qualify for any other exemption may be exempt from the 3-month in 36-month limit on receiving food assistance under 7 USC 2015. This exemption can be extended an additional 3 months upon demonstration of continuing need.

Sec. 655. Within 14 days after the spending plan for low-income home energy assistance program is approved by the state budget office, the department shall provide the spending plan, including itemized projected expenditures, to the chairpersons of the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices.

Sec. 657. The department shall notify persons eligible for extended family independence program benefits under section 57s of the social welfare act, 1939 PA 280, MCL 400.57s, that receiving extended family independence program benefits will count toward the federal and state lifetime limits. This notification shall be included in both the public assistance application and the letter or form that notifies a person of eligibility for extended family independence program benefits.

Sec. 660. From the funds appropriated in part 1 for food bank funding, 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. 669. The department shall allocate \$2,880,000.00 for the annual clothing allowance. The allowance shall be granted to all eligible children in a family independence program group that does not include an adult.

Sec. 672. (1) The department's office of inspector general shall report to the senate and house of representatives appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices by February 15 of the current fiscal year on department efforts to reduce inappropriate use of Michigan bridge cards. The department shall provide information on the number of recipients of services who used their electronic benefit transfer card inappropriately and the current status of each case, the number of recipients whose benefits were revoked, whether permanently or temporarily, as a result of inappropriate use, and the number of retailers that were fined or removed from the electronic benefit transfer program for permitting inappropriate use of the cards.

(2) As used in this section, "inappropriate use" means not used to meet a family's ongoing basic needs, including food, clothing, shelter, utilities, household goods, personal care items, and general incidentals.

Sec. 677. (1) The department shall establish a state goal for the percentage of family independence program cases involved in employment activities. The percentage established shall not be less than 50%. The goal for long-term employment shall be 15% of cases for 6 months or more.

(2) On a monthly basis, the department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget director on the number of cases referred to partnership. accountability. training. hope. (PATH), the current percentage of family independence program cases involved in PATH employment activities, an estimate of the current percentage of family independence program cases that meet federal work participation requirements on the whole, and an estimate of the current percentage of the family independence program cases that meet federal work participation requirements for those cases referred to PATH.

(3) The department shall submit to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices a quarterly report that includes all of the following:

- (a) The number and percentage of nonexempt family independence program recipients who are employed.
- (b) The average and range of wages of employed family independence program recipients.
- (c) When data become available, the number and percentage of employed family independence program recipients who remain employed for 6 months or more.

Sec. 686. (1) The department shall ensure that program policy requires caseworkers to confirm that individuals presenting personal identification issued by another state seeking assistance through the family independence program, food assistance program, state disability assistance program, or medical assistance program are not receiving benefits from any other state.

(2) The department shall require caseworkers to confirm the address provided by any individual seeking family independence program benefits or state disability assistance benefits.

(3) The department shall prohibit individuals with property assets assessed at a value higher than \$200,000.00 from accessing assistance through department-administered programs, unless such a prohibition would violate federal rules and guidelines.

(4) The department shall require caseworkers to obtain an up-to-date telephone number during the eligibility determination or redetermination process for individuals seeking medical assistance benefits. On a monthly basis, the department shall provide the department of community health an updated list of telephone numbers for medical assistance recipients.

Sec. 687. (1) The department shall, on a quarterly basis by February 1, May 1, August 1, and November 1, compile and make available on its website all of the following information about the family independence program, state disability assistance, the food assistance program, Medicaid, and state emergency relief:

- (a) The number of applications received.
 - (b) The number of applications approved.
 - (c) The number of applications denied.
 - (d) The number of applications pending and neither approved nor denied.
 - (e) The number of cases closed.
- (2) The information provided under subsection (1) shall be compiled and made available for the state as a whole and for each county and reported separately for each program listed in subsection (1).

(3) The department shall, on a quarterly basis by February 1, May 1, August 1, and November 1, compile and make available on its website the family independence program information listed as follows:

- (a) The number of new applicants who successfully met the requirements of the 21-day assessment period for partnership accountability training hope.
- (b) The number of new applicants who did not meet the requirements of the 21-day assessment period for partnership accountability training hope.
- (c) The number of cases sanctioned because of the school truancy policy.
- (d) The number of cases closed because of the 48-month and 60-month lifetime limits.
- (e) The number of first-, second-, and third-time sanctions.
- (f) The number of children ages 0-5 living in FIP-sanctioned households.

(4) The department shall notify the state budget office, the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices when the reports required in this section are made available on the department's website.

Sec. 695. (1) From the funds appropriated in part 1 for multicultural integration funding, the department may require each contractor to provide data and information on performance related metrics. These metrics may include, but are not limited to, all of the following:

- (a) Each contractor or subcontractor shall have a mission that is consistent with the purpose of multicultural integration funding.
- (b) Each contractor shall validate that any subcontractors utilized within these appropriations share the same mission as the lead agency receiving funding.
- (c) Each contractor or subcontractor shall demonstrate cost-effectiveness.
- (d) Each contractor or subcontractor shall ensure their ability to leverage private dollars to strengthen and maximize service provision.
- (e) Each contractor or subcontractor shall provide timely and accurate reports regarding the number of clients served, units of service provision, and ability to meet their stated goals.

(2) The department shall require an annual report from the contractors that receive multicultural integration funding. The annual report, due 60 days following the end of the contract period, shall include specific information on services and programs provided, the client base to which the services and programs were provided, information on any wraparound services provided, and the expenditures for those services. The department shall provide the annual reports to the senate

and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the state budget office.

(3) The department of community health and the department shall convene a workgroup to discuss and make recommendations on including accreditation in the contractor specifications and potentially moving toward competitive bidding. Each contractor required to provide data per this section shall be invited to participate in the workgroup if so convened.

JUVENILE JUSTICE SERVICES

Sec. 701. Unless required from changes to federal or state law or at the request of a provider, the department shall not alter the terms of any signed contract with a private residential facility serving children under state or court supervision without written consent from a representative of the private residential facility.

Sec. 702. (1) By December 1, 2014, the department, in conjunction with the department of community health, shall submit a waiver request to the federal government to expand Medicaid coverage to children in need of secure residential treatment in this state. The waiver request must include a plan to provide secure stabilization services, assessment, and treatment. The request must include recommendations to make 1 or more of the public juvenile detention facilities or private secure residential facilities eligible to be Medicaid providers. To the extent feasible, the request must use the Medicaid reimbursement model that is currently in place in Vermont at the Woodside Juvenile Rehabilitation Center.

(2) The department shall submit to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office by December 15 of the current fiscal year a copy of the waiver request described in subsection (1).

(3) The department shall submit to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office by March 1 of the current fiscal year a report on the status of the Medicaid waiver request described in subsection (1).

Sec. 703. (1) From the funds appropriated in part 1 for juvenile justice vision 20/20, the department shall allocate \$1,000,000.00 for the information technology services and projects described in subsection (2). Any unexpended or unencumbered funds appropriated for the services and projects described in subsection (2) are considered work project appropriations and are available for expenditure in the succeeding fiscal year.

(2) The department shall use the funds described in subsection (1) to implement a data exchange for use by the department, circuit and probate courts, private juvenile justice agencies, and the state court administrative office under the guidance of appropriate data sharing agreements that tracks statistical and demographic data on juveniles referred to the family division of the circuit court, otherwise known as the juvenile courts after successful implementation and evaluation of the existing pilot database in Ottawa, Kalamazoo, Kent, Ionia, and Berrien Counties. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is to implement a new juvenile justice data sharing model that will track data on juveniles referred to the courts.

(b) The project will be accomplished by local court staff, state employees, contracts with private vendors, and juvenile justice stakeholders.

(c) The total estimated cost of the project is \$5,550,000.00.

(d) The tentative completion date is September 30, 2019.

(e) The data exchange shall be compatible with MiSACWIS.

(3) The department's director of children's services administration or his or her designee shall serve as a juvenile justice vision 20/20 executive team member.

(4) The department, in collaboration with the state court administrative office and the department of technology, management, and budget, shall submit to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office by March 1 of the current fiscal year a report on the status of the implementation items described in subsections (1) and (2).

Sec. 706. Counties shall be subject to 50% chargeback 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. (1) As a condition of receiving funds appropriated in part 1 for the child care fund line item, by December 15 of the current fiscal year, counties shall have an approved service spending plan for the current fiscal year. Counties must submit the service spending plan to the department by October 1 of the current fiscal year for approval. The department shall approve within 30 calendar days after receipt a properly completed service plan that complies with the requirements of the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, and shall notify a county within 30 days after approval that its service plan was approved.

(2) The department shall submit a report to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the house and senate policy offices by February 15 of the current fiscal year on the number of counties that fail to submit a service spending plan by October 1 and the number of service spending plans not approved by December 15.

Sec. 711. Unless already provided in the previous fiscal year, the department shall submit the behavioral health study of juvenile justice facilities operated or contracted for by the state not later than June 30 of the current fiscal year to the senate and house appropriations subcommittees on human services, the senate and house fiscal agencies and policy offices, and the state budget director.

Sec. 719. The department shall notify the legislature at least 30 days before closing or making any change in the status, including the licensed bed capacity and operating bed capacity, of a state juvenile justice facility.

Sec. 721. If the demand for placements at state-operated juvenile justice residential facilities exceeds capacity, the department shall not increase the available occupancy or services at the facilities, and shall post a request for proposals for a contract with not less than 1 private provider of residential services for juvenile justice youth to be a residential facility of last resort.

LOCAL OFFICE SERVICES

Sec. 750. (1) The department shall maintain out-stationed eligibility specialists in community-based organizations, community mental health agencies, nursing homes, and hospitals unless a community-based organization, community mental health agency, nursing home, or hospital requests that the program be discontinued at its facility.

(2) From the funds appropriated in part 1 for donated funds positions, the department shall enter into a contract with any agency that places a request for a donated funds position and is able and eligible under federal law to provide the required matching funds for federal funding, as determined by federal statute and regulations. If the department denies a request, the department shall provide to the agency that made the request the federal statute or regulation that requires the denial. If the department does not provide the statute or regulation to the agency, the department shall grant the request for the donated funds position.

(3) A contract for a donated funds position must include, but not be limited to, the following performance metrics:

(a) Meeting a standard of promptness for processing applications for Medicaid and other public assistance programs under state law.

(b) Meeting required standards for error rates in determining programmatic eligibility as determined by the department.

(4) The department shall only fill additional donated funds positions after a new contract has been signed. That position shall also be abolished when the contract expires or is terminated.

Sec. 751. (1) From the funds appropriated in part 1 for Healthy Michigan plan administration, the department, in conjunction with the department of community health, shall establish an accounting structure within the Michigan administrative information network that will allow expenditures associated with the administration of the Healthy Michigan plan to be identified. By October 1, 2014, the department shall provide the state budget office and the house and senate fiscal agencies with the relevant accounting structure and associated business objects script and report that groups administrative costs.

(2) The department shall submit to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office a quarterly report on the implementation status of the Healthy Michigan call center that includes all of the following information:

(a) Call volume during the prior quarter.

(b) Percentage of calls resolved through the Healthy Michigan plan call center.

(c) Percentage of calls transferred to a local department, office, or other office for resolution.

(d) Number of Medicaid applications completed by the Healthy Michigan call center staff and submitted on behalf of clients.

CHILD SUPPORT ENFORCEMENT

Sec. 901. (1) The appropriations in part 1 assume a total federal child support incentive payment of \$26,500,000.00.

(2) From the federal money received for child support incentive payments, \$12,000,000.00 shall be retained by the state and expended for child support program expenses.

(3) From the federal money received for child support incentive payments, \$14,500,000.00 shall be paid to the counties based on each county's performance level for each of the federal performance measures as established in 45 CFR 305.2.

(4) If the child support incentive payment to the state from the federal government is greater than \$26,500,000.00, then 100% of the excess shall be retained by the state and is appropriated until the total retained by the state reaches \$15,397,400.00.

(5) If the child support incentive payment to the state from the federal government is greater than the amount needed to satisfy the provisions identified in subsections (1), (2), (3), and (4), the additional funds shall be subject to appropriation by the legislature.

(6) If the child support incentive payment to the state from the federal government is less than \$26,500,000.00, then the state and county share shall each be reduced by 50% of the shortfall.

Sec. 909. (1) If statewide retained child support collections exceed \$38,300,000.00, 75% of the amount in excess of \$38,300,000.00 is appropriated to legal support contracts. This excess appropriation may be distributed to eligible counties to supplement and not supplant county title IV-D funding.

(2) Each county whose retained child support collections in the current fiscal year exceed its fiscal year 2004-2005 retained child support collections, excluding tax offset and financial institution data match collections in both the current year and fiscal year 2004-2005, shall receive its proportional share of the 75% excess.

Sec. 910. (1) 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 CFR 304.50.

(2) The department shall notify the chairs of the house and senate appropriations subcommittees on the department budget and the house and senate fiscal agencies within 15 days of the authorization adjustment in subsection (1).

INFORMATION TECHNOLOGY

Sec. 1001. The department shall reduce the number of computers receiving technical support from the department of technology, management, and budget by 500 no later than November 1, 2014.

COMMUNITY ACTION AND ECONOMIC OPPORTUNITY

Sec. 1105. The department shall report to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, the house and senate policy offices, and the state budget office by February 15 of the current fiscal year on the number of homes, the approximate value of each home, whether the home is a single-family or multifamily home, and the square footage of each home weatherized through the appropriations in section 104 during the preceding quarter of the calendar year. The report shall also include the percentage of homes weatherized during the preceding quarter of the calendar year that were renter-occupied.

Sec. 1106. (1) By November 1, 2014, the department shall work in conjunction with the department of community health, the Michigan community action agency association, and the Michigan state housing development authority to appoint members to a joint task force to review housing rehabilitation, energy and weatherization, and hazard abatement program policies and to make recommendations for integrating and coordinating project delivery with the goals of serving more families and achieving better outcomes by maximizing state and federal resources. The task force shall include a representative of the healthy homes section, lead safe home program, the department of community health, a construction management specialist, community development division, Michigan state housing development authority, an energy and weatherization staff representative from the department, a local weatherization operator, a certified lead professional or a certified lead contractor, and representatives from at least 2 community organizations that address harmful housing conditions. The department of community health and the Michigan state housing development authority shall organize the initial meeting of the task force and shall provide administrative support for the task force.

(2) By March 1, 2015, the task force described in subsection (1) shall provide to the house and senate chairs of the appropriations subcommittees for the budgets of the department, the department of community health, and the Michigan state housing development authority, the senate and house fiscal agencies, and the senate and house policy offices a report of its findings and recommendations.

Sec. 1107. Subject to federal approval, the department and community action agencies shall give first priority for weatherization services to eligible clients who have a child with a documented blood lead level above 5 micrograms per deciliter ($\mu\text{g}/\text{dL}$).

Sec. 1108. (1) From the funds appropriated in part 1 for school success partnership program, the department shall allocate \$300,000.00 to support the northeast Michigan community services agency and expand programming to 4 new counties. The department shall require the following performance objectives be measured and reported for the duration of the state funding for the school success partnership program:

- (a) Increasing school attendance and decreasing chronic absenteeism.
- (b) Increasing academic performance based on grades with emphasis on math and reading.
- (c) Identifying barriers to attendance and success and connecting families with resources to reduce these barriers.
- (d) Increasing parent involvement with the parent's child's school and community.

(2) The northeast Michigan community services agency shall provide reports to the department on January 31 and June 30 of the current fiscal year on the number of children and families served and the services that were provided to families to meet the performance objectives identified in this section. The department shall distribute the reports within 1 week after receipt to the house and senate appropriations subcommittees on the department budget, house and senate fiscal agencies, and house and senate policy offices.

ONE-TIME BASIS ONLY APPROPRIATIONS

Sec. 1201. From the funds appropriated in part 1 for performance-based funding implementation, the department shall allocate \$100,000.00 to the County of Kent to allow the Kent County private steering consortia to contract for an independent project manager to provide guidance and technical assistance. The independent project manager shall report directly to the Kent County private steering consortia.

Sec. 1202. (1) From the funds appropriated in part 1 for the Flint Catholic charities center for hope, the department shall allocate \$250,000.00 to restore and renovate the building where the center for hope is located and other necessary expenses. The funds shall be used to contribute to the restoring hope campaign for the purpose described in this section.

(2) The Flint Catholic charities center for hope shall provide a report by March 1 of the current fiscal year to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the state budget office on the total amount of state funding expended for the items described in subsection (1), including, but not limited to, how the state funding was spent, the current status of the project, and any cost overruns.

(3) If the state determines that the Flint Catholic charities center for hope has misused the funds appropriated in this section, the Flint Catholic charities center for hope shall reimburse the state for the amount of state funding misused.

Sec. 1203. From the funds appropriated in part 1, the department shall allocate \$300,000.00 to assist private child welfare service providers to meet the implementation requirements of the statewide automated child welfare information system.

Sec. 1204. From the funds appropriated in part 1 for fostering futures trust fund, if the foster care trust fund act, 2008 PA 525, MCL 722.1021 to 722.1031, is amended to create the fostering futures trust fund, \$500,000.00 shall be deposited into the fund for use in accordance with that act.

Sec. 1205. (1) From the funds appropriated in part 1 for Michigan community services commission, the department shall allocate not less than \$350,000.00 to the Michigan reading corps to provide literacy services and tutors for students in grades K-3 who are identified as being at-risk of reading failure at elementary schools throughout the state.

(2) The Michigan reading corps shall provide a report by March 1 of the current fiscal year to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the house and senate policy offices on outcomes and performance measures of the Michigan reading corps, including, but not limited to, the following specific performance measures:

(a) More than 95% of the K-3 students receiving reading corps services shall demonstrate a positive trend toward reading at grade level.

(b) At least 60% of K-3 students receiving reading corps services shall achieve reading at their grade level or gain at least 1-1/2 year's growth.

(3) If the state determines that the Michigan reading corps has misused the funds appropriated in this section, the Michigan reading corps shall reimburse the state for the amount of state funding misused.

ARTICLE XI
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES
PART 1
LINE-ITEM APPROPRIATIONS

Sec. 101. The amounts listed in this part are appropriated for the department of insurance and financial services, subject to the conditions set forth in part 2, for the fiscal year ending September 30, 2015, from the funds identified in this part. The following is a summary of the appropriations in this part:

**DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES
APPROPRIATION SUMMARY**

Full-time equated unclassified positions.....	6.0	
Full-time equated classified positions	337.0	
GROSS APPROPRIATION		\$ 65,189,700
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		707,600
ADJUSTED GROSS APPROPRIATION		\$ 64,482,100
Federal revenues:		
Total federal revenues.....		2,000,000
Special revenue funds:		
Total other state restricted revenues		62,427,100
State general fund/general purpose		\$ 55,000
Sec. 102. DEPARTMENT SERVICES		
Full-time equated unclassified positions.....	6.0	
Full-time equated classified positions	41.0	
Unclassified salaries—6.0 FTE positions.....		\$ 717,500
Executive director programs—4.0 FTE positions		1,011,200
Department services—37.0 FTE positions		8,241,900
Property management		628,100
Rent		258,800
Worker's compensation.....		6,200
Administrative hearings.....		182,500
GROSS APPROPRIATION		\$ 11,046,200

For Fiscal Year
Ending Sept. 30,
2015

Appropriated from:	
Special revenue funds:	
Bank fees	1,424,000
Consumer finance fees	637,200
Credit union fees	1,168,000
Deferred presentment service transaction fees	502,700
Insurance bureau fund	3,583,800
Insurance continuing education fees	224,000
Insurance licensing and regulation fees	2,754,900
MBLSLA fund	696,600
State general fund/general purpose	\$ 55,000
Sec. 103. INSURANCE AND FINANCIAL SERVICES REGULATION	
Full-time equated classified positions	296.0
Insurance evaluation—54.0 FTE positions	\$ 13,249,700
Insurance rates and forms—30.0 FTE positions	5,354,600
Financial institutions evaluation—131.0 FTE positions	18,869,800
Regulatory compliance, market conduct, and licensing—58.0 FTE positions	10,355,900
Consumer services and protection—23.0 FTE positions	4,045,800
GROSS APPROPRIATION	\$ 51,875,800
Appropriated from:	
Interdepartmental grant revenues:	
IDG - LARA, for debt management	707,600
Federal revenues:	
Federal revenues	2,000,000
Special revenue funds:	
Bank fees	6,754,700
Captive insurance regulatory and supervision fund	279,400
Consumer finance fees	4,149,500
Credit union fees	6,296,300
Deferred presentment service transaction fees	2,553,500
Insurance bureau fund	19,122,900
Insurance continuing education fees	890,800
Insurance licensing and regulation fees	4,892,800
MBLSLA fund	4,147,600
Multiple employer welfare arrangement	80,700
State general fund/general purpose	\$ 0
Sec. 104. INFORMATION TECHNOLOGY	
Information technology services and projects	\$ 2,267,700
GROSS APPROPRIATION	\$ 2,267,700
Appropriated from:	
Special revenue funds:	
Bank fees	255,700
Consumer finance fees	35,600
Credit union fees	253,300
Deferred presentment service transaction fees	114,900
Insurance bureau fund	734,100
Insurance continuing education fees	11,400
Insurance licensing and regulation fees	757,900
MBLSLA fund	104,800
State general fund/general purpose	\$ 0

PART 2
PROVISIONS CONCERNING APPROPRIATIONS
FOR FISCAL YEAR 2014-2015

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 2014-2015 is \$62,482,100.00 and state spending from state resources to be paid to local units of government for fiscal year 2014-2015 is \$0.00.

Sec. 202. The appropriations authorized under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this part and part 1:

- (a) "Department" means the department of insurance and financial services.
- (b) "Director" means the director of the department.
- (c) "Fiscal agencies" means Michigan house fiscal agency and Michigan senate fiscal agency.
- (d) "Subcommittees" means all members of the subcommittees of the house and senate appropriations committees with jurisdiction over the budget for the department.

Sec. 205. (1) For each new program or program expansion for which funds in excess of \$500,000.00 are appropriated in part 1, the department shall identify specific benchmarks intended to measure the performance or return on taxpayer investment of the program and its associated expenditures. Not later than November 1, 2014, the department shall report the proposed benchmarks to the house and senate appropriations subcommittees for that department, the house and senate fiscal agencies, and the state budget director. The department shall provide an update on its progress in achieving those benchmarks at an appropriations subcommittee meeting called for the purpose of discussing benchmarks and their status.

(2) It is the intent of the legislature that, beginning with the budget for the fiscal year ending September 30, 2016, any proposal for a new program or an expansion of an existing program in excess of \$500,000.00 initiated by the executive branch or the legislature shall include, as part of the original proposal or budget request, a list of benchmarks intended to measure the performance or return on taxpayer investment of the program or spending increase.

Sec. 208. The departments and agencies receiving appropriations in this part and part 1 shall use the Internet to fulfill the reporting requirements of this part. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on an Internet or Intranet site.

Sec. 209. Funds appropriated in this part and 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. Preference shall be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality. In addition, preference shall be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 210. The director 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. The 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. 212. The department and agencies receiving appropriations in this part and part 1 shall receive and retain copies of all reports funded from appropriations in this part and part 1. Federal and state guidelines for short-term and long-term retention of records shall be followed. The department may electronically retain copies or reports unless otherwise required by federal and state guidelines.

Sec. 215. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 216. Not later than November 30, the state budget office shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the prior fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the chairpersons of the senate and house appropriations committees and the fiscal agencies.

Sec. 218. The departments and agencies receiving appropriations in this part and part 1 shall prepare a report on out-of-state travel expenses not later than January 1 of each year. The travel report shall be a listing of all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the house and senate appropriations committees, the fiscal agencies, and the state budget director. The report shall include the following information:

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

Sec. 219. No later than April 1, the department shall submit to the subcommittees and the fiscal agencies a report pertaining to the following information:

- (a) The amount, in square footage, of office space paid for with the appropriation in this part and part 1 for both state-owned and leased office space, respectively, during the previous fiscal year.
- (b) The amount, in square footage, of office space actually utilized by the department for both state-owned and leased office space, respectively, during the previous fiscal year.
- (c) The amount of office space the department estimates will be utilized during the current and subsequent fiscal years.

Sec. 221. Funds appropriated in this part and part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those outside services that the attorney general authorizes.

Sec. 223. (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 part 1 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 part 1 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 part 1 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 \$200,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 228. Unless prohibited by law, the department may accept credit card or other electronic means of payment for licenses, fees, or permits.

Sec. 229. The department shall maintain, on a publicly accessible website, a department scorecard that identifies, tracks, and regularly updates key metrics that are used to monitor and improve the department's performance.

Sec. 231. The department shall cooperate with the department of technology, management, and budget to maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following for each department or agency:

- (a) Fiscal year-to-date expenditures by category.
- (b) Fiscal year-to-date expenditures by appropriation unit.
- (c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.
- (d) The number of active department employees by job classification.
- (e) Job specifications and wage rates.

Sec. 232. The department shall not develop or produce any television or radio productions.

Sec. 234. Within 14 days after the release of the executive budget recommendation, the department shall cooperate with the state budget office to provide the senate and house appropriations chairs, the subcommittees chairs, and the fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2014 and September 30, 2015.

Sec. 235. Total authorized appropriations from all sources under this part and part 1 for legacy costs for the fiscal year ending September 30, 2015 is \$10,148,200.00. From this amount, total agency appropriations for pension-related legacy costs are estimated at \$5,627,200.00. Total agency appropriations for retiree health care legacy costs are estimated at \$4,521,000.00.

Sec. 240. (1) It is the intent of the legislature that departments and agencies receiving appropriations in this part and part 1 properly account for their spending and do not use full-time equated positions as placeholders for spending in other parts of their budgets.

(2) No later than February 1, the department shall provide a report to the legislature specifying the number of filled, full-time equated positions in pay status within each agency receiving appropriations in this part and part 1 during the immediately preceding fiscal year. When reporting on the number of filled, full-time equated positions in pay status, the department shall provide the maximum number of filled, full-time equated positions in pay status by appropriation line item in the last pay period of each quarter of the immediately preceding fiscal year. The report shall also include a list of all funded, full-time equated positions by position title. The report shall indicate which full-time equated positions are allocated to economic development and economic development planning.

Sec. 245. The department, in conjunction with the department of community health, shall establish an accounting structure within the Michigan administrative information network that will allow expenditures associated with the administration of the Healthy Michigan plan to be identified. By October 1, 2014, the department shall provide the state budget office and the fiscal agencies with the relevant accounting structure and associated business objects script and report that groups administrative costs.

Sec. 246. (1) The amount appropriated from the general fund in part 1 for executive director program may only be expended to comply with reporting requirements regarding the Healthy Michigan plan pursuant to section 105d(9) of the social welfare act, 1939 PA 280, MCL 400.105d.

(2) Prior to expending the amount described in subsection (1), the department shall acquire at least 2 bids for the project.

INSURANCE AND FINANCIAL SERVICES REGULATION

Sec. 310. (1) No later than February 1, the department shall submit a report to the subcommittees and the fiscal agencies providing the following information:

- (a) The amounts expended, by fund source, by the department to support the economic development of the insurance or financial industries during the preceding fiscal year.

(b) The number of full-time equated positions utilized by the department to support the economic development of the insurance or financial industries during the preceding fiscal year.

(c) A detailed, 2-year plan for departmental activities to support the economic development of the insurance or financial industries.

(2) For purposes of subsection (1), “economic development” includes any activities to encourage, promote, or advocate for the expansion, retention, or attraction of business or nonprofit entities engaged in or involved with the insurance or financial industries.

Sec. 391. In addition to the funds appropriated in part 1, the funds collected by the department in connection with a conservatorship pursuant to section 32 of the mortgage brokers, lenders, and servicers licensing act, 1987 PA 173, MCL 445.1682, and funds collected by the department from corporations being liquidated pursuant to the insurance code of 1956, 1956 PA 218, MCL 500.100 to 500.8302, shall be appropriated for all expenses necessary to provide for the required services. Funds are available for expenditure when they are received by the department of treasury and shall not lapse to the general fund at the end of the fiscal year.

AUTISM COVERAGE

Sec. 802. (1) Each fiscal year, if expenditures are made from the autism coverage fund, created by section 7 of the autism coverage reimbursement act, 2012 PA 101, MCL 550.1837, the department shall produce a report that contains all of the following information on the autism coverage reimbursement program, established by section 5 of the autism coverage reimbursement act, 2012 PA 101, MCL 550.1835, for the fiscal year:

(a) The total number of claims for reimbursement approved and the number approved within each county, based on the provider’s location.

(b) The total amount expended from the autism coverage fund for reimbursements and the amount for each carrier receiving reimbursement.

(c) The average age of patients receiving diagnosis or treatment for which claims for reimbursement are approved.

(2) By October 31 following the end of the fiscal year, the department shall provide the report required under subsection (1) to the subcommittees, the fiscal agencies, and the state budget director.

ARTICLE XII

JUDICIARY

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the judiciary for the fiscal year ending September 30, 2015, from the following funds:

JUDICIARY

APPROPRIATION SUMMARY

Full-time equated exempted positions	488.0		
GROSS APPROPRIATION		\$	287,767,600
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers			2,364,400
ADJUSTED GROSS APPROPRIATION		\$	285,403,200
Federal revenues:			
Total federal revenues.....			6,437,400
Special revenue funds:			
Total local revenues			7,241,100
Total private revenues.....			944,800
Total other state restricted revenues.....			84,252,500
State general fund/general purpose		\$	186,527,400

Sec. 102. SUPREME COURT

Full-time equated exempted positions	246.0		
Supreme court administration—92.0 FTE positions		\$	13,371,800
Judicial institute—13.0 FTE positions			2,166,300
State court administrative office—61.0 FTE positions			11,873,900
Judicial information systems—22.0 FTE positions.....			3,072,200
Direct trial court automation support—44.0 FTE positions.....			7,241,100
Foster care review board—10.0 FTE positions			1,290,800
Community dispute resolution—3.0 FTE positions			2,368,400
Other federal grants.....			275,100
Drug treatment courts.....			10,958,000
Mental health courts and diversion services—1.0 FTE position.....			5,834,800
Veterans courts			500,000
Community court pilot project			20,000

	For Fiscal Year Ending Sept. 30, 2015
Swift and sure sanctions program	6,000,000
Next generation Michigan court system.....	4,125,000
GROSS APPROPRIATION	\$ 69,097,400
Appropriated from:	
Interdepartmental grant revenues:	
IDG from department of state police	1,500,000
IDG from department of corrections.....	50,000
IDG from state police - Michigan justice training fund.....	339,700
Federal revenues:	
DOJ, victims assistance programs.....	56,500
DOJ, drug court training and evaluation	300,000
DOT, national highway traffic safety administration	2,204,300
HHS, access and visitation grant.....	613,500
HHS, children’s justice grant	229,900
HHS, court improvement project.....	1,293,300
HHS, title IV-D child support program.....	1,012,000
HHS, title IV-E foster care program	387,300
Other federal grant revenues	275,100
Special revenue funds:	
Local - user fees.....	7,241,100
Private.....	188,500
Private - interest on lawyers trust accounts.....	259,200
Private - state justice institute	414,300
Community dispute resolution fund	2,368,400
Court of appeals filing/motion fees.....	1,641,800
Law exam fees.....	641,100
Drug court fund.....	1,920,500
Miscellaneous revenue.....	271,300
Justice system fund.....	568,100
State court fund	378,000
State general fund/general purpose	\$ 44,943,500
Sec. 103. COURT OF APPEALS	
Full-time equated exempted positions	175.0
Court of appeals operations—175.0 FTE positions	\$ 22,708,200
GROSS APPROPRIATION	\$ 22,708,200
Appropriated from:	
State general fund/general purpose	\$ 22,708,200
Sec. 104. BRANCHWIDE APPROPRIATIONS	
Full-time equated exempted positions	4.0
Branchwide appropriations—4.0 FTE positions.....	\$ 8,772,700
GROSS APPROPRIATION	\$ 8,772,700
Appropriated from:	
State general fund/general purpose	\$ 8,772,700
Sec. 105. JUSTICES’ AND JUDGES’ COMPENSATION	
Full-time judges positions	593.0
Supreme court justices’ salaries—7.0 justices	\$ 1,152,300
Court of appeals judges’ salaries—27.0 judges	4,126,700
District court judges’ state base salaries—243.0 judges	22,581,700
District court judicial salary standardization.....	11,156,700
Probate court judges’ state base salaries—103.0 judges.....	9,627,900
Probate court judicial salary standardization.....	4,669,600
Circuit court judges’ state base salaries—213.0 judges	20,181,700
Circuit court judicial salary standardization.....	9,796,400
Judges’ retirement system defined contributions	4,220,100
OASI, social security.....	5,563,300
GROSS APPROPRIATION	\$ 93,076,400

For Fiscal Year
Ending Sept. 30,
2015

Appropriated from:	
Special revenue funds:	
Court fee fund	2,988,100
State general fund/general purpose	\$ 90,088,300
Sec. 106. JUDICIAL AGENCIES	
Full-time equated exempted positions	7.0
Judicial tenure commission—7.0 FTE positions	\$ 1,120,700
GROSS APPROPRIATION	\$ 1,120,700
Appropriated from:	
State general fund/general purpose	\$ 1,120,700
Sec. 107. INDIGENT DEFENSE - CRIMINAL	
Full-time equated exempted positions	55.0
Appellate public defender program—44.0 FTE positions	\$ 6,816,500
Appellate assigned counsel administration—7.0 FTE positions	1,063,600
Michigan indigent defense commission—4.0 FTE positions	1,000,000
GROSS APPROPRIATION	\$ 8,880,100
Appropriated from:	
Interdepartmental grant revenues:	
IDG from state police - Michigan justice training fund.....	474,700
Federal revenues:	
Other federal grant revenues	65,500
Special revenue funds:	
Private - interest on lawyers trust accounts.....	82,800
Miscellaneous revenue.....	133,200
State general fund/general purpose	\$ 8,123,900
Sec. 108. INDIGENT CIVIL LEGAL ASSISTANCE	
Indigent civil legal assistance.....	\$ 7,937,000
GROSS APPROPRIATION	\$ 7,937,000
Appropriated from:	
Special revenue funds:	
State court fund	7,937,000
State general fund/general purpose	\$ 0
Sec. 109. TRIAL COURT OPERATIONS	
Court equity fund reimbursements	\$ 60,835,100
Judicial technology improvement fund	4,815,000
Drug case-flow program	250,000
Drunk driving case-flow program	3,300,000
Juror compensation reimbursement	6,600,000
GROSS APPROPRIATION	\$ 75,800,100
Appropriated from:	
Special revenue funds:	
Court equity fund	50,440,000
Judicial technology improvement fund	4,815,000
Drug fund	250,000
Drunk driving fund.....	3,300,000
Juror compensation fund	6,600,000
State general fund/general purpose	\$ 10,395,100
Sec. 110. ONE-TIME APPROPRIATIONS	
Full-time equated exempted positions	1.0
Trial court innovation fund—1.0 FTE position.....	\$ 375,000
GROSS APPROPRIATION	\$ 375,000
Appropriated from:	
State general fund/general purpose	\$ 375,000

PART 2
PROVISIONS CONCERNING APPROPRIATIONS
FOR FISCAL YEAR 2014-2015

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 2014-2015 is \$270,779,900.00 and state spending from state resources to be paid to local units of government for fiscal year 2014-2015 is \$139,407,400.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

JUDICIARY

SUPREME COURT

State court administrative office.....	\$	162,500
Drug treatment courts.....		10,658,000
Mental health courts and diversion services.....		5,722,800
Veterans courts		500,000
Swift and sure sanctions program		5,900,000
Next generation Michigan court system.....		4,125,000

TRIAL COURT OPERATIONS

Court equity fund reimbursements	\$	60,835,100
Judicial technology improvement fund		4,815,000
Trial court innovation fund.....		337,500
Drunk driving case-flow program		3,300,000
Drug case-flow program.....		250,000
Juror compensation reimbursement		6,600,000

JUSTICES' AND JUDGES' COMPENSATION

District court judicial salary standardization.....	\$	11,156,700
Probate court judges' state base salaries.....		9,627,900
Probate court judicial salary standardization.....		4,669,600
Circuit court judicial salary standardization.....		9,796,400
Grant to OASI contribution fund, employers share, social security		950,900
TOTAL.....	\$	139,407,400

Sec. 202. (1) The appropriations authorized under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

(2) Funds appropriated in part 1 to an entity within the judicial branch shall not be expended or transferred to another account without written approval of the authorized agent of the judicial entity. If the authorized agent of the judicial 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 judicial entity agent shall be designated by the chief justice of the supreme court.

Sec. 203. As used in this part and part 1:

- (a) "DOJ" means the United States department of justice.
- (b) "DOT" means the United States department of transportation.
- (c) "FTE" means full-time equated.
- (d) "HHS" means the United States department of health and human services.
- (e) "IDG" means interdepartmental grant.
- (f) "OASI" means old age survivor's insurance.

Sec. 204. The judicial branch shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 205. It is the intent of the legislature that judges who are presiding over a hearing on a foster care case shall publicly acknowledge and request the input of the foster parent or foster parents during the hearing.

Sec. 207. If the judicial branch makes any changes to a foster care family service plan before its finalization, it is the intent of the legislature that the presiding judge provide an explanation for any changes to that plan in the court record.

Sec. 208. The reporting requirements of this part shall be completed with the approval of, and at the direction of, the supreme court, except as otherwise provided in this part. The judicial branch shall use the Internet to fulfill the reporting requirements of this part. 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.

Sec. 209. (1) If funds become available in part 1 for juvenile justice vision 20/20, the state court administrative office shall implement the information technology services and projects described in subsection (2).

(2) The state court administrative office shall use the funds described in subsection (1) to implement a data exchange for use by circuit and probate courts, private juvenile justice agencies, and the state court administrative office under the guidance of appropriate data sharing agreements that tracks statistical and demographic data on juveniles referred

to the family division of the circuit court, otherwise known as the juvenile courts, after successful implementation and evaluation of the existing pilot database in Ottawa, Kalamazoo, Kent, Ionia, and Berrien Counties.

(3) It is the intent of the legislature that the purpose of the project is to implement a new juvenile justice data sharing model that will track data on juveniles referred to the courts. The project will be accomplished by local court staff, state employees, contracts with private vendors, and juvenile justice stakeholders. The total estimated cost of the project is \$5,550,000.00. The tentative completion date is September 30, 2019. The data exchange shall be compatible with the Michigan statewide automated child welfare information system.

(4) If funding becomes available for the project, the state court administrative office shall submit a report by March 1 to the senate and house appropriations subcommittees on judiciary, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office on the status of the implementation items described in subsections (1) and (2) should funding become available.

Sec. 211. From the funds appropriated in part 1, the judicial branch shall establish an interagency agreement with the department of human services and the department of corrections linking the swift and sure sanctions program with the Michigan rehabilitative services program. Funds shall be used to contract with accredited, community-based rehabilitation organizations for job placement and other support services for eligible probationers. The purpose of this relationship is to utilize synergies that exist between the client bases and determine eligibility of offenders in the swift and sure sanctions program for services rendered by the Michigan rehabilitative services program. These funds shall be used to assist individuals who have a history of probation violations and mental health needs but shall not be used for individuals who are currently incarcerated. If future legislation allows for parolees to participate in the swift and sure sanctions program under chapter XIA of the code of criminal procedure, 1927 PA 175, MCL 771A.1 to 771A.8, funds may be utilized for individuals participating as parolees.

Sec. 212. The judicial branch 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. The judicial branch may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 214. 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. Preference shall be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality. In addition, preference shall be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 215. Not later than January 1 of each year, the state court administrative office shall prepare a report on out-of-state travel listing all travel by judicial branch employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the budget for the judicial branch. The report shall be submitted to 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 the following information:

(a) The dates of each travel occurrence.

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

Sec. 219. Not later than November 30, the state budget office shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the prior fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major program or program areas. The report shall be transmitted to the chairpersons of the senate and house appropriations committees and the senate and house fiscal agencies.

Sec. 221. From the funds appropriated in part 1, the judicial branch shall develop, post, and maintain, on a user-friendly and publicly accessible Internet site, all expenditures made by the judicial branch within a fiscal year. The posting shall include the purpose for which each expenditure is made. The judicial branch shall not provide financial information on its website under this section if doing so would violate a federal or state law, rule, regulation, or guideline that establishes privacy or security standards applicable to that financial information.

Sec. 222. Within 14 days after the release of the executive budget recommendation, the judicial branch shall cooperate with the state budget office to provide the chairpersons of the senate and house appropriations committees, the chairpersons of the senate and house appropriations subcommittees on judiciary, and the senate and house fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2014 and September 30, 2015.

Sec. 223. The judiciary shall maintain, on a publicly accessible website, a scorecard that identifies, tracks, and regularly updates key metrics that are used to monitor and improve the judiciary's performance.

Sec. 224. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2015 are \$14,307,500.00. From this amount, total appropriations for judiciary pension-related legacy costs are estimated at \$7,996,600.00. Total appropriations for judiciary retiree health care legacy costs are estimated at \$6,310,900.00.

Sec. 225. (1) For each new program or program expansion for which funds in excess of \$500,000.00 are appropriated in part 1, the judiciary shall identify specific benchmarks intended to measure the performance or return on taxpayer investment of the program and its associated expenditures.

(2) By November 1, the judiciary shall report the proposed benchmarks to the senate and house appropriations subcommittee on judiciary, to the senate and house fiscal agencies, and to the state budget director.

(3) The judiciary shall provide an update on its progress in achieving those benchmarks at an appropriations subcommittee meeting called for the purpose of discussing benchmarks and their status.

(4) It is the intent of the legislature that, beginning with the budget for the fiscal year ending September 30, 2016, any proposal for a new program or an expansion of an existing program in excess of \$500,000.00 initiated by the executive branch or the legislature shall include, as part of the original proposal or budget request, a list of benchmarks intended to measure the performance or return on taxpayer investment of the program or spending increase.

JUDICIAL BRANCH

Sec. 301. Pursuant to the appropriations in part 1, the direct trial court automation support program of the state court administrative office shall recover direct and overhead costs from trial courts by charging for services rendered. The fee shall cover the actual costs incurred to the direct trial court automation support program in providing the service, including development of future versions of case management systems.

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

Sec. 303. Of the amount appropriated in part 1 for the judicial branch, \$511,900.00 is allocated for circuit court reimbursement under section 3 of 1978 PA 16, MCL 800.453, and for costs associated with the court of claims.

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

Sec. 307. From the funds appropriated in part 1 for mental health courts and diversion services, \$1,730,000.00 is intended to address the recommendations of the mental health diversion council.

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

Sec. 309. By April 1, the state court administrative office shall provide an update on the status of the mental health courts to the state budget director, the senate and house appropriations subcommittees on judiciary, and the senate and house fiscal agencies.

Sec. 310. From the funds appropriated in part 1 for drug treatment court programs, with the approval of and at the discretion of the supreme court, the state court administrative office shall evaluate and collect data on the performance of drug treatment court programs. The state court administrative office shall provide an annual review of the performance of drug courts as prescribed in section 1078(6) of the revised judicature act of 1961, 1961 PA 236, MCL 600.1078. Both of the following apply to that annual review:

(a) It shall include measures of the impact of drug court programs in changing offender criminal involvement (recidivism) and substance abuse and in reducing prison admissions.

(b) It shall be completed no later than April 1 of each year and shall also be provided to the senate and house appropriations subcommittees on judiciary, the senate and house fiscal agencies, and the state budget director.

Sec. 311. (1) The funds appropriated in part 1 for drug treatment courts shall be administered by the state court administrative office to operate drug treatment court programs. A drug treatment court shall be responsible for handling cases involving substance abusing nonviolent offenders through comprehensive supervision, testing, treatment services, and immediate sanctions and incentives. A drug treatment court shall use all available county and state personnel involved in the disposition of cases including, but not limited to, parole and probation agents, prosecuting attorneys, defense attorneys, and community corrections providers. The funds may be used in connection with other federal, state, and local funding sources.

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

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

(4) The judiciary shall receive \$1,500,000.00 in Byrne formula grant funding as an interdepartmental grant from the department of state police to be used for expansion of drug treatment courts, to assist in avoiding prison bed space growth for nonviolent offenders in collaboration with the department of corrections.

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

Sec. 317. Funds appropriated in part 1 shall not be used for the permanent assignment of state-owned vehicles to justices or judges or any other judicial branch employee. This section does not preclude the use of state-owned motor pool vehicles for state business in accordance with approved guidelines.

Sec. 318. The funds appropriated in part 1 for the community court pilot project shall be used for the purposes of administering a pilot program of neighborhood-focused community courts. The state court administrative office shall work collaboratively with the designated courts when establishing the community courts.

Sec. 320. (1) From the funds appropriated in part 1 for the swift and sure sanctions program, the state court administrative office shall administer a program to distribute grants to qualifying courts in accordance with the objectives and requirements of the probation swift and sure sanctions act, chapter XIA of the code of criminal procedure, 1927 PA 175, MCL 771A.1 to 771A.8. Of the \$6,000,000.00 designated for the program, not more than \$100,000.00 shall be available to the state court administrative office to pay for employee costs associated with the administration of the program funds. Courts interested in participating in the swift and sure sanctions program may apply to the state court administrative office for a portion of the funds appropriated in part 1 under this section.

(2) By April 1, the state court administrative office shall provide a report on the courts that receive funding under the swift and sure sanctions program described in subsection (1) to the state budget director, the senate and house appropriations subcommittees on the judiciary, and the senate and house fiscal agencies. The report shall include all of the following:

- (a) The number of offenders who participate in the program.
 - (b) The criminal history of offenders who participate in the program.
 - (c) The recidivism rate of offenders who participate in the program, including the rate of return to jail, prison, or both.
 - (d) A detailed description of the establishment and parameters of the program.
- (3) As used in this section, "program" means a swift and sure sanctions program described in subsection (1).

Sec. 321. It is the intent of the legislature that the judicial branch support a statewide legal self-help Internet website and local nonprofit self-help centers that use the statewide website to provide assistance to individuals representing themselves in civil legal proceedings. The state court administrative office shall summarize the costs of maintaining the website, provide statistics on the number of people visiting the website, and provide information on content usage, form completion, and user feedback. By March 1, the state court administrative office shall report this information for the preceding fiscal year to the senate and house appropriations subcommittees on judiciary, the senate and house fiscal agencies, and the state budget director.

Sec. 322. If Byrne formula grant funding is awarded to the state appellate defender, the state appellate defender office may receive and expend Byrne formula grant funds in an amount not to exceed \$250,000.00 as an interdepartmental grant from the department of state police. If the appellate defender appointed under section 3 of the appellate defender act, 1978 PA 620, MCL 780.713, receives federal grant funding from the department of justice in excess of the amount appropriated in part 1, the office of appellate defender may receive and expend grant funds in an amount not to exceed \$300,000.00 as other federal grants.

Sec. 323. The state court administrative office shall provide courts with a quarterly listing of out-of-state placements of juveniles by each court. The state court administrative office shall also provide each judge who hears juvenile matters with the annual listing of per diem costs of the public and private residential care facilities located or doing business in this state, and the recidivism data for each facility, if available, as provided by the department of human services. The courts shall acknowledge receipt of this information.

PART 2A
 PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS
 FOR FISCAL YEAR 2015-2016

GENERAL SECTIONS

Sec. 1201. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, 2016 for the line items listed in part 1. The fiscal year 2015-2016 appropriations are anticipated to be the same as those for fiscal year 2014-2015, except that the line items will be adjusted for changes in caseload and related costs, federal fund match rates, economic factors, and available revenue. These adjustments will be determined after the January 2015 consensus revenue estimating conference.

ARTICLE XIII
 DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
 PART 1
 LINE-ITEM APPROPRIATIONS

Sec. 101. The amounts listed in this part are appropriated for the department of licensing and regulatory affairs, subject to the conditions set forth in part 2, for the fiscal year ending September 30, 2015, from the funds identified in this part. The following is a summary of the appropriations in this part:

**DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
 APPROPRIATION SUMMARY**

Full-time equated unclassified positions.....	57.5	
Full-time equated classified positions	2,820.3	
GROSS APPROPRIATION		\$ 542,488,200

	For Fiscal Year Ending Sept. 30, 2015
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	14,509,800
ADJUSTED GROSS APPROPRIATION	\$ 527,978,400
Federal revenues:	
Total federal revenues.....	200,624,800
Special revenue funds:	
Total local revenues.....	656,500
Total private revenues.....	311,800
Total other state restricted revenues.....	286,351,500
State general fund/general purpose	\$ 40,033,800
State general fund/general purpose schedule:	
Ongoing state general fund/general purpose.....	25,033,800
One-time state general fund/general purpose.....	15,000,000
Sec. 102. DEPARTMENTAL ADMINISTRATION	
Full-time equated unclassified positions.....	57.5
Full-time equated classified positions	120.0
Unclassified salaries—57.5 FTE positions.....	\$ 4,768,700
Executive director programs—32.0 FTE positions.....	4,638,400
Administrative services—84.0 FTE positions	9,673,000
Office of regulatory reinvention—4.0 FTE positions.....	484,700
Property management.....	9,328,300
Rent	7,868,600
Worker’s compensation.....	662,500
GROSS APPROPRIATION	\$ 37,424,200
Appropriated from:	
Interdepartmental grant revenues:	
IDG-DIFS, accounting services.....	150,000
Federal revenues:	
DOL, multiple grants for safety and health	880,400
DOL-ETA, unemployment insurance	9,968,100
Federal revenues.....	849,700
Title XVIII Medicare.....	451,300
Title XIX Medicaid	21,700
Title XIX Medicaid, facility certification fees.....	272,000
Special revenue funds:	
Local revenues.....	127,500
Aboveground storage tank fees	71,100
Accountancy enforcement fund.....	25,000
Boiler inspection fund.....	255,000
Builder enforcement fund.....	56,900
Construction code fund	1,007,700
Contingent fund, penalty and interest account.....	39,900
Corporation fees	4,280,300
Elevator fees	275,800
Fees and collections/asbestos	89,200
Fire service fees	513,700
Fireworks safety fund.....	9,700
Health professions regulatory fund	1,524,500
Health systems fees	159,600
Licensing and regulation fund.....	1,094,900
Liquor license revenue	260,000
Liquor purchase revolving fund	4,069,100
Michigan medical marihuana fund.....	270,100
Mobile home code fund.....	343,700
Motor carrier fees.....	220,400
Private occupational school license fees	39,000

	For Fiscal Year Ending Sept. 30, 2015
Public utility assessments.....	2,409,800
Radiological health fees.....	107,700
Safety education and training fund.....	843,700
Second injury fund.....	272,200
Securities fees.....	3,563,400
Self-insurers security fund.....	101,800
Silicosis and dust disease fund.....	118,900
Survey and remonumentation fund.....	53,000
Tax tribunal fund.....	1,056,700
Underground storage tank fees.....	68,000
Video franchise assessments.....	4,000
Worker's compensation administrative revolving fund.....	100,000
State general fund/general purpose.....	\$ 1,398,700
Sec. 103. PUBLIC SERVICE COMMISSION	
Full-time equated classified positions.....	193.0
Public service commission—190.0 FTE positions.....	\$ 30,130,500
METRO authority—3.0 FTE positions.....	383,600
GROSS APPROPRIATION.....	\$ 30,514,100
Appropriated from:	
Federal revenues:	
DOE-OEERE, multiple grants.....	56,700
DOT, gas pipeline safety.....	1,234,500
Special revenue funds:	
Motor carrier fees.....	2,529,500
Public utility assessments.....	25,730,400
Restructuring mechanism assessments.....	553,800
Video franchise assessments.....	409,200
State general fund/general purpose.....	\$ 0
Sec. 104. LIQUOR CONTROL COMMISSION	
Full-time equated classified positions.....	152.0
Management support services—28.0 FTE positions.....	\$ 4,378,800
Liquor licensing and enforcement—124.0 FTE positions.....	15,122,600
GROSS APPROPRIATION.....	\$ 19,501,400
Appropriated from:	
Special revenue funds:	
Direct shipper enforcement revolving fund.....	124,800
Liquor license revenue.....	7,820,000
Liquor purchase revolving fund.....	11,556,600
State general fund/general purpose.....	\$ 0
Sec. 105. OCCUPATIONAL REGULATION	
Full-time equated classified positions.....	805.9
Boiler inspection program—23.0 FTE positions.....	\$ 3,277,500
Bureau of fire services—85.0 FTE positions.....	12,184,800
Bureau of construction codes—104.0 FTE positions.....	9,341,300
Detroit demolition permit assistance.....	800,000
Corporations, securities, and commercial licensing bureau—178.0 FTE positions.....	26,864,900
Elevator inspection program—32.0 FTE positions.....	4,358,400
Health professions regulation—141.0 FTE positions.....	27,902,800
Medical marihuana program—20.0 FTE positions.....	4,230,900
Health systems regulation—200.4 FTE positions.....	28,945,400
Background check program—5.5 FTE positions.....	2,624,800
Manufactured housing and land resources program—8.0 FTE positions.....	2,986,200
Property development group—9.0 FTE positions.....	1,839,000
GROSS APPROPRIATION.....	\$ 125,356,000

For Fiscal Year
Ending Sept. 30,
2015

Appropriated from:	
Interdepartmental grant revenues:	
IDG-DCH, inspection contract	100,000
Federal revenues:	
Clinical lab improvement	402,500
DOT	60,000
Federal revenues	1,255,300
FEMA	28,000
Title XVIII Medicare.....	11,841,600
Title XIX Medicaid	719,300
Title XIX Medicaid, facility certification fees	8,292,400
Special revenue funds:	
Private - civil monetary penalties	200,000
Aboveground storage tank fees	448,100
Accountancy enforcement fund.....	404,800
Boiler inspection fund	3,762,800
Builder enforcement fund.....	479,200
Construction code fund	8,453,700
Corporation fees	6,929,600
Elevator fees	4,788,700
Fire alarm fees.....	125,400
Fire safety standard and enforcement fund	40,000
Fire service fees	2,457,500
Fireworks safety fund.....	684,300
Health professions regulatory fund	23,522,500
Health systems fees	3,317,400
Licensing and regulation fund.....	11,408,800
Liquor purchase revolving fund	1,188,100
Michigan medical marihuana fund.....	4,230,900
Mobile home code fund.....	2,986,200
Nurse professional fund.....	1,939,800
Pain management fees	1,823,700
Private occupational school license fees	818,500
Property development fees	318,100
Real estate appraiser continuing education fund.....	63,300
Real estate education fund	341,100
Real estate enforcement fund	697,300
Securities fees.....	4,926,700
Securities investor education and training fund	1,000,000
Security business fund.....	340,100
Survey and remonumentation fund.....	838,500
Unarmed combat fund.....	137,900
Underground storage tank fees.....	2,523,700
State general fund/general purpose	\$ 11,460,200
Sec. 106. MICHIGAN OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION	
Full-time equated classified positions	250.4
Occupational safety and health—197.0 FTE positions	\$ 28,722,200
Radiological health administration—21.4 FTE positions.....	3,466,800
Wage and hour division—32.0 FTE positions.....	3,642,200
GROSS APPROPRIATION	\$ 35,831,200
Appropriated from:	
Federal revenues:	
DOL, multiple grants for safety and health	11,722,600
Mammography quality standards.....	766,400
Special revenue funds:	
Corporation fees	6,413,900

	For Fiscal Year Ending Sept. 30, 2015
Fees and collections/asbestos	1,018,300
Radiological health fees	2,677,500
Safety education and training fund	9,573,900
Securities fees.....	3,484,400
State general fund/general purpose	\$ 174,200
Sec. 107. EMPLOYMENT SERVICES	
Full-time equated classified positions	1,066.0
Workers' compensation agency—56.0 FTE positions.....	\$ 7,758,100
Insurance funds administration—23.0 FTE positions	5,241,200
Compensation supplement fund	1,820,000
Unemployment insurance agency—782.7 FTE positions.....	91,618,900
Advocacy assistance program.....	1,500,000
Special audit and collections program—34.0 FTE positions	3,394,900
Training program for agency staff—2.1 FTE positions	1,851,300
Expanded fraud control program—33.2 FTE positions	3,910,600
Bureau of services for blind persons—113.0 FTE positions	24,812,100
Employment and labor relations—22.0 FTE positions	4,136,300
GROSS APPROPRIATION	\$ 146,043,400
Appropriated from:	
Federal revenues:	
DOL-ETA, employment and training administration	842,100
DOL-ETA, unemployment insurance	95,118,900
Federal revenues	18,308,300
Special revenue funds:	
Local revenues.....	529,000
Private revenues.....	111,800
Contingent fund, penalty and interest account.....	5,314,700
Corporation fees	1,771,900
Michigan business enterprise program fund.....	562,000
Second injury fund	2,815,800
Securities fees.....	5,027,900
Self-insurers security fund.....	1,339,600
Silicosis and dust disease fund.....	1,085,800
Special fraud control fund.....	1,000,000
Worker's compensation administrative revolving fund	2,462,800
State general fund/general purpose	\$ 9,752,800
Sec. 108. MICHIGAN ADMINISTRATIVE HEARING SYSTEM	
Full-time equated classified positions	233.0
Michigan administrative hearing system—215.0 FTE positions.....	\$ 38,425,800
Michigan compensation appellate commission—18.0 FTE positions.....	4,579,400
GROSS APPROPRIATION	\$ 43,005,200
Appropriated from:	
Interdepartmental grant revenues:	
IDG - administrative hearings and rules	14,259,800
Federal revenues:	
DOL-ETA, unemployment insurance	4,243,800
Federal revenue - administrative hearings and rules	9,842,600
Special revenue funds:	
State restricted revenue - administrative hearings and rules	12,834,300
Worker's compensation administrative revolving fund	335,600
State general fund/general purpose	\$ 1,489,100
Sec. 109. INFORMATION TECHNOLOGY	
Information technology services and projects.....	\$ 41,795,200
GROSS APPROPRIATION	\$ 41,795,200

For Fiscal Year
Ending Sept. 30,
2015

Appropriated from:	
Interdepartmental grant revenues:	
Federal revenues:	
DOL, multiple grants for safety and health	273,700
DOL-ETA, unemployment insurance	21,542,900
Federal revenues	700,000
Title XVIII Medicare.....	610,000
Title XIX Medicaid, facility certification fees	320,000
Special revenue funds:	
Aboveground storage tank fees	24,500
Boiler inspection fund.....	375,800
Construction code fund	963,800
Corporation fees	4,888,300
Elevator fees	423,600
Fees and collections/asbestos	49,300
Fire service fees	293,800
Health professions regulatory fund	1,099,800
Health systems fees	225,900
Licensing and regulation fund.....	1,818,500
Liquor purchase revolving fund	2,843,000
Michigan medical marihuana fund.....	284,000
Mobile home code fund.....	300,500
Motor carrier fees.....	191,300
Pain management fees	175,300
Public utility assessments.....	1,554,800
Radiological health fees	140,000
Safety education and training fund	632,400
Second injury fund	162,900
Securities fees.....	1,026,900
Self-insurers security fund.....	84,800
Silicosis and dust disease fund.....	74,800
Tax tribunal fund.....	518,000
Underground storage tank fees.....	131,400
State general fund/general purpose	\$ 65,200
Sec. 110. DEPARTMENT GRANTS	
Fire protection grants	\$ 9,273,900
Firefighter training grants.....	1,000,000
Liquor law enforcement grants.....	7,200,000
Medical marihuana operation and oversight grants.....	3,000,000
Remonumentation grants	7,300,000
Subregional libraries state aid	451,800
Utility consumer representation.....	950,000
Youth low-vision program	241,800
GROSS APPROPRIATION	\$ 29,417,500
Appropriated from:	
Special revenue funds:	
Fire protection fund.....	8,500,000
Fireworks safety fund.....	1,000,000
Liquor license revenue	7,200,000
Liquor purchase revolving fund	773,900
Michigan medical marihuana fund.....	3,000,000
Survey and remonumentation fund.....	7,300,000
Utility consumer representation fund.....	950,000
State general fund/general purpose	\$ 693,600
Sec. 111. ONE-TIME BASIS ONLY APPROPRIATIONS	
MLCC IT upgrades	\$ 500,000
Unemployment insurance agency - customer service	18,000,000

	For Fiscal Year Ending Sept. 30, 2015
Disability accessibility project	100,000
Delphi corporation workers' compensation payment fund.....	15,000,000
GROSS APPROPRIATION	\$ 33,600,000
Appropriated from:	
Special revenue funds:	
Contingent fund, penalty and interest account.....	18,000,000
Elevator fees	100,000
Liquor purchase revolving fund	500,000
State general fund/general purpose	\$ 15,000,000

PART 2
PROVISIONS CONCERNING APPROPRIATIONS
FOR FISCAL YEAR 2014-2015

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 2014-2015 is \$326,385,300.00 and state spending from state resources to be paid to local units of government for fiscal year 2014-2015 is \$28,225,700.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS

Fire protection grants.....	\$ 9,273,900
Firefighter training grants.....	1,000,000
Liquor law enforcement grants.....	7,200,000
Medical marihuana operation and oversight grants.....	3,000,000
Remonumentation grants	7,300,000
Subregional libraries state aid	451,800
Total department of licensing and regulatory affairs.....	\$ 28,225,700

Sec. 202. The appropriations authorized under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this part and part 1:

- (a) "Department" means the department of licensing and regulatory affairs.
- (b) "Director" means the director of the department.
- (c) "DOE-OEERE" means the United States department of energy, office of energy efficiency and renewable energy.
- (d) "DOL" means the United States department of labor.
- (e) "DOL-ETA" means the United States department of labor, employment and training administration.
- (f) "DOT" means the United States department of transportation.
- (g) "FEMA" means federal emergency management agency.
- (h) "Fiscal agencies" means Michigan house fiscal agency and Michigan senate fiscal agency.
- (i) "FTE" means full-time equated.
- (j) "IDG" means interdepartmental grant.
- (k) "IT" means information technology.
- (l) "MAHS" means Michigan administrative hearing system.
- (m) "MARVIN" means Michigan's automated response voice interactive network.
- (n) "METRO" means the metropolitan extension telecommunications rights-of-way oversight act, 2002 PA 48, MCL 484.3101 to 484.3120.
- (o) "MiWAM" means Michigan web account manager.
- (p) "Subcommittees" means all members of the subcommittees of the house and senate appropriations committees with jurisdiction over the budget for the department.

Sec. 205. (1) For each new program or program expansion for which funds in excess of \$500,000.00 are appropriated in part 1, the department shall identify specific benchmarks intended to measure the performance or return on taxpayer investment of the program and its associated expenditures. Not later than November 1, 2014, the department shall report the proposed benchmarks to the house and senate appropriations subcommittees for that department, the house and senate fiscal agencies, and the state budget director. The department shall provide an update on its progress in achieving those benchmarks at an appropriations subcommittee meeting called for the purpose of discussing benchmarks and their status.

(2) It is the intent of the legislature that, beginning with the budget for the fiscal year ending September 30, 2016, any proposal for a new program or an expansion of an existing program in excess of \$500,000.00 initiated by the executive branch or the legislature shall include, as part of the original proposal or budget request, a list of benchmarks intended to measure the performance or return on taxpayer investment of the program or spending increase.

Sec. 208. The departments and agencies receiving appropriations in part 1 shall use the Internet to fulfill the reporting requirements of this part. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on an Internet or Intranet site.

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. Preference shall be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality. In addition, preference shall be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 210. The director 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. The 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 funds appropriated in part 1 for liquor control commission IT upgrades are designated as work project appropriations and shall not lapse at the end of the fiscal year. Any unencumbered and unexpended funds shall continue to be available for expenditure until the project has been completed. The estimated completion date for the work project is February 1, 2016.

Sec. 212. The department and agencies receiving appropriations in part 1 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. The department may electronically retain copies or reports unless otherwise required by federal and state guidelines.

Sec. 215. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 216. Not later than November 30, the state budget office shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the prior fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the chairpersons of the senate and house appropriations committees and the fiscal agencies.

Sec. 218. The departments and agencies receiving appropriations in part 1 shall prepare a report on out-of-state travel expenses not later than January 1 of each year. The travel report shall be a listing of all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the house and senate appropriations committee, the house and senate fiscal agencies, and the state budget director. The report shall include the following information:

(a) The dates of each travel occurrence.

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

Sec. 219. No later than April 1, the department shall submit to the subcommittees and the fiscal agencies a report pertaining to the following information:

(a) The amount, in square footage, of office space paid for with the appropriation in part 1 for both state-owned and leased office space, respectively, during the previous fiscal year.

(b) The amount, in square footage, of office space actually utilized by the department for both state-owned and leased office space, respectively, during the previous fiscal year.

(c) The amount of office space the department estimates will be utilized during the current and subsequent fiscal years.

Sec. 220. The department may carry into the succeeding fiscal year unexpended federal pass-through funds to local institutions and governments that do not require additional state matching funds. Federal pass-through funds to local institutions and governments that are received in amounts in addition to those included in part 1 and that do not require additional state matching funds are appropriated for the purposes intended. Within 14 days after the receipt of federal pass-through funds, the department shall notify the house and senate chairpersons of the subcommittees, the fiscal agencies, and the state budget director of pass-through funds appropriated under this section.

Sec. 221. Funds appropriated in this part and part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those outside services that the attorney general authorizes.

Sec. 223. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$19,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 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 \$25,000,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 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 \$7,800,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 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 \$400,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 225. (1) Grants supported with private revenues received by the department are appropriated upon receipt and are available for expenditure by the department, subject to subsection (3), for purposes specified within the grant agreement and as permitted under state and federal law.

(2) Within 10 days after the receipt of a private grant appropriated in subsection (1), the department shall notify the house and senate chairpersons of the subcommittees, the fiscal agencies, and the state budget director of the receipt of the grant, including the fund source, purpose, and amount of the grant.

(3) The amount appropriated under subsection (1) shall not exceed \$1,500,000.00.

Sec. 227. (1) The department shall sell documents at a price not to exceed the cost of production and distribution. Money received from the sale of these documents shall revert to the department. In addition to the funds appropriated in part 1, these funds are available for expenditure when they are received by the department of treasury. This subsection applies only for the following documents:

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

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

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

(d) The mobile home commission act, 1987 PA 96, MCL 125.2301 to 125.2349; the business corporation act, 1972 PA 284, MCL 450.1101 to 450.2098; the nonprofit corporation act, 1982 PA 162, MCL 450.2101 to 450.3192; and the uniform securities act (2002), 2008 PA 551, MCL 451.2101 to 451.2703.

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

(f) Construction code manuals.

(g) Copies of transcripts from administrative law hearings.

(2) In addition to the funds appropriated in part 1, funds collected by the department 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 cost of publication and distribution.

(3) Unexpended funds at the end of the fiscal year shall carry forward to the subsequent fiscal year and not lapse to the general fund.

Sec. 228. Unless prohibited by law, the department may accept credit card or other electronic means of payment for licenses, fees, or permits.

Sec. 229. The department shall maintain, on a publicly accessible website, a department scorecard that identifies, tracks, and regularly updates key metrics that are used to monitor and improve the department's performance.

Sec. 231. The department shall cooperate with the department of technology, management, and budget to maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following for each department or agency:

(a) Fiscal year-to-date expenditures by category.

(b) Fiscal year-to-date expenditures by appropriation unit.

(c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.

(d) The number of active department employees by job classification.

(e) Job specifications and wage rates.

Sec. 232. The department shall not develop or produce any television or radio productions.

Sec. 234. Within 14 days after the release of the executive budget recommendation, the department shall cooperate with the state budget office to provide the senate and house appropriations chairs, the senate and house appropriations subcommittees chairs, and the senate and house fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2014 and September 30, 2015.

Sec. 235. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2015 is \$72,438,500.00. From this amount, total agency appropriations for pension-related legacy costs are estimated at \$40,484,400.00. Total agency appropriations for retiree health care legacy costs are estimated at \$31,954,100.00.

Sec. 240. (1) It is the intent of the legislature that departments and agencies receiving appropriations in part 1 properly account for their spending and do not use full-time equated positions as placeholders for spending in other parts of their budgets.

(2) No later than February 1, the department shall provide a report to the legislature specifying the number of filled, full-time equated positions in pay status within each agency receiving appropriations in part 1 during the immediately preceding fiscal year. When reporting on the number of filled, full-time equated positions in pay status, the department shall provide the maximum number of filled, full-time equated positions in pay status by appropriation line item in the last pay period of each quarter of the immediately preceding fiscal year. The report shall also include a list of all funded, full-time equated positions by position title.

Sec. 241. (1) The department may charge registration fees to attendees of informational, training, or special events sponsored by the department.

(2) These fees shall reflect the costs for the department to sponsor the informational, training, or special events.

(3) Revenue generated by the registration fees is appropriated upon receipt and available for expenditure to cover the department's costs of sponsoring informational, training, or special events.

(4) Revenue generated by registration fees in excess of the department's costs of sponsoring informational, training, or special events shall carry forward to the subsequent fiscal year and not lapse to the general fund.

(5) Not later than November 15, the department shall submit a report to the subcommittees, fiscal agencies, and the state budget office that identifies each of the following in the immediately preceding fiscal year:

(a) Each informational, training, or special event sponsored by the department.

(b) The amount of revenue generated by registration fees.

(c) The amount expended for the department's costs of sponsoring informational, training, or special events.

(d) Any balance carried forward into the subsequent fiscal year.

(6) The amount appropriated under subsection (3) shall not exceed \$500,000.00.

Sec. 242. The department may make available to interested entities otherwise unavailable customized listings of nonconfidential information in its possession, such as names and addresses of licensees. The department may establish and collect a reasonable charge to provide this service. The revenue received from this service shall be used to offset expenses to provide the service. Any balance of this revenue collected and unexpended at the end of the fiscal year shall revert to the appropriate restricted fund.

Sec. 243. (1) The department shall work to establish memoranda of understanding with other state departments or agencies that participate in the reinventing performance in Michigan program supported by appropriations in part 1. Each memorandum shall detail a mechanism for the department to recover costs related to program services performed on behalf of the receiving agency. Not later than March 1, the department shall submit a report to the state budget office, subcommittees, and fiscal agencies containing the following information:

(a) The name of each state department or agency participating in the program.

(b) Whether a memorandum of understanding was established with each participating state department or agency.

(c) The amount agreed upon in each memorandum of understanding.

(2) It is the intent of the legislature that future financial support for the reinventing performance in Michigan program be shared among participating state departments or agencies.

Sec. 245. The department, in conjunction with the department of community health, shall establish an accounting structure within the Michigan administrative information network that will allow expenditures associated with the administration of the Healthy Michigan plan to be identified. By October 1, 2014, the department shall provide the state budget office and the fiscal agencies with the relevant accounting structure and associated business objects script and report that groups administrative costs.

Sec. 248. (1) No later than March 1, the department shall submit a report to the subcommittees and fiscal agencies pertaining to licensing and regulatory programs during the previous fiscal year for the following agencies:

(a) Public service commission.

(b) Liquor control commission.

(c) Bureau of construction codes.

(d) Corporations, securities, and commercial licensing bureau.

(e) Bureau of health care services.

(f) Michigan occupational safety and health administration.

(2) The report shall provide, but is not limited to, the following information for each agency in subsection (1):

(a) Revenue generated by and expenditures disbursed for each regulatory product.

(b) Number of applications, both initial and renewal, for each regulatory product.

(c) Number of applications, both initial and renewal, approved for each regulatory product.

(d) Number of applications, both initial and renewal, denied for each regulatory product.

(e) Average amount of time, both tolled and untolled, to approve or deny applications, both initial and renewal, for each regulatory product.

(f) Number of examinations proctored for initial applications for each regulatory product, if applicable.

(g) Number of complaints received pertaining to each regulated activity.

(h) Number of investigations opened pertaining to each regulated activity.

(i) Number of investigations closed pertaining to each regulated activity.

- (j) Average amount of time to close investigations pertaining to each regulated activity.
- (k) Number of enforcement actions pertaining to each regulated activity.
- (l) Number of administrative hearings pertaining to each regulated activity.
- (m) Number of administrative hearing adjudications pertaining to each regulated activity.

(3) As used in subsection (2), “regulatory products” means licensure, certification, registration, permitting, approval, or any other regulatory service provided by the agencies specified in subsection (1) for occupations, facilities, entities, industries, or activities regulated by the agencies specified in subsection (1).

Sec. 250. It is the intent of the legislature that the department continue the prefunding of other postemployment benefits for state employees hired before January 1, 2012, with the amounts appropriated in part 1 pursuant to the amendments made by 2011 PA 264 to the state employees’ retirement act, 1943 PA 240, MCL 38.1 to 38.69.

OCCUPATIONAL REGULATION

Sec. 501. Money appropriated under this part and part 1 for the bureau of fire services shall not be expended unless, in accordance with section 2c of the fire prevention code, 1941 PA 207, MCL 29.2c, inspection and plan review fees will be charged according to the following schedule:

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

Sec. 502. The funds collected by the department for licenses, permits, and other elevator regulation fees set forth in the Michigan administrative code and as determined under section 8 of 1976 PA 333, MCL 338.2158, and section 16 of 1967 PA 227, MCL 408.816, that are unexpended at the end of the fiscal year shall carry forward to the subsequent fiscal year.

Sec. 503. No later than February 15, the department shall submit a report to the subcommittees and fiscal agencies providing the following information:

(a) The number of honorably discharged veterans, individually or if a majority interest of a corporation or limited liability company, that were exempted from paying licensure, registration, filing, or any other fees collected under each licensure or regulatory program administered by the bureau of construction codes and the corporations, securities, and commercial licensing bureau during the preceding fiscal year.

(b) The specific fees and total amount of revenue exempted under each licensure or regulatory program administered by the bureau of construction codes and the corporations, securities, and commercial licensing bureau during the preceding fiscal year.

(c) The actual costs of providing licensing and other regulatory services to veterans exempted from paying licensure, registration, filing, or any other fees and a description of how these costs were calculated.

(d) The estimated amount of revenue that will be exempted under each licensure or regulatory program administered by the bureau of construction codes and the corporations, securities, and commercial licensing bureau in both the current and subsequent fiscal years and a description of how the exempted revenue was estimated.

Sec. 505. (1) Funds remaining in the homeowner construction lien recovery fund are appropriated to the department for payment of court-ordered homeowner construction lien recovery fund judgments entered prior to August 23, 2010. Pursuant to available funds, the payment of final judgments shall be made in the order in which the final judgments were entered and began accruing interest.

(2) Not later than April 1, the department shall submit to the subcommittees and fiscal agencies a report on the revenues, expenditures, and balance of the homeowner construction lien recovery fund as of the end of the previous fiscal year.

Sec. 506. (1) The department shall report by April 1 to the subcommittees, fiscal agencies, and state budget director on the timeliness of nursing facility complaint investigations and the number of allegations that are substantiated on an annual basis. The report shall consist of the number of allegations filed by consumers and the number of facility-reported incidents. The department shall make every effort to contact every complainant and the subject of a complaint during an investigation.

(2) The department shall gather information on its most frequently cited complaint deficiencies for the prior 3 fiscal years and include that information in the report required under subsection (1). The department shall determine whether there is an increase in the number of citations from 1 year to the next and assess the cause of the increase, if any, and whether education and training of nursing facility staff or department staff are needed.

(3) The department shall make the report required under this section available to the public at no cost on its website.

Sec. 507. (1) The department shall submit a report by January 1 to the standing committees on appropriations of the senate and house of representatives, the fiscal agencies, and the state budget director that includes all of the following

information for the prior fiscal year regarding the medical marihuana program under the Michigan medical marihuana act, 2008 IL 1, MCL 333.26421 to 333.26430:

- (a) The number of initial applications received.
- (b) The number of initial applications approved and the number of initial applications denied.
- (c) The average amount of time, from receipt to approval or denial, to process an initial application.
- (d) The number of renewal applications received.
- (e) The number of renewal applications approved and the number of renewal applications denied.
- (f) The average amount of time, from receipt to approval or denial, to process a renewal application.
- (g) The percentage of initial applications not approved or denied within the time requirements established in section 6 of the Michigan medical marihuana act, 2008 IL 1, MCL 333.26426.
- (h) The percentage of renewal applications not approved or denied within the time requirements established in section 6 of the Michigan medical marihuana act, 2008 IL 1, MCL 333.26426.
- (i) The percentage of registry cards for approved initial applications not issued within the time requirements established in section 6 of the Michigan medical marihuana act, 2008 IL 1, MCL 333.26426.
- (j) The percentage of registry cards for approved renewal applications not issued within the time requirements established in section 6 of the Michigan medical marihuana act, 2008 IL 1, MCL 333.26426.
- (k) The amount collected from the medical marihuana program application and renewal fees authorized in section 5 of the Michigan medical marihuana act, 2008 IL 1, MCL 333.26425.
- (l) The costs of administering the medical marihuana program under the Michigan medical marihuana act, 2008 IL 1, MCL 333.26421 to 333.26430.

(2) If the required fees are shown to be insufficient to offset all expenses of implementing and administering the medical marihuana program, the department shall review and revise the application and renewal fees accordingly to ensure that all expenses of implementing and administering the medical marihuana program are offset as is permitted under section 5 of the Michigan medical marihuana act, 2008 IL 1, MCL 333.26425.

Sec. 508. If the revenue collected by the department for health systems administration or radiological health administration and projects from fees and collections exceeds the amount appropriated in part 1, the revenue may be carried forward into the subsequent fiscal year. The revenue carried forward under this section shall be used as the first source of funds in the subsequent fiscal year.

Sec. 509. By February 1, the bureau of health care services shall provide the state budget office, the subcommittees, and the fiscal agencies an updated schedule of fees to be charged by the bureau of health care services for regulating health facilities. The updated fee schedule proposed by the bureau shall be based on the schedule submitted previously, but include updated figures from the prior fiscal year. It shall also bear a direct relationship to the cost of the service or act, including overhead expenses. The report shall also recommend the necessary statutory and administrative rule changes necessary to implement the recommended fee schedule.

Sec. 510. From the appropriations made in part 1 for the bureau of health systems, at least \$530,000.00 must be expended for activities related to the inspection and licensing of freestanding surgical outpatient facilities.

Sec. 511. No later than February 1, the department shall submit a report to the subcommittees and fiscal agencies providing the following information:

(a) The total amount of reimbursements made to local units of government for delegated inspections of fireworks retail locations pursuant to section 11 of the Michigan fireworks safety act, 2011 PA 256, MCL 28.461, from the funds appropriated in part 1 for the bureau of fire services during the preceding fiscal year.

(b) The amount of reimbursement for delegated inspections of fireworks retail locations for each local unit of government that received reimbursement from the funds appropriated in part 1 for the bureau of fire services during the preceding fiscal year.

Sec. 512. (1) To the extent allowed under applicable state and federal laws, the bureau of health care services shall make disciplinary actions taken against health professionals publicly available through the online license verification website.

(2) From the appropriation in part 1 for health professions regulation, the department shall spend up to \$200,000.00 to implement this section. It is the intent of the legislature that this amount is 1-time and will be removed from future appropriations for health professions regulation.

Sec. 513. (1) Beginning October 1, for the purpose of defraying the costs associated with responding to false final inspection appointments and to discourage the practice of calling for final inspections when the project is incomplete or noncompliant with a plan of correction previously provided by the bureau of fire services, the bureau of fire services may undertake a pilot project to assess a fee not to exceed \$200.00 for responding to confirmed false inspection appointments. Fees collected under this section shall be deposited into the restricted account referenced by section 2c(2) of the fire prevention code, 1941 PA 207, MCL 29.2c, and explicitly identified within the Michigan administrative information network.

(2) Not later than September 30, the department shall prepare a report that provides the amount of the fee assessed under subsection (1), the number of fees assessed and issued per region, the cost allocation for the work performed and

reduced as a result of this section, and any recommendations for consideration by the legislature in regard to the pilot project. The department shall submit this information to the state budget director, the subcommittees, and the fiscal agencies.

EMPLOYMENT SERVICES

Sec. 701. Funds earned or authorized by the DOL in excess of the gross appropriation in part 1 for the unemployment insurance agency from the DOL are appropriated and may be expended for staffing and related expenses incurred in the operation of its programs. These funds may be spent after the department notifies the state budget director and the subcommittees of the purpose and amount of each grant award.

Sec. 702. The unemployment insurance agency shall provide the subcommittees, fiscal agencies, and state budget office with quarterly status reports on the implementation of and improvements to the agency's integrated system project. The quarterly status reports shall include, but not be limited to, a summary of the expenditures for the project, a summary of the tasks completed, and a summary of the tasks anticipated to be completed in the subsequent quarter.

Sec. 703. The department shall report quarterly to the members of the house and senate committees on appropriations, the fiscal agencies, and the state budget director on the percentage of unemployment claimants that meet the certification requirements for receiving benefits by using the Internet MiWAM system or any application developed for that purpose. The department shall implement improvements to the Internet MiWAM system that promote greater ease of access and security with a goal of reaching 75% of users certifying by using the Internet MiWAM system or another system that reduces staff face time and MARVIN telephone system usage.

Sec. 704. (1) The appropriation in part 1 for the bureau of services for blind persons includes funds for case services. These funds may be used for tuition payments for blind clients.

(2) Revenue collected by the bureau of services for blind persons and from private and local sources that is unexpended at the end of the fiscal year may carry forward to the subsequent fiscal year.

Sec. 705. The bureau of services for blind persons shall work collaboratively with service organizations and government entities to identify qualified match dollars to maximize use of available federal vocational rehabilitation funds.

Sec. 706. (1) The funds appropriated in part 1 for a regional or subregional library shall not be released until a budget for that regional or subregional library has been approved by the department for expenditures for library services directly serving the blind and persons with disabilities.

(2) In order to receive subregional state aid as appropriated in part 1, a regional or subregional library's fiscal agency shall agree to maintain local funding support at the same level in the current fiscal year as in the fiscal agency's preceding fiscal year. If a reduction in expenditures equally affects all agencies in a local unit of government that is the regional or subregional library's fiscal agency, that reduction shall not be interpreted as a reduction in local support and shall not disqualify a regional or subregional library from receiving state aid under part 1. If a reduction in income affects a library cooperative or district library that is a regional or subregional library's fiscal agency or a reduction in expenditures for the regional or subregional library's fiscal agency, a reduction in expenditures for the regional or subregional library shall not be interpreted as a reduction in local support and shall not disqualify a regional or subregional library from receiving state aid under part 1.

Sec. 707. The bureau of services for blind persons may provide and enter into agreements to provide general services, training, meetings, information, special equipment, software, facility use, and technical consulting services to other principal executive departments, state agencies, local units of government, the judicial branch of government, other organizations, and patrons of department facilities. The department may charge fees for these services that are reasonably related to the cost of providing the services. In addition to the funds appropriated in part 1, funds collected by the department for these services are appropriated for all expenses necessary. The funds appropriated under this section are allotted for expenditure when they are received by the department of treasury.

MICHIGAN ADMINISTRATIVE HEARING SYSTEM

Sec. 801. (1) The Michigan tax tribunal within the Michigan administrative hearing system shall submit a report containing all of the following for the previous fiscal year:

(a) The number of cases heard and the number of cases decided by MAHS hearings officers, contractual hearings officers, and tribunal members during the fiscal year.

(b) The number of case filings and dispositions and the number of active and pending cases before the small claims division and the entire tribunal.

(c) The average and maximum time elapsed, both tolled and untolled, between case filings and final dispositions.

(d) The amount and percentage of tax tribunal fees generated by motions to amend.

(2) The report required under subsection (1) shall be submitted to the subcommittees, fiscal agencies, and state budget office not later than November 1.

DEPARTMENT GRANTS

Sec. 901. (1) The appropriation in part 1 for fire protection grants shall be appropriated to cities, villages, and townships with state-owned facilities for fire services, instead of taxes, in accordance with 1977 PA 289, MCL 141.951 to 141.956.

(2) Cities, villages, and townships with state-owned facilities shall report to the department no later than January 1 on a form developed by the department in order to be eligible to receive funds appropriated in part 1 for fire protection grants. The report shall indicate all of the following:

- (a) The ability to respond to state facilities in their service area.
- (b) The cost for being prepared and able to respond to fire service situations during the most recent fiscal year.
- (c) The fire-related activities of police and fire departments on state property.
- (d) The costs of these activities.
- (e) The expenditures from fire protection grants.

(3) The department shall prepare a summary of the local submissions and provide it to the subcommittees, fiscal agencies, and the state budget director by March 31.

Sec. 902. (1) Not later than January 31, 2015, the department shall prepare a report that provides the number of registry identification cards issued to or renewed for patients residing in each county during the previous fiscal year, as of September 30, 2014, under the Michigan medical marihuana act, 2008 IL 1, MCL 333.26421 to 333.26430. The department shall submit this report to the state budget director, the subcommittees, and the fiscal agencies.

(2) The department shall expend the funds appropriated in part 1 for medical marihuana operation and oversight grants for grants to county law enforcement offices for the operation and oversight of the Michigan medical marihuana program pursuant to section 6(*l*) of the Michigan medical marihuana act, 2008 IL 1, MCL 333.26426. These grants shall be distributed proportionately based on the number of registry identification cards issued to or renewed for the residents of each county whose county law enforcement office applied for a grant under subsection (3). For the purposes of this subsection, operation and oversight grants are for education, communication, and enforcement of the Michigan medical marihuana act, 2008 IL 1, MCL 333.26421 to 333.26430.

(3) In order to be eligible to receive a grant under subsection (2), a county law enforcement office shall apply no later than January 1, 2015 and agree to report how the grant was expended and provide that report to the department no later than September 15, 2015. The department shall submit a report no later than October 15, 2015 to the state budget director, the subcommittees, and the fiscal agencies detailing the grant amounts by recipient and the reported uses of the grants in the preceding fiscal year.

(4) County law enforcement offices may distribute discretionary grants made under subsection (2) to municipal law enforcement agencies for the operation and oversight of the Michigan medical marihuana program pursuant to section 6(*l*) of the Michigan medical marihuana act, 2008 IL 1, MCL 333.26426. If a county law enforcement office distributes a discretionary grant in this manner, that county law enforcement office shall require the receiving municipal law enforcement agency to provide a report on how that grant was spent. Reports from municipal law enforcement agencies shall be included as part of the report submitted to the department as required in subsection (3).

(5) No later than January 1, 2015, the department shall post a listing of potential grant money available to each county law enforcement office on its website. A county law enforcement office requesting a grant shall apply on a form developed by the department and available on the website. The form shall contain the county law enforcement office's specific projected plan for use of the money and its agreement to maintain all records and to submit documentation to the department to support the use of the grant money.

Sec. 903. (1) The amount appropriated in part 1 for firefighter training grants shall only be expended for payments to counties to reimburse organized fire departments for firefighter training and other activities required under the firefighters training council act, 1966 PA 291, MCL 29.361 to 29.377.

(2) If the amount appropriated in part 1 for firefighter training grants is expended by the firefighter training council, established in section 3 of the firefighters training council act, 1966 PA 291, MCL 29.363, for payments to counties under section 14 of the firefighters training council act, 1966 PA 291, MCL 29.374, it is the intent of the legislature that:

(a) The amount appropriated in part 1 for firefighter training grants shall be disbursed pursuant to section 14(2) of the firefighters training council act, 1966 PA 291, MCL 29.374.

(b) If the amount disbursed to any county under subsection (2)(a) is less than \$5,000.00, the amounts disbursed to each county under subsection (2)(a) shall be adjusted to provide for a minimum payment of \$5,000.00 to each county.

(3) No later than February 1, the department shall submit a financial report to the subcommittees and fiscal agencies identifying the following information for the preceding fiscal year:

(a) The amount of the payments that would be made to each county if the distribution formula described by the first sentence of section 14(2) of the firefighters training council act, 1966 PA 291, MCL 29.374, would have been utilized to disburse the total amount appropriated in part 1 for firefighter training grants.

(b) The amount of the payments approved by the firefighter training council for disbursement to each county.

(c) The amount of the payments actually expended or encumbered within each county.

(d) A description of any other payments or expenditures made under the authority of the firefighter training council.

(e) The amount of payments approved for disbursements to counties that was not expended or encumbered and lapsed back to the fireworks safety fund pursuant to subsection (4).

(4) It is the intent of the legislature that the amount appropriated in part 1 for firefighter training grants be adjusted each fiscal year to reflect lapses from the preceding fiscal year into the fireworks safety fund created in section 11 of

the Michigan fireworks safety act, 2011 PA 256, MCL 28.461, for the purpose of ensuring that lapsed grant funds are reallocated in subsequent fiscal years.

ONE-TIME BASIS ONLY

Sec. 1001. (1) Of the amount appropriated in part 1 for the Delphi corporation workers' compensation payment fund, \$8,000,000.00 may be expended by the department in fiscal year 2014-2015 to settle or otherwise support the workers' compensation claims of former employees of the Delphi corporation.

(2) The remaining \$7,000,000.00 of the amount appropriated in part 1 for the Delphi corporation workers' compensation payment fund shall not be expended unless the self-insurers security fund balance and the amount specified in subsection (1) are insufficient to adequately settle or otherwise support the workers' compensation claims of former employees of the Delphi corporation.

(3) If the condition specified in subsection (2) is realized and the department has collected the annual revenue generated by an increased assessment of 0.5% for the self-insurers' security fund, then, beginning in fiscal year 2014-2015, the department may annually expend an amount not to exceed 20.0% of the amount specified in subsection (2) until either:

- (a) The workers' compensation claims of former employees of the Delphi corporation are settled or otherwise supported.
- (b) The entire amount specified in subsection (2) is expended.

(4) If the condition specified in subsection (3)(a) is realized, any unencumbered or unexpended funds appropriated for the Delphi corporation workers' compensation payment fund shall lapse to the general fund.

(5) The department shall annually notify the state budget office, the chairpersons of the house and senate appropriations committees, and the fiscal agencies of the amount of any expenditures made under subsection (3).

(6) The amount appropriated in part 1 for the Delphi corporation workers' compensation payment fund is designated as a work project appropriation and shall not lapse at the end of the fiscal year. Subject to subsection (4), any unencumbered or unexpended funds shall continue to be available for expenditure until September 30, 2019.

Sec. 1002. From the appropriations in part 1, the department shall work with a nonprofit group with expertise in the field of disability accessibility evaluations on a pilot project. The pilot project shall include both of the following:

- (a) Services to municipalities and businesses for the improvement of accessibility for persons with disabilities.
- (b) Creation of universal design blueprints that are accessible electronically through the bureau of construction codes.

ARTICLE XIV

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this part, the amounts listed in this part for the department of military and veterans affairs are appropriated for the fiscal year ending September 30, 2015 from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

APPROPRIATION SUMMARY

Full-time equated unclassified positions.....	9.0	
Full-time equated classified positions	889.5	
GROSS APPROPRIATION		\$ 166,943,700
Total interdepartmental grants and intradepartmental transfers		100,000
Schedule of interdepartmental grant and intradepartmental transfer revenue sources:		
IDG, state police.....	100,000	
ADJUSTED GROSS APPROPRIATION		\$ 166,843,700
Total federal revenues.....		90,362,800
Schedule of federal revenue sources:		
DOD-DOA-NGB	60,025,300	
DVA-VHA	27,235,700	
Federal counter narcotics revenues.....	50,000	
HHS-HCFA, title XIX, Medicaid	88,300	
HHS-HCFA, Medicare, hospital insurance.....	2,963,500	
Total local revenues.....		1,500,000
Schedule of local revenue sources:		
Local - school aid fund.....	1,500,000	
Total private revenues.....		740,000
Schedule of private revenue sources:		
Private - veterans' homes post and posthumous funds.....	540,000	
Private donations.....	200,000	
Total other state restricted revenues		25,086,400
Schedule of restricted revenue sources:		
Lease revenue	12,200	

For Fiscal Year
Ending Sept. 30,
2015

Income and assessments	17,356,100	
Mackinac Bridge authority	70,000	
Military family relief fund.....	1,000,000	
Michigan national guard armory construction fund	1,000,000	
Michigan veterans trust fund.....	5,201,700	
Rental fees	346,400	
Test project fees.....	100,000	
State general fund/general purpose		\$ 49,154,500
State general fund/general purpose schedule:		
Ongoing state general fund/general purpose	45,754,500	
One-time state general fund/general purpose	3,400,000	
Sec. 102. MILITARY		
Full-time equated unclassified positions.....	9.0	
Full-time equated classified positions	324.0	
Unclassified positions.....		\$ 1,370,100
Departmental and national guard operations.....		63,046,400
Schedule of programs:		
Support services.....	1,909,400	
Armories and joint force readiness.....	16,136,500	
National guard training facilities and airbases	32,050,600	
Michigan youth challeNGe academy.....	4,549,200	
Military family relief fund.....	600,000	
Starbase grant	2,322,000	
National guard tuition assistance program	4,342,100	
Information technology services and projects	1,136,600	
GROSS APPROPRIATION		\$ 64,416,500
Appropriated from:		
Interdepartmental grant revenues.....		100,000
Federal revenues.....		45,489,000
Local revenues.....		1,500,000
Private revenues.....		200,000
State restricted revenues		1,523,600
State general fund/general purpose		\$ 15,603,900
Sec. 103. MICHIGAN VETERANS AFFAIRS AGENCY		
Full-time equated classified positions	565.5	
Michigan veterans affairs agency		\$ 16,059,300
Schedule of programs:		
Michigan veterans affairs agency administration	7,095,100	
Veterans service grants	3,762,500	
Veterans' trust fund administration.....	1,455,200	
Veterans' trust fund grants.....	3,746,500	
Veterans' homes.....		66,567,900
Schedule of programs:		
Grand Rapids veterans' home.....	46,012,600	
Board of managers (Grand Rapids home).....	665,000	
D.J. Jacobetti veterans' home.....	19,615,300	
Board of managers (Jacobetti home).....	275,000	
GROSS APPROPRIATION		\$ 82,627,200
Appropriated from:		
Federal revenues.....		29,873,800
Private revenues.....		540,000
State restricted revenues		22,562,800
State general fund/general purpose		\$ 29,650,600
Sec. 104. CAPITAL OUTLAY		
Capital outlay		\$ 16,500,000

For Fiscal Year
Ending Sept. 30,
2015

Schedule of programs:	
Special maintenance - national guard.....	15,000,000
Special maintenance - veterans' home	500,000
Land and acquisitions	1,000,000
GROSS APPROPRIATION	\$ 16,500,000
Appropriated from:	
Federal revenues	15,000,000
State restricted revenues	1,000,000
State general fund/general purpose	\$ 500,000
Sec. 105. ONE-TIME APPROPRIATIONS	
Special maintenance - veterans' home	\$ 3,000,000
National guard tuition assistance program reserve.....	400,000
GROSS APPROPRIATION	\$ 3,400,000
Appropriated from:	
State general fund/general purpose	\$ 3,400,000

PART 2
PROVISIONS CONCERNING APPROPRIATIONS
FOR FISCAL YEAR 2014-2015

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 2014-2015 is \$74,240,900.00 and state spending from state resources to be paid to local units of government for fiscal year 2014-2015 is \$100,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

National guard operations	\$ 50,000
Schedule of programs:	
Payments in lieu of taxes.....	50,000
Michigan veterans affairs agency	\$ 50,000
Schedule of programs:	
County counselor education and training expenses.....	50,000
TOTAL	\$ 100,000

Sec. 202. The appropriations authorized under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this part and part 1:

- (a) "CFDA" means catalog of federal domestic assistance.
- (b) "Core services" means that phrase as defined in section 373 of the management and budget act, 1984 PA 431, MCL 18.1373.
- (c) "Department" means the department of military and veterans affairs.
- (d) "DOD" means the United States department of defense.
- (e) "DOD-DOA-NGB" means the DOD department of the army, national guard bureau.
- (f) "DVA" means the United States department of veterans affairs.
- (g) "DVA-VHA" means the DVA veterans health administration.
- (h) "FTE" means full-time equated.
- (i) "HCFA" means the health care financing administration, now renamed the centers for Medicare and Medicaid services.
- (j) "HHS" means the United States department of health and human services.
- (k) "IDG" means interdepartmental grant.
- (l) "Large veterans service organization" means a VSO that can certify that its membership exceeds 30,000 individuals.
- (m) "MVAA" means the Michigan veterans affairs agency.
- (n) "Medium veterans service organization" means a VSO that can certify that its membership is between 2,500 and 30,000 individuals.
- (o) "Small veterans service organization" means a VSO that can certify that its membership is between 1,000 and 2,499 individuals.
- (p) "Subcommittees" means all members of the subcommittees of the senate and house appropriations committees with jurisdiction over the budget of the department.
- (q) "VSO" means veterans service organization.

(r) "Work project" means that term as defined in section 404 of the management and budget act, 1984 PA 431, MCL 18.1404, and that meets the criteria in section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 204. The appropriations from part 1 for interdepartmental grant funds received by the department from sources outside the department consist of \$100,000.00 from the department of state police.

Sec. 205a. Federal DOD-DOA-NGB funds appropriated in part 1 may be received from, but not limited to, the following programs: military construction - national guard (CFDA 12.400), national guard military operations and maintenance (CFDA 12.401), national guard challenge program (CFDA 12.404), and national guard starbase program (CFDA 12.404).

Sec. 205b. Federal DVA-VHA funds appropriated in part 1 may be received from, but not limited to, the following programs: grants to states for construction of state home facilities (CFDA 64.005), veterans state domiciliary care (CFDA 64.014), and veterans state nursing home care (CFDA 64.015).

Sec. 205c. Federal HHS-HCFA, Medicare, hospital insurance funds appropriated in part 1 may be received under the Medicare supplementary medical insurance program (CFDA 93.774) or other HHS-HCFA programs.

Sec. 205d. Federal HHS-HCFA, title XIX, Medicaid funds appropriated in part 1 may be received from the Medicaid program under title XIX of the social security act, 42 USC 1396 to 1396w-5 or other HHS-HCFA programs.

Sec. 206. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$10,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 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 \$2,000,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 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 part 1 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 part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 207. The department shall cooperate with the department of technology, management, and budget to maintain a searchable website that is accessible by the public at no cost that includes, but is not limited to, all of the following:

- (a) Fiscal year-to-date expenditures by category.
- (b) Fiscal year-to-date expenditures by appropriation unit.
- (c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.
- (d) The number of active department employees by job classification.
- (e) Job specifications and wage rates.

Sec. 208. The departments and agencies receiving appropriations in part 1 shall use the Internet to fulfill the reporting requirements of this part. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on an Internet or Intranet site.

Sec. 209. Funds appropriated in this part and 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. Preference shall be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality. In addition, preference shall be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality. In addition, preference shall be given to goods or services, or both, that are manufactured or provided by Michigan small businesses that have veterans compose at least 35% of their total workforce. As used in this section, "veteran" means that term as defined in section 261 of the management and budget act, 1984 PA 431, MCL 18.1261. As used in this section, "small business" means that term as defined in section 7a of the administrative procedures act of 1969, 1969 PA 306, MCL 24.207a.

Sec. 210. The department 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. The director of the department 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. 212. The departments and agencies receiving appropriations in part 1 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. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 215. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 216. (1) Notwithstanding any other provision of this part, the schedule of programs in part 1 lists programs which may, but are not required to be, funded under part 1.

(2) Notwithstanding any other provisions of this part, the schedule of revenue sources in part 1 may or may not be received from the funding entities listed.

(3) Any funding required by statute is not subject to funding flexibility and shall be funded in accordance with that statute.

Sec. 217. The department shall improve its budgetary efficiency pertaining to the delivery of core services delineated in section 222 by doing all of the following:

(a) Prioritizing personnel over buildings in budgetary efficiency considerations.

(b) Pursuing the physical or virtual consolidation of support service functions such as information technology, human resources, and accounting as a means of improving standardization and efficiency.

(c) Seeking expenditure reductions whenever possible through the streamlining of existing service delivery activities.

(d) Identifying efficiencies that can be gained via the reduction or elimination of programs, policies, and practices which have outlived their usefulness.

Sec. 218. The departments and agencies receiving appropriations in this part and part 1 shall prepare a report on out-of-state travel expenses not later than January 1 of each year. The travel report shall be a listing of all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the senate and house appropriations committees, the house and senate fiscal agencies, and the state budget director. The report shall include the following information:

(a) The dates of each travel occurrence.

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

Sec. 219. (1) The department shall provide quarterly reports to the subcommittees, the senate and house fiscal agencies, and the state budget office, which shall provide the following data:

(a) A list of all major work projects, including a status report of each project.

(b) The department's financial status, featuring a report of budgeted versus actual expenditures by part 1 line item including a year-end projection of budget requirements. If projected department budget requirements exceed the allocated budget, the report shall include a plan to reduce overall expenses while still satisfying specified service level requirements.

(c) Evidence of efficiencies and management of funds within established appropriations.

(d) A report on the status of performance metrics cited in this part and information required to be reported in this part.

(e) The number of active employees at the close of the fiscal quarter by job classification and program.

(f) A summary of fund shifts, that have been approved by the state budget office, that have occurred between items listed in the schedule of programs mentioned in part 1.

(2) The department shall provide a corrective action plan within 30 days of a quarterly report under this section for any requirements of this part that have not been achieved. The department shall provide a monthly status of corrective action plans.

Sec. 222. The appropriations in part 1 are for the core services, support services, and work projects of the department, including, but not limited to, the following core services:

(a) Armories and joint force readiness.

(b) National guard training facilities and air bases.

(c) Michigan youth challeNGe academy.

(d) Military family relief fund.

(e) Starbase grant.

(f) National guard tuition assistance program.

(g) Michigan veterans affairs agency administration.

(h) Veterans service grants.

(i) Veterans' trust fund administration.

(j) Veterans' trust fund grants.

(k) Grand Rapids veterans' home.

(l) Board of managers (Grand Rapids).

(m) D.J. Jacobetti veterans' home.

(n) Board of managers (Jacobetti).

Sec. 225. Funds appropriated in this part and part 1 shall not be used by the department to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those activities that the attorney general authorizes.

Sec. 227. The department shall not exclude public employee unions from the bid process.

Sec. 228. Not later than November 30, the state budget office shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriations lapses at the close of the prior fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriations lapses by major departmental program or program areas. The report shall be transmitted to the office of the state budget, the chairpersons of the senate and house standing committees on appropriations, the subcommittees, and the senate and house fiscal agencies.

Sec. 229. Within 14 days after the release of the executive budget recommendation, the department shall cooperate with the state budget office to provide the senate and house appropriations chairs, the subcommittees, and the senate and house fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2014 and September 30, 2015.

Sec. 230. The department shall maintain, on a publicly accessible website, a department scorecard that identifies, tracks, and regularly updates key metrics that are used to monitor and improve the agency's performance.

Sec. 231. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2015 are \$20,013,100.00. From this amount, total agency appropriations for pension-related legacy costs are estimated at \$11,180,100.00, and total agency appropriations for retiree health care legacy costs are estimated at \$8,833,000.00.

Sec. 232. The appropriations in part 1 for capital outlay shall be carried forward at the end of the fiscal year consistent with section 248 of the management and budget act, 1984 PA 431, MCL 18.1248.

Sec. 233. Sixty days prior to the public announcement of the intention to sell any department property, the department shall submit notification of that intent to the subcommittees and the senate and house fiscal agencies.

Sec. 234. The 1-time appropriations in part 1 for special maintenance shall be carried forward at the end of the fiscal year consistent with section 248 of the management and budget act, 1984 PA 431, MCL 18.1248.

MILITARY

UNCLASSIFIED POSITIONS

Sec. 300. (1) From the funds appropriated in part 1, there is funding to support unclassified employee positions as authorized by section 5 of article XI of the state constitution of 1963. These positions include the following: department director - the adjutant general for Michigan; assistant adjutant general - army; assistant adjutant general - installations; assistant adjutant general - air; senior policy executive - Michigan veterans affairs agency; senior deputy director - state operations; director - strategy and policy; director - public safety group; and director - Michigan veterans affairs agency.

(2) Not less than 30 days prior to the department submitting a request for an additional unclassified employee position from the civil service commission, or for any substantive change to the duties of an existing unclassified employee position, the department shall notify the subcommittees and the senate and house fiscal agencies.

SUPPORT SERVICES

Sec. 301. (1) The department shall provide administrative support for department operations.

(2) The department shall maintain the staffing and resources necessary to ensure proper accountability of state funds.

(3) The department shall maintain the staffing and resources necessary to adhere to the state of Michigan financial management guide for accounting, contracting, purchasing, budgeting, and financial reporting and the administrative guide to state government.

(4) The department shall ensure fiscal controls relating to procurement of goods and services and other expenditures.

ARMORIES AND JOINT FORCE READINESS

Sec. 302. (1) From the funds appropriated in part 1 for department and national guard operations, the department shall provide for the following:

(a) Executive administration of the department as provided under chapter 6 of the executive organization act of 1965, 1965 PA 380, MCL 16.225 to 16.229, Executive Reorganization Order No. 1997-7, MCL 32.91, and chapter 5 of the Michigan military act, 1967 PA 150, MCL 32.700 to 32.740.

(b) The operations of the Michigan military establishment, as provided under section 7 of article I and section 12 of article V of the state constitution of 1963, and the Michigan military act, 1967 PA 150, MCL 32.501 to 32.851, title 10 of the United States Code, 10 USC 101 to 18506, title 32 of the United States Code, 32 USC 101 to 908, the Michigan code of military justice of 1980, 1980 PA 523, MCL 32.1001 to 32.1148, R 32.11 to R 32.61 of the Michigan administrative code, R 32.171 to R 32.186 of the Michigan administrative code, and other applicable cooperative agreements and army, air force, and national guard bureau regulations.

(2) The department shall operate and maintain national guard armories as provided under chapter 6 of the Michigan military act, 1967 PA 150, MCL 32.750 to 32.788, and other applicable cooperative agreements and army and national guard regulations.

(3) The Michigan army national guard and air national guard shall work to provide a culture that is free of sexual assault, through an environment of prevention, education and training, response capability, victim support, reporting procedures, and appropriate accountability that enhances the safety and well-being of all guard members.

(4) The department shall evaluate armories for consolidation, energy, and utility efficiency and identify work projects that would improve this efficiency and submit a quarterly report, as provided in section 219, on the status and activities of the armories, including a listing of armory closings and projected closings.

(5) The department shall establish a system that measures the condition and adequacy of armory facilities using both quality and functionality criteria based off the installation status report-infrastructure inspections that are conducted annually as a requirement set forth by the national guard.

(6) The department shall report to the subcommittees, the senate and house fiscal agencies, and the state budget office by December 1 providing for the following:

(a) An assessment of the grounds and facilities of each armory to objectively measure and determine the current facility condition and capability to support authorized manpower, unit training, and operations.

(b) Recommendations for the placement of new armories, the relocation or consolidation of existing armories, or a change in the mission of units assigned to armories to ideally position the national guard in current or projected population centers.

(c) Recommendations for the enhanced use of armories to facilitate family support programs during deployments.

(d) An analysis of the feasibility, potential costs, and benefits of shared use of armories with other local, state, or federal agencies to improve response to local emergencies as well as the community support provided to armories.

(e) An investment strategy and proposed funding amounts in a prioritized project list to correct the most critical facility shortfalls across the inventory of armories in this state.

NATIONAL GUARD TRAINING FACILITIES AND AIR BASES

Sec. 304. (1) The department shall provide army and air national guard forces, when directed, for state and local emergencies and in support of national military requirements.

(2) The department shall operate and maintain army national guard training facilities, including Fort Custer and Camp Grayling.

(3) The department shall maintain a system that measures the condition and adequacy of air facilities using both quality and functionality criteria.

(4) The department shall operate and maintain air national guard air bases, including Selfridge air national guard base, Battle Creek air national guard base, and Alpena combat readiness training center.

(5) The department shall provide the following information as provided under section 219:

(a) The apportioned and assigned strength of the Michigan army national guard.

(b) The apportioned and assigned strength of the Michigan air national guard.

(c) Recruiting, retention, and attrition data, including measurement against stated performance goals, for the Michigan army national guard.

(d) Recruiting, retention, and attrition data, including measurement against stated performance goals, for the Michigan air national guard.

MICHIGAN YOUTH CHALLENGE ACADEMY

Sec. 307. (1) The department shall maintain the Michigan youth challenge academy to provide values, skills, education, and self-discipline instruction for at-risk youth as provided under 32 USC 509.

(2) The department shall take steps to recruit candidates to the challenge program from economically disadvantaged areas, including those with low-income and high-unemployment backgrounds.

(3) The department shall partner with the department of human services to identify youth who may be eligible for the challenge program from those youth served by department of human services programs. These eligible youth shall be given priority for enrollment in the program.

(4) The department shall maintain the staffing and resources necessary to train at least 144 cadets simultaneously at the Michigan youth challenge academy.

(5) The department shall ensure that the average grade level increase for Michigan youth challenge academy graduates is 2 years as measured with the test adult basic education (TABE) metrics.

MILITARY FAMILY RELIEF FUND

Sec. 308. (1) The department shall provide grants for disbursement from the military family relief fund, as provided under the military family relief fund act, 2004 PA 363, MCL 35.1211 to 35.1216, and R 200.5 to R 200.95 of the Michigan administrative code.

(2) The department shall provide information on the revenues, expenditures for advertising and assistance grants, and fund balance of the Michigan military family relief fund, as provided under section 219.

(3) The department shall provide sufficient staffing and other resources to provide outreach to the Michigan families of members of the reserve component of the armed forces called into active duty and to support the processing and approval of at least 60 grant applications this fiscal year under the Michigan military relief fund and report those applications as provided in section 219.

STARBASE GRANT

Sec. 309. (1) The department shall maintain the starbase program at air national guard facilities, as provided under 10 USC 2193b, to improve the knowledge, skills, and interest of students in kindergarten through twelfth grade in math, science, and technology. The starbase program is to specifically target minority and at-risk students for participation.

(2) The starbase program shall maintain current program offerings serving K-12 school districts in the state through existing program sites which include starbase one, located at Selfridge air national guard base, starbase Battle Creek, located at Battle Creek air national guard base, and starbase Alpena, located at Alpena combat readiness training center.

NATIONAL GUARD TUITION ASSISTANCE PROGRAM

Sec. 310. (1) The department shall establish and maintain a national guard tuition assistance program for members of the Michigan air and army national guard.

(2) The objective of the national guard tuition program is to bolster military readiness by increasing recruitment and retention of Michigan air and army national guard service members (and to fill federally authorized strength levels for the state), improve the Michigan air and army national guard's competitive draw from other military enlistment options in the state, enhance the ability of the Michigan air and army national guard to compete for members and federal dollars with surrounding states, and increase the pool of eligible candidates within the Michigan air and army national guard to become commissioned officers.

(3) The department shall make efforts to reach the number of Michigan air and army national guard members participating in the program to 1,000 during the third year of the program's existence. To evaluate the effectiveness of the program, the department shall monitor the number of new recruits and new reenlistments and the percentage of those who become participants in the program and by how competitively the percentage of authorized Michigan air and army national guard strength obtained—and retained—compares to the neighboring air and army national guards from the states of Illinois, Indiana, Ohio, and Wisconsin.

(4) Except as otherwise provided in this subsection, the national guard tuition program shall be designed after the federal tuition assistance program model and shall cover 100% of tuition and authorized fees, up to \$4,500.00 a year, for Michigan air and army national guard members to pursue course work in programs leading to a certificate, a first associate, bachelor's, or master's degree. To be eligible for the program, a Michigan air and army national guard member would have to be qualified in a military occupational skill, remain in active drilling status with a service contract, be a member in good standing, meet yearly physical fitness and weight control standards, and maintain a 2.0 GPA (on a 4.0 scale). This subsection does not apply if House Bill No. 5451 of the 97th Legislature is enacted into law.

INFORMATION TECHNOLOGY SERVICES AND PROJECTS

Sec. 311. The funds appropriated in part 1 for information technology services and projects shall be used as a pass through via an IDG to the department of technology, management, and budget for technology services, including maintenance and repair services, and technology projects, to maximize the operational efficiency and effectiveness of the department.

MICHIGAN VETERANS AFFAIRS AGENCY**MICHIGAN VETERANS AFFAIRS AGENCY ADMINISTRATION**

Sec. 400. (1) The Michigan veterans affairs agency shall provide outreach services to Michigan veterans that advise them on the benefits to which they are entitled, as provided under Executive Reorganization Order No. 2013-2, MCL 32.92. The MVAA shall also do the following:

(a) Maintain the staffing partnerships and other resources necessary to develop and operate an outreach program that will communicate benefit eligibility information to at least 50% of the 680,417 Michigan veterans with a goal of reaching 100% and enable 100% to access benefit information online.

(b) Communicate veteran benefit information pertaining to the Michigan military family relief fund, Michigan veterans' trust fund, and United States department of veterans affairs health, financial, and memorial benefits to which they are entitled.

(c) Provide sufficient staffing and other resources to approve requests for military discharge certificates (DD-214) annually and report that information as provided in section 219.

(d) Continue the process to digitize all medical records and military discharge documents which are currently on paper and microfilm, and report the number of digitized documents as provided in section 219.

(e) Provide a report, as provided under section 219, on the MVAA's performance on the performance measures, outcomes, and initiatives developed by the agency in the strategic plan required by section 501 of 2013 PA 9.

(f) Provide a report to the subcommittees, senate and house fiscal agencies, and the state budget office no later than April 1 providing for the following:

(i) To the extent known, data on the estimated number of homeless veterans, by county, in the state.

(ii) A summary of the activities and strategies developed to date under the MVAA community assessment and regional service delivery model pilot projects that are specifically aimed at improving access to, and the utilization of, community-based services among homeless veterans, and aimed at preventing the incidence of, and minimizing the risk factors for, homelessness among veterans.

(2) From the funds appropriated in part 1, the MVAA shall provide for the regional coordination of services, as follows:

(a) Regional coordinators shall be selected by the MVAA through a grant agreement with veterans service organizations or by other means.

(b) Regional coordinators shall provide the following services:

(i) Coordinate veteran benefit counselors' efforts throughout a specified region.

(ii) Coordinate services with the department of human services, the department of community health, and the department of corrections.

(iii) Coordinate with regional workforce and economic development agencies.

(iv) Coordinate activities among local foundations, non-profit organizations, and community groups to improve accessibility, enrollment, and utilization of the array of health care, education, employment assistance, and quality of life services provided at the local level.

(c) The MVAA may work with MVAA service officers, regional coordinators, county veteran counselors, VSO service officers, and other service providers to incorporate mental health care referral services into their daily operations in order to aid veterans in understanding the mental health care support services they may be eligible to receive and in identifying available providers of those services. Mental health care services shall include counseling and appropriate care and services to veterans to overcome any mental health issues resulting from their military service, including issues concerning military sexual trauma, post-traumatic stress disorder, depression, anxiety, and substance abuse.

(d) The MVAA shall cooperate with the department of human services and the department of community health in working with the federal public assistance reporting information system to identify Medicaid recipients who are veterans and who may be eligible for federal veterans health care benefits or other benefits.

(e) The MVAA shall collaborate with the department of corrections to create and maintain a process by which prisoners can obtain a copy of their DD-214 form or other military discharge documentation if necessary.

(f) The MVAA shall ensure that all MVAA service officers, county veterans counselors, VSO service officers, and regional coordinators receive appropriate training in processing applications for benefits payable to veterans due to military sexual trauma, post-traumatic stress disorder, depression, anxiety, substance abuse, or other mental health issues.

(3) The MVAA shall provide claims processing services to Michigan veterans in support of benefit claims submitted to the DVA for the health, financial, and memorial benefits for which they are eligible, and shall do the following:

(a) Report the following information as provided in section 219:

(i) The number of benefit claims, by type, submitted to the DVA.

(ii) The number of fully developed claims, by type, submitted to the DVA, with an overall goal of 40% of benefit claims submitted that are considered fully developed by the DVA.

(b) Maintain the staffing and resources necessary to process a minimum of 500 claims per year.

(4) The MVAA shall maintain staffing and resources necessary to develop and implement a process to ensure that all county counselors receive the training and accreditation necessary to provide quality services to our veterans. The MVAA shall report the following information as provided in section 219:

(a) The number and percentage of county veterans counselors trained by the MVAA, with an overall goal of 100%.

(b) To the extent known, the number of benefit claims, by type, submitted to the DVA by county veterans counselors.

(c) To the extent known, the number of fully developed claims, by type, submitted to the DVA by county veterans counselors, with an overall goal of 40% of benefit claims submitted that are considered fully developed by the DVA.

(5) From the funds appropriated in part 1 for MVAA operations, the MVAA shall provide grant assistance to enhance the capacity and capabilities of counties in providing benefit claims assistance. These funds shall be used to continue the implementation of an Internet-based data system, to increase the number of county veterans counselors, and to increase the number of counties that provide service to veterans through county veterans counselors. The MVAA shall provide a report, as provided in section 219, on the expenditures and activities of the grant funds directed by this subsection.

(6) The MVAA shall create a 5-member advisory board consisting of presidents or commanders from 2 large veterans service organizations, 2 medium veterans service organizations, and 1 small veterans service organization. The board shall meet no less than twice a year, without reimbursement, and shall assist the MVAA in developing plans, reviewing service delivery initiatives, and identifying services and projects that assist in meeting MVAA performance objectives.

(7) From the funds appropriated in part 1 for Michigan veterans affairs agency administration, the MVAA is authorized to expend up to \$50,000.00 to hire legal services to represent veterans benefit cases before federal court in order to maintain accreditation under 38 CFR 14.628(d)(1)(iv).

VETERANS SERVICE GRANTS

Sec. 406. (1) The MVAA shall disburse VSO grants to assist them to achieve agency goals and performance objectives in partnership with the VSOs. Grants to VSOs will be disbursed to fund programs and projects which are determined by the agency to meet agency performance objectives and ensure that VSOs communicate the availability of emergency grants through the Michigan veterans trust fund. In disbursing veterans' service grants, the MVAA shall do the following:

(a) Ensure that each VSO that receives grants is issued performance standards.

(b) Ensure that each VSO that receives grant funds uses those funds for veterans advocacy and outreach.

(c) Monitor the performance of each VSO that receives grants.

(2) Veterans services grants awarded by the MVAA to veterans service organizations shall provide for the following, as developed by the MVAA:

(a) The provision of service to veterans statewide, using a regional service delivery model, with services provided at specified locations and times, including service provided in state correctional facilities.

(b) The payment of a fixed hourly service rate.

(c) A specified number of service hours within each geographic region of this state, with a statewide goal of at least 116,500 hours, including a minimum of 6,240 hours provided in state correctional facilities.

(d) Use of an MVAA-designated Internet-based claims data system.

(3) The MVAA shall report the following information as provided in section 219:

(a) A summary of activities supported through the appropriation in part 1 for veterans service grants, including separately for each service region, the amount of expenditures to date, number of service hours, number of claims for benefits submitted by type of claim, and other information deemed appropriate by the MVAA.

(b) The number of fully developed claims, by type, submitted to the DVA by veterans service organizations, with an overall goal of 40% of benefit claims submitted that are considered fully developed by the DVA.

VETERANS' TRUST FUND ADMINISTRATION

Sec. 407. (1) The Michigan veterans' trust fund board together with the MVAA shall provide emergency grants for disbursement from the Michigan veterans' trust fund, as provided under the following program authorities:

(a) Sections 37, 38, and 39 of article IX of the state constitution of 1963.

(b) 1946 (1st Ex Sess) PA 9, MCL 35.602 to 35.610.

(c) R 35.1 to R 35.7 of the Michigan administrative code.

(d) R 35.621 to R 35.623 of the Michigan administrative code.

(2) No later than December 1, the MVAA shall provide a detailed report of the Michigan veterans' trust fund that includes, for the prior fiscal year, information on grants provided from the emergency grant program, including details concerning the methodology of allocations, the selection of emergency grant program authorized agents, a description of how the emergency grant program is administered in each county, and a detailed breakdown of trust fund expenditures for that year, including the amount distributed to each county for administrative costs and emergency grants. The report shall also include the number of approved applications, by category of assistance, and the number of denied applications, by reason of denial. The report shall also provide an update on the department's efforts to reduce program administrative costs and maintain the Michigan veterans' trust fund corpus to its original amount of at least \$50,000,000.00.

VETERANS' TRUST FUND GRANTS

Sec. 408. (1) The MVAA shall provide a report, as provided under section 219, on the financial status of the Michigan veterans' trust fund, including the number and amount of emergency grants, state administrative expenses, and county administrative expenses.

(2) The Michigan veterans' trust fund board together with the agency shall maintain the staffing and resources necessary to process a minimum of 2,000 applications for veterans' trust fund emergency grants.

GRAND RAPIDS VETERANS' HOME

Sec. 501. (1) The MVAA and the board of managers shall provide compassionate and quality nursing and domiciliary care services at the Grand Rapids veterans' home so that members can achieve their highest potential of wellness, independence, self-worth, and dignity in accordance with the following program authorities:

(a) 1885 PA 152, MCL 36.1 to 36.12.

(b) 1905 PA 313, MCL 36.61.

(c) Executive Reorganization Order No. 1991-7, MCL 36.71.

(d) Executive Reorganization Order No. 2013-2, MCL 32.92.

(e) R 32.71 to R 32.89 of the Michigan administrative code.

(f) Title 38, part II, chapter 17, subchapter V of the United States Code, 38 USC 1741 to 1745.

(g) 38 CFR part 51.

(h) 38 CFR part 52.

(i) Title 38, part VI, chapter 81, subchapter III of the United States Code, 38 USC 8131 to 8138.

(j) 38 CFR part 59.

(2) The department shall provide resources necessary to provide adequate nursing care services to veterans in accordance with federal standards, including the following:

(a) A licensed minimum number of 403 residents in skilled nursing beds at the Grand Rapids veterans' home.

(b) A licensed minimum number of 72 residents in domiciliary beds at the Grand Rapids veterans' home.

(3) The Grand Rapids veterans' home shall ensure that its medical staffing is in accordance with DVA-VHA standards.

(4) The Grand Rapids veterans' home shall ensure that transportation is assured for each resident for every medical appointment outside the veterans' home.

(5) The Grand Rapids veterans' home shall ensure that each member resident receives daily laundry service.

(6) The Grand Rapids veterans' home shall ensure that maintenance and custodial services are provided for each home in accordance with applicable local, state, and federal standards.

(7) The Grand Rapids veterans' home shall ensure that each resident receives a medical and care assessment including a dietary plan upon admission to the home, with meals and snacks provided in accordance with the plan and R 325.20803 of the Michigan administrative code.

(8) Appropriations in part 1 for the Grand Rapids veterans' home shall not be used for any purpose other than for veterans and veterans' families.

(9) Any contractor providing competency evaluated nursing assistants (CENA) to the Grand Rapids veterans' home shall ensure that each CENA has at least 8 hours of training on information provided by the veterans' home.

(10) Any contractor providing competency evaluated nursing assistants to the Grand Rapids veterans' home shall ensure that each CENA has at least 1 eight-hour shift of shadowing at the veterans' home.

(11) Any contractor providing competency evaluated nursing assistants to the Grand Rapids veterans' home shall ensure that each CENA is competent in the basic skills needed to perform his or her assigned duties at the veterans' home.

(12) Any contractor providing competency evaluated nursing assistants to the Grand Rapids veterans' home shall ensure that each CENA has at least 1 year of experience in long-term care.

(13) The Grand Rapids veterans' home shall provide each CENA at least 12 hours of in-service training once that individual has been assigned to the veterans' home.

(14) All complaints of abusive or neglectful care at the Grand Rapids veterans' home by a resident member, a resident member's family or legal guardian, or staff of the veterans' home, received by a supervisor shall be referred to the director of nursing upon receipt of such complaint. The director of nursing shall report on not less than a monthly basis, except that the board of managers may specify a more frequent reporting period, to the home administrator, board of managers, agency, subcommittees, the senate and house fiscal agencies, and the state budget office the following information:

(a) A description of the process by which resident members and others may file complaints of alleged abuse or neglect at the Grand Rapids veterans' home.

(b) Summary statistics on the number and general nature of complaints of abuse or neglect.

(c) Summary statistics on the final disposition of complaints of abuse or neglect received.

(15) The Grand Rapids veterans' home shall provide an on-site, board-certified psychiatrist for all resident members with mental health disorders in order to ensure that those resident members receive needed services in a professional and timely manner. The Grand Rapids veterans' home shall provide all members and staff a safe and secure environment.

(16) The Grand Rapids veterans' home shall ensure that it effectively develops, executes, and monitors all comprehensive care plans in accordance with federal regulations and its internal policies, with a goal that a comprehensive care plan is fully developed for all resident members.

(17) The Grand Rapids veterans' home shall implement controls over its food, maintenance supplies, and medical supplies inventories.

(18) The Grand Rapids veterans' home shall implement controls over its pharmaceutical inventory.

(19) The Grand Rapids veterans' home shall establish sufficient controls for calculating resident member maintenance assessments in order to accurately calculate resident member maintenance assessments for each billing cycle. The Grand Rapids veterans' home shall establish sufficient controls to ensure that all past due resident member maintenance assessments are addressed within 30 days.

(20) The Grand Rapids veterans' home shall establish sufficient controls over monetary donations and donated goods.

(21) The Grand Rapids veterans' home shall implement sufficient controls over the handling of resident member funds to ensure the release of funds within 3 business days upon the resident member leaving the home and to ensure that a representative of a resident member is provided a full accounting of that resident member's funds within 10 business days of the death of that resident member.

(22) The MVAA shall post on its website all policies adopted by the board of managers and the home related to the administrative operations of the home.

(23) The Grand Rapids veterans' home shall ensure that it meets a minimum standard of 2.5 patient care hours per patient, per day, each day, 7 days a week.

(24) The process by which visitors, residents, and employees of the Grand Rapids veterans' home may register complaints shall be displayed in high-traffic areas throughout the home.

(25) The MVAA shall report its findings regarding the Grand Rapids veterans' home's compliance with the requirements and standards under this section as provided in section 219. The quarterly reports shall include, but are not limited to, the following information:

(a) The number of patient care hours and staffing levels measured against DVA-VHA standards.

(b) The number and dollar value of lost and discarded prescriptions and the number of early prescription refills.

(c) An accounting of resident member populations at the Grand Rapids veterans' home by period of service, by gender, by care setting, and by bed space available.

(d) The financial status of the Grand Rapids veterans' home, including an accounting of post and posthumous funds, donations, and state-appropriated funds.

(e) Information regarding assessments, reassessments, and admissions at the Grand Rapids veterans' home.

(f) The number of volunteer hours at the Grand Rapids veterans' home.

(26) The Grand Rapids veterans' home shall provide to the subcommittees, the senate and house fiscal agencies, and the state budget office the results of any annual or for-cause survey conducted by the DVA-VHA and any corresponding corrective action plan. This information shall also be made available publicly through the department's or MVAA's website.

BOARD OF MANAGERS (GRAND RAPIDS)

Sec. 502. The board of managers shall exercise certain regulatory and governance authority regarding admission and member affairs at the Grand Rapids veterans' homes. The board of managers shall also work to represent the interest of the veterans' community in both advisory and advocacy roles.

D.J. JACOBETTI VETERANS' HOME

Sec. 503. (1) The MVAA and the board of managers shall provide compassionate and quality nursing and domiciliary care services at the D.J. Jacobetti veterans' home so that members can achieve their highest potential of wellness, independence, self-worth, and dignity in accordance with the following program authorities:

- (a) 1885 PA 152, MCL 36.1 to 36.12.
- (b) 1905 PA 313, MCL 36.61.
- (c) Executive Reorganization Order No. 1991-7, MCL 36.71.
- (d) Executive Reorganization Order No. 2013-2, MCL 32.92.
- (e) R 32.71 to R 32.89 of the Michigan administrative code.
- (f) Title 38, part II, chapter 17, subchapter V of the United States Code, 38 USC 1741 to 1745.
- (g) 38 CFR part 51.
- (h) 38 CFR part 52.
- (i) Title 38, part VI, chapter 81, subchapter III of the United States Code, 38 USC 8131 to 8138.
- (j) 38 CFR part 59.

(2) The department shall provide resources necessary to provide adequate nursing care services to veterans in accordance with federal standards, including the following:

- (a) A licensed minimum number of 158 residents in skilled nursing beds at the D.J. Jacobetti veterans' home.
- (b) A licensed minimum number of 11 residents in domiciliary beds at the D.J. Jacobetti veterans' home.
- (3) The D.J. Jacobetti veterans' home shall ensure that its medical staffing is in accordance with DVA-VHA standards.
- (4) The D.J. Jacobetti veterans' home shall ensure that transportation is assured for each resident for every medical appointment outside the veterans' home.
- (5) The D.J. Jacobetti veterans' home shall ensure that each member resident receives daily laundry service.
- (6) The D.J. Jacobetti veterans' home shall ensure that maintenance and custodial services are provided for the home in accordance with applicable local, state and federal standards.
- (7) The D.J. Jacobetti veterans' home shall ensure that each resident receives a medical and care assessment including a dietary plan upon admission to the home, with meals and snacks provided in accordance with the plan and R 325.20803 of the Michigan administrative code.
- (8) Appropriations in part 1 for the D.J. Jacobetti veterans' home shall not be used for any purpose other than for veterans and veterans' families.
- (9) Any contractor providing competency evaluated nursing assistants (CENA) to the D.J. Jacobetti veterans' home shall ensure that each CENA has at least 8 hours of training on information provided by the veterans' home.
- (10) Any contractor providing competency evaluated nursing assistants to the D.J. Jacobetti veterans' home shall ensure that each CENA has at least 1 eight-hour shift of shadowing at the veterans' home.
- (11) Any contractor providing competency evaluated nursing assistants to the D.J. Jacobetti veterans' home shall ensure that each CENA is competent in the basic skills needed to perform his or her assigned duties at the veterans' home.
- (12) Any contractor providing competency evaluated nursing assistants to the D.J. Jacobetti veterans' home shall ensure that each CENA has at least 1 year of experience in long-term care.
- (13) The D.J. Jacobetti veterans' home shall provide each CENA at least 12 hours of in-service training once that individual has been assigned to the veterans' home.

(14) All complaints of abusive or neglectful care at the D.J. Jacobetti veterans' home by a resident member, a resident member's family or legal guardian, or staff of the veterans' home, received by a supervisor shall be referred to the director of nursing upon receipt of such complaint. The director of nursing shall report on not less than a monthly basis, except that the board of managers may specify a more frequent reporting period, to the home administrator, board of managers, agency, subcommittees, the senate and house fiscal agencies, and the state budget office the following information:

- (a) A description of the process by which resident members and others may file complaints of alleged abuse or neglect at the D.J. Jacobetti veterans' home.
- (b) Summary statistics on the number and the general nature of complaints of abuse or neglect.
- (c) Summary statistics on the final disposition of complaints of abuse or neglect received.
- (15) The MVAA shall post on its website all policies adopted by the board of managers and the home related to the operations of the home.

(16) The process by which visitors, residents, and employees of the D.J. Jacobetti veterans' home may register complaints shall be displayed in high-traffic areas throughout the home.

(17) The MVAA shall report the following, as provided under section 219:

- (a) An accounting of resident member populations at the D.J. Jacobetti veterans' home by period of service, by gender, by care setting, and by bed space available.
- (b) The financial status of the D.J. Jacobetti veterans' home, including an accounting of post and posthumous funds, donations, and state-appropriated funds.
- (c) Information regarding assessments, reassessments, and admissions at the D.J. Jacobetti veterans' home.
- (d) The number of volunteer hours at the D.J. Jacobetti veterans' home.

(18) The D.J. Jacobetti veterans' home shall provide to the subcommittees and the senate and house fiscal agencies the results of any annual or for-cause survey conducted by the DVA-VHA and any corresponding corrective action plan. This information shall also be made available publicly through the department's or MVAA's website.

BOARD OF MANAGERS (JACOBETTI)

Sec. 504. The board of managers shall exercise certain regulatory and governance authority regarding admission and member affairs at the D.J. Jacobetti veterans' home. The board of managers shall also work to represent the interest of the veterans' community in both advisory and advocacy roles.

CAPITAL OUTLAY

SPECIAL MAINTENANCE - NATIONAL GUARD

Sec. 601. (1) The appropriations in part 1 for special maintenance - national guard shall be carried forward at the end of the fiscal year consistent with section 248 of the management and budget act, 1984 PA 431, MCL 18.1248.

(2) The appropriations for special maintenance - national guard shall be expended in accordance with the requirements of sections 302 and 304 and shall be expended according to the maintenance priorities of the department to repair and modernize military training sites and support facilities, which may include projects such as roof, HVAC, or boiler replacement, interior renovations, facility expansion, improvements to parking facilities, and other projects.

(3) The department shall provide a quarterly report as provided under section 219 providing information on the status, projected costs, and projected completion data of current and planned special maintenance projects at the armories and other national guard facilities funded from capital outlay appropriations made in part 1 and in prior appropriations years.

SPECIAL MAINTENANCE - VETERANS' HOMES

Sec. 603. (1) The appropriations in part 1 for special maintenance - veterans' homes shall be carried forward at the end of the fiscal year consistent with section 248 of the management and budget act, 1984 PA 431, MCL 18.1248.

(2) The appropriations for special maintenance - veterans' homes shall be expended in accordance with the requirements of sections 501 and 503 and shall be expended according to the maintenance priorities of the department to repair and modernize the state's veterans' homes, which may include projects such as roof, HVAC, or boiler replacement, interior renovations, facility expansion, improvements to parking facilities, and other projects designed to enhance the quality of life and medical care of members.

(3) The MVAA shall provide a quarterly report as provided under section 219 providing information on the status, projected costs, and projected completion data of current and planned special maintenance projects at the Grand Rapids and D.J. Jacobetti veterans' homes funded from capital outlay appropriations made in part 1 and in prior appropriations years.

LAND AND ACQUISITIONS

Sec. 604. (1) The department shall provide for the acquisition and disposition of national guard armories, facilities, and lands as provided under sections 368, 382, and 382a of the Michigan military act, 1967 PA 150, MCL 32.768, 32.782, and 32.782a.

(2) The department shall provide a listing of property sales and acquisitions as provided under section 219.

ONE-TIME APPROPRIATIONS

SPECIAL MAINTENANCE - VETERANS' HOMES

Sec. 701. (1) The 1-time appropriations in part 1 for special maintenance - veterans' homes shall be carried forward at the end of the fiscal year consistent with section 248 of the management and budget act, 1984 PA 431, MCL 18.1248.

(2) The 1-time appropriations for special maintenance - veterans' homes shall be expended in accordance with the requirements of sections 501 and 503 of this part and shall be expended according to the maintenance priorities of the department to repair and modernize the state's veterans' homes, which may include projects such as roof, HVAC, or boiler replacement, interior renovations, facility expansion, improvements to parking facilities, and other projects designed to enhance the quality of life and medical care of members.

(3) The MVAA shall provide quarterly reports as provided under section 219 providing information on the status, projected costs, and projected completion data of current and planned special maintenance projects at the Grand Rapids and D.J. Jacobetti veterans' homes funded from 1-time appropriations made in part 1 and in prior appropriations years.

NATIONAL GUARD TUITION ASSISTANCE PROGRAM RESERVE

Sec. 702. The 1-time appropriation for the national guard tuition assistance program reserve shall be expended as provided in section 310, after the department exhausts the appropriation for national guard tuition assistance program appropriated in section 102.

PART 2A

PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS FOR FISCAL YEAR 2015-2016

GENERAL SECTIONS

Sec. 1201. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, 2016 for the line items listed in part 1. The fiscal year 2015-2016 appropriations are anticipated to be the same as those for fiscal year 2014-2015, excluding appropriations designated as 1-time appropriations and adjusting for changes in caseload and related costs, federal fund match rates, economic factors, and available revenue. These adjustments will be determined after the January 2015 consensus revenue estimating conference.

Sec. 1202. The veterans affairs agency shall provide the percentage of Michigan veterans contacted with a goal of 100% and report upon those outreach findings at quarterly legislative hearings to the subcommittees.

Sec. 1203. The veterans affairs agency shall maintain a minimum 50% fully developed claims as determined by the DVA.

ARTICLE XV
DEPARTMENT OF NATURAL RESOURCES
PART 1
LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of natural resources for the fiscal year ending September 30, 2015, from the following funds:

DEPARTMENT OF NATURAL RESOURCES
APPROPRIATION SUMMARY

Full-time equated unclassified positions.....	6.0	
Full-time equated classified positions	2,222.3	
GROSS APPROPRIATION		\$ 384,685,400
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		1,355,100
ADJUSTED GROSS APPROPRIATION		\$ 383,330,300
Federal revenues:		
Total federal revenues.....		67,954,500
Special revenue funds:		
Total private revenues		10,286,300
Total other state restricted revenues		256,498,000
State general fund/general purpose		\$ 48,591,500
State general fund/general purpose schedule:		
Ongoing state general fund/general purpose	43,841,500	
One-time state general fund/general purpose	4,750,000	

FUND SOURCE SUMMARY

Full-time equated unclassified positions.....	6.0	
Full-time equated classified positions	2,222.3	
GROSS APPROPRIATION		\$ 384,685,400
Interdepartmental grant revenues:		
IDG, land acquisition services to work orders.....		229,100
IDG, MacMullan conference center revenue.....		1,126,000
Total interdepartmental grants and intradepartmental transfers		1,355,100
ADJUSTED GROSS APPROPRIATION		\$ 383,330,300
Federal revenues:		
Federal funds		67,954,500
Total federal revenues.....		67,954,500
Special revenue funds:		
Private - Mann house trust fund.....		15,000
Private funds.....		7,771,300
State parks - private funds.....		2,500,000
Total private revenues		10,286,300
Cervidae licensing and inspection fees		136,900
Clean Michigan initiative fund.....		29,100
Commercial forest fund.....		28,600
Fire equipment fund		663,300
Forest development fund		31,789,400
Forest land user charges		281,500
Forest recreation account.....		2,210,300
Game and fish protection fund.....		78,493,100
Game and fish protection fund - deer habitat reserve.....		2,161,700
Game and fish protection fund - fisheries settlement		945,100
Game and fish protection fund - turkey permit fees		1,079,900
Game and fish protection fund - waterfowl fees.....		159,100
Game and fish protection fund - waterfowl hunt stamp.....		3,000,000
Game and fish protection fund - wildlife management public education fund.....		1,600,000
Game and fish protection fund - wildlife resource protection fund.....		1,119,600

	For Fiscal Year Ending Sept. 30, 2015
Game and fish protection fund - youth hunting and fishing education and outreach fund.....	96,100
History fees fund.....	229,300
Invasive species fund.....	30,300
Land exchange facilitation fund.....	6,101,200
Local public recreation facilities fund.....	1,089,800
Mackinac Island state park fund.....	1,848,200
Mackinac Island state park operation fund.....	192,200
Marine safety fund.....	3,066,500
Michigan heritage publications fund.....	38,800
Michigan natural resources trust fund.....	1,255,300
Michigan state parks endowment fund.....	27,467,600
Michigan state waterways fund.....	21,870,800
Michigan trailways fund.....	15,400
Museum operations fund.....	498,000
Nongame wildlife fund.....	503,200
Off-road vehicle safety education fund.....	200,200
Off-road vehicle trail improvement fund.....	6,010,600
Park improvement fund.....	46,937,200
Permanent snowmobile trail easement fund.....	700,000
Public use and replacement deed fees.....	30,600
Recreation improvement account.....	1,024,600
Recreation passport fees.....	3,291,900
Snowmobile registration fee revenue.....	1,217,300
Snowmobile trail improvement fund.....	9,033,400
Sportsmen against hunger fund.....	51,900
Total other state restricted revenues.....	256,498,000
State general fund/general purpose.....	\$ 48,591,500
Sec. 102. EXECUTIVE OPERATIONS	
Full-time equated unclassified positions.....	6.0
Full-time equated classified positions.....	11.6
Natural resources commission.....	\$ 77,100
Unclassified salaries—6.0 FTE positions.....	724,700
Executive direction—11.6 FTE positions.....	2,199,700
GROSS APPROPRIATION.....	\$ 3,001,500
Appropriated from:	
Special revenue funds:	
Forest development fund.....	358,500
Forest land user charges.....	5,000
Forest recreation account.....	19,000
Game and fish protection fund.....	1,191,300
Game and fish protection fund - deer habitat reserve.....	24,400
Game and fish protection fund - turkey permit fees.....	14,400
Game and fish protection fund - waterfowl fees.....	400
Game and fish protection fund - wildlife resource protection fund.....	13,000
Land exchange facilitation fund.....	20,400
Marine safety fund.....	29,800
Michigan natural resources trust fund.....	1,500
Michigan state parks endowment fund.....	298,500
Michigan state waterways fund.....	162,400
Nongame wildlife fund.....	5,900
Off-road vehicle trail improvement fund.....	70,300
Park improvement fund.....	471,800
Recreation improvement account.....	3,300
Snowmobile registration fee revenue.....	10,100
Snowmobile trail improvement fund.....	19,400
Sportsmen against hunger fund.....	100
State general fund/general purpose.....	\$ 282,000

For Fiscal Year
Ending Sept. 30,
2015

Sec. 103. DEPARTMENT INITIATIVES

Full-time equated classified positions	16.0	
Great Lakes restoration initiative		\$ 5,500,000
Michigan conservation corps		1,000,000
Invasive species prevention and control—16.0 FTE positions		5,000,000
GROSS APPROPRIATION		<u>\$ 11,500,000</u>

Appropriated from:

Federal revenues:

Federal funds		5,500,000
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Special revenue funds:

State general fund/general purpose		\$ 6,000,000
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Sec. 104. DEPARTMENT SUPPORT SERVICES

Full-time equated classified positions	109.5	
Finance and operations—106.5 FTE positions.....		\$ 17,576,700
Accounting service center		1,453,500
Legal services—3.0 FTE positions.....		458,300
Building occupancy charges		2,720,200
Rent - privately owned property.....		488,400
Gifts and pass-through transactions		5,000,000
GROSS APPROPRIATION		<u>\$ 27,697,100</u>

Appropriated from:

Interdepartmental grant revenues:

IDG, land acquisition services to work orders.....		229,100
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Federal revenues:

Federal funds		232,400
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Special revenue funds:

Private funds		5,000,000
Clean Michigan initiative fund.....		29,100
Forest development fund		2,272,600
Forest land user charges		11,500
Forest recreation account.....		62,500
Game and fish protection fund.....		6,798,200
Game and fish protection fund - deer habitat reserve.....		167,000
Game and fish protection fund - turkey permit fees		115,700
Game and fish protection fund - waterfowl fees.....		2,900
Game and fish protection fund - wildlife resource protection fund.....		26,500
Land exchange facilitation fund.....		5,949,700
Local public recreation facilities fund.....		89,800
Marine safety fund		381,900
Michigan natural resources trust fund.....		1,231,800
Michigan state parks endowment fund.....		745,100
Michigan state waterways fund.....		457,500
Nongame wildlife fund.....		23,000
Off-road vehicle trail improvement fund.....		73,500
Park improvement fund		1,235,300
Public use and replacement deed fees.....		30,600
Recreation improvement account		16,300
Snowmobile registration fee revenue		50,400
Snowmobile trail improvement fund.....		117,000
Sportsmen against hunger fund		400
State general fund/general purpose		<u>\$ 2,347,300</u>

Sec. 105. COMMUNICATION AND CUSTOMER SERVICES

Full-time equated classified positions	136.8	
Marketing and outreach—83.8 FTE positions.....		\$ 15,173,500
Michigan historical center—38.0 FTE positions.....		4,172,100
Archives—8.0 FTE positions		875,800

	For Fiscal Year Ending Sept. 30, 2015
Museum stores—6.0 FTE positions	498,000
Special programs (Mann house)—1.0 FTE position	25,500
Michigan wildlife council.....	1,600,000
GROSS APPROPRIATION	\$ 22,344,900
Appropriated from:	
Federal revenues:	
Federal funds	2,119,400
Special revenue funds:	
Private - Mann house trust fund.....	15,000
Private funds.....	390,300
Forest development fund	130,400
Forest recreation account.....	16,200
Game and fish protection fund	9,565,700
Game and fish protection fund - wildlife management public education fund.....	1,600,000
Game and fish protection fund - youth hunting and fishing education and outreach fund.....	92,600
History fees fund	229,300
Land exchange facilitation fund	45,400
Marine safety fund	35,100
Michigan heritage publications fund	38,800
Michigan state parks endowment fund.....	87,800
Michigan state waterways fund	145,000
Museum operations fund	498,000
Nongame wildlife fund.....	10,500
Off-road vehicle safety education fund	57,500
Off-road vehicle trail improvement fund.....	30,500
Park improvement fund	2,563,200
Recreation passport fees	23,500
Snowmobile registration fee revenue	62,200
Snowmobile trail improvement fund	44,700
Sportsmen against hunger fund	50,800
State general fund/general purpose	\$ 4,493,000
Sec. 106. WILDLIFE MANAGEMENT	
Full-time equated classified positions	226.5
Wildlife management—210.5 FTE positions	\$ 33,945,800
Natural resources heritage—9.0 FTE positions.....	967,600
State game and wildlife area maintenance—7.0 FTE positions.....	1,225,700
GROSS APPROPRIATION	\$ 36,139,100
Appropriated from:	
Federal revenues:	
Federal funds	19,042,200
Special revenue funds:	
Private funds.....	186,500
Cervidae licensing and inspection fees	84,200
Forest development fund	76,700
Game and fish protection fund.....	11,664,000
Game and fish protection fund - deer habitat reserve.....	1,837,300
Game and fish protection fund - turkey permit fees	884,800
Game and fish protection fund - waterfowl fees.....	152,200
Nongame wildlife fund.....	422,800
State general fund/general purpose	\$ 1,788,400
Sec. 107. FISHERIES MANAGEMENT	
Full-time equated classified positions	227.5
Aquatic resource mitigation—2.0 FTE positions	\$ 975,400
Fish production—64.0 FTE positions	10,052,600
Fisheries resource management—161.5 FTE positions.....	20,577,600
Great Lakes research vessel	2,000,000

	For Fiscal Year Ending Sept. 30, 2015
Cormorant population mitigation program	150,000
GROSS APPROPRIATION	\$ 33,755,600
Appropriated from:	
Federal revenues:	
Federal funds	11,061,600
Special revenue funds:	
Private funds	633,900
Game and fish protection fund	19,679,400
Game and fish protection fund - fisheries settlement	945,100
Invasive species fund	30,300
State general fund/general purpose	\$ 1,405,300
Sec. 108. LAW ENFORCEMENT	
Full-time equated classified positions	276.0
General law enforcement—276.0 FTE positions	\$ 39,963,800
GROSS APPROPRIATION	\$ 39,963,800
Appropriated from:	
Interdepartmental grant revenues:	
Federal revenues:	
Federal funds	5,860,600
Special revenue funds:	
Cervidae licensing and inspection fees	52,700
Forest development fund	44,600
Forest recreation account	71,700
Game and fish protection fund	19,779,900
Game and fish protection fund - wildlife resource protection fund	1,039,300
Marine safety fund	1,318,100
Michigan state parks endowment fund	70,200
Michigan state waterways fund	21,300
Off-road vehicle safety education fund	95,900
Off-road vehicle trail improvement fund	1,634,100
Park improvement fund	71,700
Snowmobile registration fee revenue	666,500
State general fund/general purpose	\$ 9,237,200
Sec. 109. PARKS AND RECREATION DIVISION	
Full-time equated classified positions	891.9
MacMullan conference center—15.0 FTE positions	\$ 1,126,000
Recreational boating—163.5 FTE positions	17,176,700
State parks—661.4 FTE positions	62,347,200
Forest recreation and trails—52.0 FTE positions	6,265,700
State parks improvement revenue bonds - debt service	1,175,700
Hart-Montague trail	530,000
GROSS APPROPRIATION	\$ 88,621,300
Appropriated from:	
Interdepartmental grant revenues:	
IDG, MacMullan conference center revenue	1,126,000
Federal revenues:	
Federal funds	1,724,100
Special revenue funds:	
Private funds	421,900
Forest recreation account	1,969,200
Michigan state parks endowment fund	19,499,300
Michigan state waterways fund	16,061,800
Michigan trailways fund	15,300
Off-road vehicle safety education fund	7,200
Off-road vehicle trail improvement fund	1,409,700
Park improvement fund	41,246,500

	For Fiscal Year Ending Sept. 30, 2015
Recreation improvement account	328,700
Recreation passport fees	268,400
Snowmobile registration fee revenue	15,600
Snowmobile trail improvement fund	1,431,500
State general fund/general purpose	\$ 3,096,100
Sec. 110. MACKINAC ISLAND STATE PARK COMMISSION	
Full-time equated classified positions	18.0
Historical facilities system—13.0 FTE positions	\$ 1,848,200
Mackinac Island state park operations—5.0 FTE positions	442,200
GROSS APPROPRIATION	\$ 2,290,400
Appropriated from:	
Special revenue funds:	
Mackinac Island state park fund	1,848,200
Mackinac Island state park operation fund	192,200
State general fund/general purpose	\$ 250,000
Sec. 111. FOREST RESOURCES DIVISION	
Full-time equated classified positions	308.5
Adopt-a-forest program	\$ 25,000
Cooperative resource programs—11.0 FTE positions	1,328,600
Forest management and timber market development—165.0 FTE positions	27,253,900
Forest fire equipment	431,500
Wildfire protection—108.0 FTE positions	13,307,400
Forest management initiatives—8.5 FTE positions	838,300
Minerals management—16.0 FTE positions	2,782,600
GROSS APPROPRIATION	\$ 45,967,300
Appropriated from:	
Federal revenues:	
Federal funds	3,104,900
Special revenue funds:	
Private funds	1,038,700
Commercial forest fund	24,200
Fire equipment fund	663,300
Forest development fund	27,414,900
Forest land user charges	226,600
Game and fish protection fund	2,394,800
Michigan state parks endowment fund	2,615,800
Michigan state waterways fund	50,200
State general fund/general purpose	\$ 8,433,900
Sec. 112. GRANTS	
Dam management grant program	\$ 350,000
Deer habitat improvement partnership initiative	50,000
Federal - clean vessel act grants	400,000
Federal - forest stewardship grants	3,000,000
Federal - land and water conservation fund payments	2,566,900
Federal - rural community fire protection	400,000
Federal - urban forestry grants	1,600,000
Fisheries habitat improvement grants	1,500,000
Grants to communities - federal oil, gas, and timber payments	3,450,000
Grants to counties - marine safety	2,874,700
National recreational trails	3,900,000
Nonmotorized trail development and maintenance grants	1,250,000
Off-road vehicle safety training grants	29,200
Off-road vehicle trail improvement grants	2,776,400
Recreation improvement fund grants	657,100
Recreation passport local grants	1,000,000
Snowmobile law enforcement grants	380,100

	For Fiscal Year Ending Sept. 30, 2015
Snowmobile local grants program	7,340,400
Trail easements	700,000
Wildlife habitat improvement grants	1,500,000
Wildlife habitat improvement grants in state forests.....	500,000
GROSS APPROPRIATION	\$ 36,224,800
Appropriated from:	
Federal revenues:	
Federal funds	16,884,300
Special revenue funds:	
Private funds	100,000
Game and fish protection fund	3,500,000
Game and fish protection fund - deer habitat reserve	50,000
Local public recreation facilities fund.....	1,000,000
Marine safety fund	1,207,300
Off-road vehicle safety education fund	29,200
Off-road vehicle trail improvement fund.....	2,776,400
Permanent snowmobile trail easement fund	700,000
Recreation improvement account	657,100
Snowmobile registration fee revenue	380,100
Snowmobile trail improvement fund	7,340,400
State general fund/general purpose	\$ 1,600,000
Sec. 113. INFORMATION TECHNOLOGY	
Information technology services and projects	\$ 10,179,600
GROSS APPROPRIATION	\$ 10,179,600
Appropriated from:	
Special revenue funds:	
Commercial forest fund	4,400
Forest development fund	1,491,700
Forest land user charges	38,400
Forest recreation account.....	71,700
Game and fish protection fund	3,919,800
Game and fish protection fund - deer habitat reserve	83,000
Game and fish protection fund - turkey permit fees	65,000
Game and fish protection fund - waterfowl fees.....	3,600
Game and fish protection fund - wildlife resource protection fund.....	40,800
Game and fish protection fund - youth hunting and fishing education and outreach fund.....	3,500
Land exchange facilitation fund	85,700
Marine safety fund	94,300
Michigan natural resources trust fund.....	22,000
Michigan state parks endowment fund.....	1,150,900
Michigan state waterways fund.....	397,600
Michigan trailways fund.....	100
Nongame wildlife fund.....	41,000
Off-road vehicle safety education fund	10,400
Off-road vehicle trail improvement fund.....	16,100
Park improvement fund	1,348,700
Recreation improvement account	19,200
Snowmobile registration fee revenue	32,400
Snowmobile trail improvement fund	80,400
Sportsmen against hunger fund	600
State general fund/general purpose	\$ 1,158,300
Sec. 114. CAPITAL OUTLAY	
(1) STATE PARK AND FOREST AREA IMPROVEMENTS	
State parks repair and maintenance.....	\$ 12,250,000
Wetland restoration, enhancement and acquisition.....	3,000,000
GROSS APPROPRIATION	\$ 15,250,000

For Fiscal Year
Ending Sept. 30,
2015

Appropriated from:	
Special revenue funds:	
State parks - private funds.....	2,500,000
Game and fish protection fund - waterfowl hunt stamp.....	3,000,000
Michigan state parks endowment fund.....	3,000,000
Recreation passport fees.....	3,000,000
State general fund/general purpose	\$ 3,750,000
(2) WATERWAYS BOATING PROGRAM	
Local boating infrastructure maintenance and improvements.....	\$ 250,000
State boating infrastructure maintenance	2,200,000
East Tawas state harbor, Iosco County, harbor renovation, dock replacements, dredging, fueling station, new electrical/utilities, phase I (total authorized cost is increased from \$70,000 to \$3,120,000; federal share is increased from \$0 to \$1,550,000; state share is increased from \$70,000 to \$1,570,000).....	3,050,000
Naubinway, Mackinac County, breakwater protection, dredging and engineering, phase II (total authorized cost increased from \$300,000 to \$1,800,000; state share is increased from \$210,000 to \$1,710,000; local share is \$90,000)	1,500,000
GROSS APPROPRIATION	\$ <u>7,000,000</u>
Appropriated from:	
Federal revenues:	
Federal funds.....	2,425,000
Special revenue funds:	
Michigan state waterways fund.....	4,575,000
State general fund/general purpose	\$ 0
Sec. 115. ONE-TIME BASIS ONLY APPROPRIATIONS	
River Raisin national battlefield park foundation	\$ 2,000,000
Saginaw River feasibility study.....	280,000
Flint River dike repair.....	1,000,000
Hart-Montague trail.....	470,000
City of Alma/Alma College public safety land improvements	1,000,000
GROSS APPROPRIATION	\$ <u>4,750,000</u>
Appropriated from:	
Special revenue funds:	
State general fund/general purpose	\$ 4,750,000

PART 2
PROVISIONS CONCERNING APPROPRIATIONS
FOR FISCAL YEAR 2014-2015

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 2014-2015 is \$305,089,500.00 and state spending from state resources to be paid to local units of government for fiscal year 2014-2015 is \$5,123,300.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF NATURAL RESOURCES

GRANTS

Dam management grant program	\$ 175,000
Grants to counties - marine safety	1,207,300
Off-road vehicle safety training grants.....	29,200
Off-road vehicle trail improvement grants	516,000
Recreation improvement fund grants.....	65,700
Recreation passport local grants.....	1,000,000
Snowmobile law enforcement grants.....	380,100

CAPITAL OUTLAY

Waterways boating program	\$ <u>1,750,000</u>
TOTAL	\$ <u>5,123,300</u>

Sec. 202. The appropriations authorized under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this part and part 1:

- (a) "Commission" means the natural resources commission.
- (b) "Department" means the department of natural resources.
- (c) "FTE" means full-time equated.
- (d) "IDG" means interdepartmental grant.
- (e) "IDT" means intradepartmental transfer.

Sec. 204. (1) For each new program or program expansion for which funds in excess of \$500,000.00 are appropriated in part 1, the department shall identify specific benchmarks intended to measure the performance or return on taxpayer investment of the program and its associated expenditures. Not later than November 1, 2014, the department shall report the proposed benchmarks to the house and senate appropriations subcommittees for that department, the house and senate fiscal agencies, and the state budget director. The department shall provide an update on its progress in achieving those benchmarks at an appropriations subcommittee meeting called for the purpose of discussing benchmarks and their status.

(2) It is the intent of the legislature that, beginning with the budget for the fiscal year ending September 30, 2016, any proposal for a new program or an expansion of an existing program in excess of \$500,000.00 initiated by the executive branch or the legislature shall include, as part of the original proposal or budget request, a list of benchmarks intended to measure the performance or return on taxpayer investment of the program or spending increase.

Sec. 205. Unless otherwise specified, the department shall use the Internet to fulfill the reporting requirements of this part. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on an Internet or Intranet site.

Sec. 206. Appropriations of state restricted game and fish protection funds have been made in the following amounts to the following departments and agencies in their respective appropriation acts:

Legislative auditor general	\$ 30,100
Attorney general	838,000
Department of technology, management, and budget	565,000
Department of treasury	2,454,000

Sec. 207. Pursuant to section 43703(3) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.43703, there is appropriated from the game and fish protection trust fund to the game and fish protection account of the Michigan conservation and recreation legacy fund, \$6,000,000.00 for the fiscal year ending September 30, 2015.

Sec. 210. 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. Preference shall be given to goods or services, or both, manufactured or provided by Michigan businesses if they are competitively priced and of comparable quality. In addition, preference should be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 211. The director of the department 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. The 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. 212. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 214. Funds appropriated in this part and part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those outside services that the attorney general authorizes.

Sec. 215. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$3,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 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 part 1 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 part 1 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 \$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 part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 217. The department and agencies receiving appropriations in part 1 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. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 218. The departments and agencies receiving appropriations in part 1 shall prepare a report on out-of-state travel expenses not later than January 1 of each year. The travel report shall be a listing of all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the senate and house appropriations committees, the house and senate fiscal agencies, and the state budget director. The report shall include the following information:

(a) The dates of each travel occurrence.

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

Sec. 220. Not later than November 30, the state budget office shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the prior fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the chairpersons of the senate and house appropriations committees, and the senate and house fiscal agencies.

Sec. 222. Within 14 days after the release of the executive budget recommendation, the department shall cooperate with the state budget office to provide the senate and house appropriations chairs, the senate and house appropriations subcommittees chairs, and the senate and house fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2014 and September 30, 2015.

Sec. 223. Before January 31, 2015, the department, in cooperation with the Michigan state waterways commission, shall provide to the state budget director, the senate and house appropriations subcommittees on natural resources, and the senate and house fiscal agencies a list of projects completed by the commission in fiscal year 2013-2014, including the county and municipality in which each project is located.

Sec. 234. The department shall cooperate with the department of technology, management, and budget to maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following:

(a) Fiscal year-to-date expenditures by category.

(b) Fiscal year-to-date expenditures by appropriation unit.

(c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.

(d) The number of active department employees by job classification.

(e) Job specifications and wage rates.

Sec. 235. The department shall maintain, on a publicly accessible website, a department scorecard that identifies, tracks, and regularly updates key metrics that are used to monitor and improve the agency's performance.

Sec. 237. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2015 are \$46,680,700.00. From this amount, total agency appropriations for pension-related legacy costs are estimated at \$26,090,800.00. Total agency appropriations for retiree health care legacy costs are estimated at \$20,589,900.00.

DEPARTMENT INITIATIVES

Sec. 250. As a condition on the expenditure of funds in part 1 for the Michigan conservation corps, the department shall work with the Michigan civilian conservation corps partnership steering committee established in section 22 of the Michigan civilian conservation corps act, 1984 PA 22, MCL 409.322, to plan for a nonprofit Michigan civilian conservation corps that is administered outside of state government.

Sec. 251. From the amounts appropriated in part 1 for invasive species prevention and control, the department shall allocate not less than \$3,600,000.00 for grants for the prevention, detection, eradication, and control of invasive species.

DEPARTMENT SUPPORT SERVICES

Sec. 302. The department may charge land acquisition projects appropriated for the fiscal year ending September 30, 2015, and for prior fiscal years, a standard percentage fee to recover actual costs, and may use the revenue derived to support the land acquisition service charges provided for in part 1.

Sec. 303. As appropriated in part 1, the department may charge both application fees and transaction fees related to the exchange or sale of state-owned land or rights in land authorized by part 21 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.2101 to 324.2162. The fees shall be set by the director of the department at a rate which allows the department to recover its costs for providing these services.

COMMUNICATION AND CUSTOMER SERVICES

Sec. 404. For the purposes of administering the museum store as provided in section 7a of 1913 PA 271, MCL 399.7a, the department is exempt from section 261 of the management and budget act, 1984 PA 431, MCL 18.1261.

Sec. 405. As appropriated in part 1, proceeds in excess of costs incurred in the conduct of auctions, sales, or transfers of artifacts no longer considered suitable for the collections of the state historical museum may be expended upon receipt for additional material for the collection. The department shall notify the chairpersons, vice chairpersons, and minority

vice chairpersons of the senate and house appropriations subcommittees on natural resources 1 week prior to any auctions or sales. Any unexpended funds may be carried forward into the next succeeding fiscal year.

Sec. 406. As appropriated in part 1, funds collected by the department for historical markers; document reproduction and services; conferences, admissions, workshops, and training classes; and the use of specialized equipment, facilities, exhibits, collections, and software shall be used for expenses necessary to provide the required services. The department may charge fees for the aforementioned services, including admission fees. Any unexpended funds may be carried forward into the next succeeding fiscal year.

Sec. 408. By October 21, 2014, the department shall submit to the senate and house appropriations subcommittees on natural resources a report on all land transactions approved by the commission in the fiscal year ending September 30, 2014. For each land transaction, the report shall include the size of the parcel, the county and municipality in which the parcel is located, the dollar amount of the transaction, the fund source affected by the transaction, and whether the transaction is by purchase, public auction, transfer, exchange, or conveyance.

WILDLIFE DIVISION

Sec. 503. From the funds appropriated in part 1, the department shall produce a report detailing any efforts undertaken to enforce the invasive species order on swine raised under the husbandry of residents of this state. The report shall include fund sources used and the amount of expenditures and shall be submitted to the legislature by December 31, 2014.

Sec. 504. From the funds appropriated in part 1, the department shall provide a report to the legislature on the use of registration fees collected from privately owned cervid operations. Appropriations in part 1 from cervidae licensing and inspection fees shall not be used for anything other than work directly related to the regulation of privately owned cervid operations in this state.

FISHERIES DIVISION

Sec. 601. (1) From the appropriation in part 1 for aquatic resource mitigation, not more than \$758,000.00 shall be allocated for grants to watershed councils, resource development councils, soil conservation districts, local governmental units, and other nonprofit organizations for stream habitat stabilization and soil erosion control.

(2) The fisheries division in the department shall develop priority and cost estimates for all projects recommended for grants under subsection (1).

Sec. 602. As a condition of expenditure of fisheries management appropriations under part 1, the department of natural resources shall not impede the certification process for water control structures on Michigan waterways. The department of natural resources shall fund from funds appropriated in part 1 all non-water-quality studies or requirements that the department requests of either of the following:

(a) The department of environmental quality as a condition for issuance of a certification under section 401 of the federal water pollution control act, 33 USC 1341.

(b) The federal energy regulatory commission as a condition of licensing under the federal power act, 16 USC 791a to 825r.

Sec. 603. The department shall provide a quarterly report to the legislature on use of funding provided for cormorant management. The department shall use general fund/general purpose revenue for this purpose and submit revenue appropriated in part 1 for cormorant management to the United States department of agriculture animal and plant health inspection service to allow for increased taking of cormorants and their nests. If any funds appropriated for cormorant management are retained by the department, or other funds become available for this purpose, the department shall use those funds to harass cormorants with the goal of reducing foraging attempts on fish populations.

PARKS AND RECREATION DIVISION

Sec. 702. The department shall notify the house and senate appropriations subcommittees on natural resources and the house and senate fiscal agencies if it intends to reduce operations or reduce recreation opportunities in any state park or recreation area.

Sec. 704. If senate bills 873 through 877 of the 97th Legislature are enacted into law, from the appropriations in part 1, the department shall allocate \$200,000.00 for the Pure Michigan trails program as described in those bills.

FOREST RESOURCES DIVISION

Sec. 802. Of the funds appropriated in part 1, the department shall, subject to the forest certification process, prescribe treatment on 79,000 acres, prepare appropriate treatment for not less than 67,500 acres at the current average rate of 12.5 to 15 cords per acre, and offer those cords for sale in the 2014-2015 fiscal year, provided that the department shall take into consideration the impact of timber harvesting on wildlife habitat and recreation uses. The department shall, subject to the forest certification process, increase marking or treatment of hardwood timber for sale and harvest by 10% over 2013-2014 fiscal year levels. In addition, the department shall take into consideration silvicultural analysis and report annually to the legislature on plans and efforts to address factors limiting management of timber. The department shall increase the number of prepared acres if it appears that regional market demand requires increased volumes of harvested timber. The department shall provide quarterly reports on the number of acres treated, pursuant to this section, to the senate and house appropriations subcommittees on natural resources and the standing committees of the senate and house of representatives with primary responsibility for natural resources issues. The department shall complete and deliver these reports no later than 45 days after the end of the fiscal quarter.

Sec. 803. In addition to the money appropriated in part 1, the department may receive and expend money from federal sources for the purpose of providing response to wildfires as required by a compact with the federal government. If additional expenditure authorization is required, the department shall notify the state budget office that expenditure under this section is required. The department shall notify the house and senate appropriations subcommittees on natural resources and the house and senate fiscal agencies of the expenditures under this section by November 1, 2015.

Sec. 804. The department shall continue to work cooperatively with horseback riding interests to maximize riding opportunities in the state.

Sec. 805. The department shall spend amounts appropriated in part 1 for forest-related activities to employ or contract for sufficient foresters to mark timber, pursuant to section 802.

Sec. 807. (1) In addition to the funds appropriated in part 1, there is appropriated from the disaster and emergency contingency fund up to \$800,000.00 to cover costs related to any disaster as defined in section 2 of the emergency management act, 1976 PA 390, MCL 30.402.

(2) Funds appropriated under subsection (1) shall not be expended unless the state budget director recommends the expenditure and the department notifies the house and senate committees on appropriations. By December 1 each year, the department shall provide a report to the senate and house fiscal agencies and the state budget office on the use of the disaster and emergency contingency fund during the prior fiscal year.

(3) If federal emergency management agency (FEMA) reimbursement is approved for costs paid from the disaster and emergency contingency fund, the federal revenue shall be deposited into the disaster and emergency contingency fund.

(4) Unexpended and unencumbered funds remaining in the disaster and emergency contingency fund at the close of the fiscal year shall not lapse to the general fund and shall be carried forward and be available for expenditures in subsequent fiscal years.

Sec. 808. Using the funds appropriated in part 1, by April 1, 2015, the department shall develop a lawful and reasonable plan designed to motivate lessees under state-granted oil and gas leases past their primary term to undertake warranted new operations to ensure that department-managed minerals are fully developed in an orderly manner to increase and optimize production. The plan shall be consistent with department procedure number 2306.E8.

LAW ENFORCEMENT

Sec. 901. The appropriation in part 1 for snowmobile law enforcement grants shall be used by the department to provide grants to county law enforcement agencies to enforce part 821 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.82101 to 324.82160, including rules promulgated under that part and ordinances enacted pursuant to that part. The department shall consider the number of enforcement hours and the number of miles of snowmobile trails in each county in allocating these grants. Any funds not distributed to counties revert back to the snowmobile registration fee subaccount created under section 82111 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.82111. Counties shall provide semiannual reports to the department on the use of grant money received under this section.

Sec. 902. The department shall provide a report on the marine safety grant program to the senate and house appropriations subcommittees on natural resources and the senate and house fiscal agencies by December 1, 2014. The report shall include the following information for the preceding year: the total amount of revenue received for watercraft registrations, the amount deposited into the marine safety fund, and the expenditures made from the marine safety fund, including the amounts expended for department administration, other state agencies, the law enforcement division, and grants to counties. The report shall also include the distribution methodology used by the department to distribute the marine safety grants and a list of the grants and the amounts awarded by county.

GRANTS

Sec. 1001. Federal pass-through funds to local institutions and governments that are received in amounts in addition to those included in part 1 for grants to communities - federal oil, gas, and timber payments and that do not require additional state matching funds are appropriated for the purposes intended. By November 30, 2014, the department shall report to the senate and house appropriations subcommittees on natural resources, the senate and house fiscal agencies, and the state budget director on all amounts appropriated under this section during the fiscal year ending September 30, 2014.

Sec. 1002. Subject to part 811 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.81101 to 324.81150, from the funds appropriated in part 1 for off-road vehicle trail improvements grants, not less than \$980,000.00 shall be spent on the development of new trails in accordance with the off-road vehicle trail expansion plan submitted to the legislature pursuant to section 807 of article 14 of 2005 PA 154.

CAPITAL OUTLAY

Sec. 1103. The appropriations in part 1 for capital outlay shall be carried forward at the end of the fiscal year consistent with the provisions of section 248 of the management and budget act, 1984 PA 431, MCL 18.1248.

ONE-TIME BASIS ONLY APPROPRIATIONS

Sec. 1201. Using funds appropriated in part 1, the department shall conduct a study to determine the feasibility of deepening the Saginaw River from the 6th Street turning basin to the Saginaw Bay for the purpose of increasing economic activity in the region.

PART 2A
PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS
FOR FISCAL YEAR 2015-2016

GENERAL SECTIONS

Sec. 1301. Except as otherwise provided in this part, it is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, 2016 for the line items listed in part 1. The fiscal year 2015-2016 appropriations are anticipated to be the same as those for fiscal year 2014-2015, except that the line items will be adjusted for changes in caseload and related costs, federal fund match rates, economic factors, and available revenue. These adjustments will be determined after the January 2015 consensus revenue estimating conference.

Sec. 1302. It is the intent of the legislature that the department identify the amounts for normal retirement costs and legacy retirement costs for the fiscal year ending on September 30, 2016 for the line items listed in part 1.

ARTICLE XVI
DEPARTMENT OF STATE POLICE
PART 1
LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this part and part 2, the amounts listed in this part for the department of state police are appropriated for the fiscal year ending September 30, 2015, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF STATE POLICE

APPROPRIATION SUMMARY

Full-time equated unclassified positions.....	3.0	
Full-time equated classified positions	3,070.0	
GROSS APPROPRIATION		\$ 639,573,000
Total interdepartmental grants and intradepartmental transfers		26,233,200
Schedule of interdepartmental grants and intradepartmental transfer revenue sources:		
IDG-MDOC, contract	340,100	
IDG-MDOS.....	364,500	
IDG-MDOT, state trunkline fund.....	11,433,400	
IDG-MDTR, casino gaming fees.....	6,134,100	
IDG-MDTR, emergency telephone fund coordinator.....	677,000	
IDG-MDTR, emergency telephone fund operations.....	742,200	
IDG, training academy charges	2,814,400	
IDT, auto theft funds	761,000	
IDT, Michigan justice training fund	1,050,000	
IDT, truck safety fund.....	1,916,500	
ADJUSTED GROSS APPROPRIATION		\$ 613,339,800
Total federal revenues.....		99,429,900
Schedule of federal revenue sources:		
DHS	51,914,400	
DOJ	14,184,700	
DOJ interest bearing	8,141,600	
DOT	23,563,700	
Federal investigations - reimbursed services	1,088,300	
Federal narcotics investigation revenues	537,200	
Total local revenues.....		4,861,700
Schedule of local revenue sources:		
Local - AFIS fees	82,000	
Local - LEIN fees.....	1,023,500	
Local - reimbursed services.....	2,064,700	
Local - school bus revenue	1,691,500	
Total private revenues.....		77,200
Schedule of private revenue sources:		
Private donations.....	77,200	
Total other state restricted revenues		124,800,000
Schedule of restricted revenue sources:		
Auto theft prevention fund.....	7,298,700	
Concealed weapons enforcement fee.....	100,000	
CJIC service fees	21,560,400	
Drunk driving prevention and training fund.....	1,445,600	

For Fiscal Year
Ending Sept. 30,
2015

Forensic science reimbursement fees.....	1,525,600	
Forfeiture funds	99,100	
Hazardous materials training center fees.....	1,183,200	
Highway safety fund.....	13,624,300	
Licensing fees	9,100	
Michigan justice training fund.....	8,491,600	
Michigan merit award trust fund	793,900	
Motor carrier fees	4,687,600	
Narcotics investigation revenue	814,600	
Nuclear plant emergency planning reimbursement.....	2,671,900	
Precision driving track fees	323,500	
Reimbursed services	752,900	
Rental of department aircraft.....	59,400	
Secondary road patrol and training fund	12,275,900	
Sex offenders registration fund.....	609,800	
State forensic laboratory fund.....	1,767,600	
State police service fees	2,288,700	
State services fee fund.....	7,990,900	
Tobacco tax revenue	4,438,600	
Traffic crash revenue	335,400	
Traffic law enforcement and safety fund.....	26,732,000	
Trooper school recruitment fund	901,100	
Truck driver safety fund	2,018,600	
State general fund/general purpose	\$ 384,171,000	
State general fund/general purpose schedule:		
Ongoing state general fund/general purpose	366,191,700	
One-time state general fund/general purpose	17,979,300	
Sec. 102. EXECUTIVE AND DEPARTMENTAL SERVICES		
Full-time equated unclassified positions.....	3.0	
Full-time equated classified positions	124.0	
Unclassified positions.....	\$ 724,700	
Executive and departmental services.....	90,888,500	
Schedule of programs:		
Executive direction	3,068,200	
State executive security	2,564,900	
Capitol complex security.....	2,577,700	
Departmental services.....	82,677,700	
GROSS APPROPRIATION	\$ 91,613,200	
Appropriated from:		
Interdepartmental grant revenues.....	1,407,300	
Federal revenues	9,858,100	
Local revenues.....	1,117,300	
State restricted revenues	19,415,100	
State general fund/general purpose	\$ 59,815,400	
Sec. 103. LAW ENFORCEMENT SERVICES		
Full-time equated classified positions	484.0	
Law enforcement services	\$ 86,776,200	
Schedule of programs:		
Training.....	12,675,900	
Commission on law enforcement standards	10,063,600	
Criminal justice information systems	15,880,900	
Laboratory operations	32,139,600	
DNA analysis program	8,418,100	
Biometrics and identification.....	7,598,100	
GROSS APPROPRIATION	\$ 86,776,200	

For Fiscal Year
Ending Sept. 30,
2015

Appropriated from:	
Interdepartmental grant revenues.....	5,508,100
Federal revenues.....	9,077,700
State restricted revenues.....	34,529,000
State general fund/general purpose.....	\$ 37,661,400
Sec. 104. FIELD SERVICES	
Full-time equated classified positions.....	1,971.0
Field services.....	\$ 300,703,000
Schedule of programs:	
General law enforcement and traffic safety.....	239,572,000
Security at events.....	100
Criminal investigations.....	53,845,000
Tobacco tax fraud investigations.....	5,226,400
Fire investigations.....	2,059,500
GROSS APPROPRIATION.....	\$ 300,703,000
Appropriated from:	
Interdepartmental grant revenues.....	6,717,200
Federal revenues.....	7,719,500
Local revenues.....	2,064,700
State restricted revenues.....	47,802,000
State general fund/general purpose.....	\$ 236,399,600
Sec. 105. SPECIALIZED SERVICES	
Full-time equated classified positions.....	491.0
Specialized services.....	\$ 141,251,300
Schedule of programs:	
Special operations.....	26,370,600
Commercial vehicle enforcement.....	27,704,900
Emergency management and homeland security.....	59,978,300
Highway safety planning.....	16,131,400
Secondary road patrol program.....	11,066,100
GROSS APPROPRIATION.....	\$ 141,251,300
Appropriated from:	
Interdepartmental grant revenues.....	12,600,600
Federal revenues.....	72,774,600
Local revenues.....	1,679,700
Private revenues.....	77,200
State restricted revenues.....	21,803,900
State general fund/general purpose.....	\$ 32,315,300
Sec. 106. ONE-TIME APPROPRIATIONS	
Trooper school.....	\$ 4,408,500
Emergency support team vehicles.....	225,000
Motor carrier school.....	1,181,900
Aviation support - helicopter purchase.....	4,932,000
LEIN conversion language.....	350,000
Electronic warrant report system.....	750,000
Michigan international speedway traffic control.....	831,900
Local public safety initiative.....	4,550,000
Rent and building occupancy charges - Marshall post.....	2,000,000
GROSS APPROPRIATION.....	\$ 19,229,300
Appropriated from:	
State restricted revenues.....	1,250,000
State general fund/general purpose.....	\$ 17,979,300

PART 2
PROVISIONS CONCERNING APPROPRIATIONS
FOR FISCAL YEAR 2014-2015

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 2014-2015 is \$508,971,000.00 and state spending from state resources to be paid to local units

of government for fiscal year 2014-2015 is \$19,755,600.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF STATE POLICE

Law enforcement services	\$	3,576,400
Schedule of programs:		
Commission on law enforcement standards	3,576,400	
Specialized services	\$	11,629,200
Schedule of programs:		
Special operations	673,800	
Highway safety planning	10,955,400	
Local public safety initiative	\$	4,550,000
TOTAL	\$	19,775,600

Sec. 202. The appropriations authorized under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this part and part 1:

- (a) "AFIS" means the automated fingerprint identification system.
- (b) "CFDA" means catalog of federal domestic assistance.
- (c) "CJIC" means the criminal justice information center.
- (d) "CJIS" means criminal justice information systems.
- (e) "Core service" means that phrase as defined in section 373 of the management and budget act, 1984 PA 431, MCL 18.1373.
- (f) "Department" means the department of state police.
- (g) "DHS" means the United States department of homeland security.
- (h) "DNA" means deoxyribonucleic acid.
- (i) "DOJ" means the United States department of justice.
- (j) "DOT" means the United States department of transportation.
- (k) "DTMB" means the department of technology, management, and budget.
- (l) "FEMA" means the federal emergency management agency.
- (m) "FTE" means full-time equated.
- (n) "IDG" means interdepartmental grant.
- (o) "IDT" means intradepartmental transfer.
- (p) "LEIN" means the law enforcement information network.
- (q) "MCOLES" means Michigan commission on law enforcement standards.
- (r) "MDCH" means the Michigan department of community health.
- (s) "MDOC" means the Michigan department of corrections.
- (t) "MDOS" means the Michigan department of state.
- (u) "MDOT" means the Michigan department of transportation.
- (v) "MDTR" means the Michigan department of treasury.
- (w) "MPSCS" means Michigan public safety communications system.
- (x) "Subcommittees" means all members of the subcommittees of the senate and house standing committees on appropriations with jurisdiction over the budget for the department.
- (y) "Work project" means that term as defined in section 404 of the management and budget act, 1984 PA 431, MCL 18.1404, and that meets the criteria in section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 204. The following shall constitute the appropriations from part 1 for interdepartmental grant funds received by the department from sources outside the department: \$2,814,400.00 from training academy charges; \$340,100.00 from the department of corrections contract; \$364,500.00 from the department of state; \$11,433,400.00 from the department of transportation - state trunkline funds; \$6,134,100.00 from casino gaming fees; \$677,000.00 from the department of treasury - emergency telephone fund coordinator; and \$761,000.00 from the department of treasury - emergency telephone fund operations.

Sec. 204a. (1) The following shall constitute the appropriations from part 1 for interdepartmental grant funds made from the department to other departments:

Attorney general - operations	\$	352,700
Attorney general - justice training grant	\$	162,900
Environmental quality	\$	1,312,800
Judiciary - justice training grant	\$	814,400
Military and veterans affairs	\$	100,000
DTMB - building occupancy charges	\$	7,105,900
DTMB - accounting service center	\$	1,045,700
DTMB - information technology	\$	23,903,400

(2) Based on the availability of federal funding and the demonstrated need as indicated by applications submitted to the state court administrative office, the department shall provide \$1,500,000.00 in Byrne justice assistance grant program funding to the judiciary by interdepartmental grant.

Sec. 205a. Federal DHS revenue appropriated in part 1 may be received from, but is not limited to, the following programs: homeland security grant program (CFDA 97.067), national incident management system (CFDA 97.107), buffer zone protection plan (CFDA 97.078), pre-disaster mitigation (CFDA 97.047), emergency management performance grants (CFDA 97.042), hazard mitigation (CFDA 97.039), disaster grants - public assistance (CFDA 97.036), flood mitigation assistance (CFDA 97.029), and applied meteorological research (CFDA 11.468).

Sec. 205b. Federal DOJ revenue appropriated in part 1 may be received from, but is not limited to, the following programs: national criminal history improvement program (CFDA 16.554), public safety partnership and community policing (CFDA 16.710), violence against women grants (CFDA 16.588), Paul Coverdell forensic sciences improvement grant (CFDA 16.742), DNA backlog reduction grants (CFDA 16.741), missing children's assistance program (CFDA 16.543), domestic cannabis eradication and suppression, bulletproof vest partnership (CFDA 16.609), project safe neighborhoods (CFDA 16.609), Edward Byrne memorial justice assistance grants (CFDA 16.738), enforcing underage drinking laws program (CFDA 16.727), the residential substance abuse treatment for state prisoners grant program (CFDA 16.593), and the high intensity drug trafficking areas program (CFDA 95.001).

Sec. 205c. Federal DOT revenue appropriated in part 1 may be received from, but is not limited to, the following programs: state and community highway safety (CFDA 20.600), motor carrier safety assistance (CFDA 20.218), new entrant safety assurance program (CFDA 20.218), and border enforcement grant program (CFDA 20.233).

Sec. 206. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$10,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 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 \$3,500,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 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 \$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 part 1 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 \$200,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 207. The department shall cooperate with the department of technology, management, and budget to maintain a searchable website that is accessible by the public at no cost that includes, but is not limited to, all of the following:

- (a) Fiscal year-to-date expenditures by category.
- (b) Fiscal year-to-date expenditures by appropriation unit.
- (c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.
- (d) The number of active department employees by job classification.
- (e) Job specifications and wage rates.

Sec. 208. The department and agencies receiving appropriations in part 1 shall use the Internet to fulfill the reporting requirements of this part. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on an Internet or Intranet site.

Sec. 209. Funds appropriated in part 1 and this part 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. Preference shall be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality. In addition, preference shall be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality. In addition, preference shall be given to goods or services, or both, that are manufactured or provided by Michigan small businesses that have veterans compose at least 35% of their total workforce. As used in this section:

(a) "Small business" means that term as defined in section 7a of the administrative procedures act of 1969, 1969 PA 306, MCL 24.207a.

(b) "Veteran" means that term as defined in section 261 of the management and budget act, 1984 PA 431, MCL 18.1261.

Sec. 210. The department 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, for the department. The director of the department shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services or supplies, or both.

Sec. 212. The departments and agencies receiving appropriations in part 1 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. The department and agencies receiving appropriations in part 1 may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 215. A department or state agency shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 216. (1) Notwithstanding any other provision of this part, the schedule of programs in part 1 lists programs which may, but are not required to be, funded under this part or part 1.

(2) Notwithstanding any other provisions of this part, the schedule of revenue sources in part 1 may or may not be received from the funding entities listed or in the amounts listed.

(3) The secondary road patrol funding is not subject to funding flexibility and shall be funded in accordance with section 629e of the Michigan vehicle code, 1949 PA 300, MCL 257.629e.

(4) Any funding required by statute is not subject to funding flexibility and shall be funded in accordance with that statute.

Sec. 217. The department shall improve its budgetary efficiency pertaining to the delivery of core services by doing all of the following:

(a) Prioritizing personnel over buildings in budgetary efficiency considerations.

(b) Pursuing the physical or virtual consolidation of support service functions such as information technology, human resources, and accounting as a means of improving standardization and efficiency.

(c) Seeking expenditure reductions whenever possible through the streamlining of existing service delivery activities.

(d) Identifying efficiencies that can be gained via the reduction or elimination of programs, policies, and practices.

Sec. 218. The departments and agencies receiving appropriations in part 1 shall prepare a report on out-of-state travel expenses not later than January 1 of each year. The travel report shall be a listing of all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the senate and house appropriations committees, the senate and house fiscal agencies, and the state budget director. The report shall include the following information:

(a) The dates of each travel occurrence.

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

Sec. 219. (1) The department shall provide quarterly reports to the subcommittees, the senate and house fiscal agencies, and the state budget office that provide the following data:

(a) A list of major work projects, including the status of each project.

(b) The department's financial status, featuring a report of budgeted versus actual expenditures by part 1 line item including a year-end projection of budget requirements. If projected department budget requirements exceed the allocated budget, the report shall include a plan to reduce overall expenses while still satisfying specified service level requirements.

(c) A report on the performance metrics cited or required to be reported in this part.

(2) The department shall provide all information necessary to validate that the requirements of this part have been achieved.

(3) The department shall provide a corrective action plan within 30 days of a quarterly report under this section for any requirements of this part that have not been achieved. The department shall provide a monthly status of correction action plans.

(4) The department shall provide a summary of fund shifts, that have been approved by the state budget office, that have occurred between items listed in the schedule of programs mentioned in part 1 on a quarterly basis to the subcommittees and the senate and house fiscal agencies.

Sec. 221. The appropriations in part 1 are for the core services, support services, and work projects of the department, including, but not limited to, the following core services:

(a) State executive security, including capitol complex security.

(b) Training.

(c) Commission on law enforcement standards.

(d) Criminal justice information systems.

(e) Scientific analysis and identification, including laboratory operations, DNA analysis program, and biometrics and identification.

(f) General law enforcement and traffic safety.

(g) Criminal investigations, including tobacco tax fraud investigations and fire investigations.

(h) Special operations.

(i) Commercial vehicle enforcement.

(j) Emergency management and homeland security.

(k) Highway safety planning, including the secondary road patrol program.

Sec. 222. The department shall notify the subcommittees, the chairpersons of the senate and house standing committees on appropriations, and the senate and house fiscal agencies not less than 90 days before recommending to close or consolidate any state police posts. The notification shall include a local and state impact study of the proposed post closure or consolidation.

Sec. 223. At least 90 days before beginning any effort to privatize, the department shall submit a complete project plan to the 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 subcommittees and the senate and house fiscal agencies within 30 months.

Sec. 224. Funds appropriated in part 1 or this part shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those activities that the attorney general authorizes.

Sec. 226. (1) When the department provides contractual services to a local unit of government, the department shall be reimbursed for all costs incurred in providing the services, including, but not limited to, retirement and overtime costs.

(2) The department shall define service cost models for those services requiring reimbursement.

(3) Contractual services provided to an entity other than a local unit of government may be provided by department personnel, but only on an overtime basis outside the normal work schedule of the personnel.

(4) This section does not apply to state agencies.

Sec. 228. Not later than November 30, the state budget office shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriations lapses at the close of the prior fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriations lapses by major departmental program or program areas. The report shall be transmitted to the office of the state budget, the chairpersons of the senate and house appropriations committees, the subcommittees, and the senate and house fiscal agencies.

Sec. 229. Within 14 days after the release of the executive budget recommendation, the department shall cooperate with the state budget office to provide the senate and house appropriations chairs, the subcommittees, and the senate and house fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2014 and September 30, 2015.

Sec. 230. The department shall maintain, on a publicly accessible website, a department scorecard that identifies, tracks, and regularly updates key metrics that are used to monitor and improve the department's performance.

Sec. 232. The department shall serve as an active liaison between the DTMB and state, local, regional, and federal public safety agencies to establish interoperability standards to ensure effective communication among public safety agencies and to facilitate the use of the MPSCS towers by those local public safety agencies that have an interest in using the towers as a part of their communication system. The department shall also report user issues to the DTMB.

Sec. 233. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2015 are \$121,652,900.00. From this amount, total agency appropriations for pension-related legacy costs are estimated at \$66,300,300.00, and total agency appropriations for retiree health care legacy costs are estimated at \$55,352,600.00.

Sec. 235. The department shall initiate discussions with the city of Wayland regarding a potential partnership between the city and the department for a joint public safety building located in the city. The department shall examine the feasibility and financial costs and benefits to the state for leasing space at that facility. The department shall provide a status report to the subcommittees, the senate and house appropriations subcommittees on general government, the senate and house fiscal agencies, and the state budget office no later than December 1, 2014.

EXECUTIVE AND DEPARTMENTAL SERVICES

UNCLASSIFIED POSITIONS

Sec. 300. (1) From the funds appropriated in part 1, there is funding to support unclassified employee positions as provided under section 5 of article XI of the state constitution of 1963 and section 455 of the management and budget act, 1984 PA 431, MCL 18.1455. These positions include the following: department director, chief administrative officer, and executive director of the Michigan commission on law enforcement standards.

(2) Not less than 30 days prior to the department submitting a request for an additional unclassified employee position from the civil service commission, or for any substantive change to the duties of an existing unclassified employee position, the department shall notify the subcommittees and the senate and house fiscal agencies.

EXECUTIVE DIRECTION

Sec. 301. From the funds appropriated in part 1, the department shall provide for executive administration of the department, as provided under 1935 PA 59, MCL 28.1 to 28.16, and chapter 7 of the executive organization act of 1965, 1965 PA 380, MCL 16.250 to 16.258.

STATE EXECUTIVE SECURITY

Sec. 302. The department shall provide for the protection of the governor and visiting dignitaries to the state.

STATE EXECUTIVE SECURITY - CAPITOL COMPLEX SECURITY

Sec. 303. (1) The department shall provide security services at the state capitol complex facilities as provided under section 6c of 1935 PA 59, MCL 28.6c.

(2) The department shall maintain the staff and resources necessary to respond to emergencies at the house office building, Farnum building, capitol parking lot, Townsend parking ramp, the Roosevelt parking ramp, and other areas as directed.

(3) The department shall pursue federal grants to improve the security at the capitol building.

(4) The department may develop a phased approach for improving security at the capitol building.

(5) The department shall dedicate a minimum of 35,000 patrol hours for the state capitol complex facilities.

DEPARTMENTAL SERVICES

Sec. 304. (1) The department shall provide administrative support for department operations, as provided under the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, including the following:

(a) The department shall maintain the staffing and resources necessary to ensure proper accountability of state funds.

(b) The department shall maintain the staffing and resources necessary to adhere to the state of Michigan financial management guide for accounting, contracting, purchasing, budgeting, and financial reporting and the administrative guide to state government.

(c) The department shall ensure fiscal controls relating to procurement of goods and services and other expenditures.

(2) From the funds appropriated in part 1 for departmental services, the department shall provide for the following grant and community service support functions:

(a) The operations of the automobile theft prevention authority, as provided under chapter 61 of the insurance code of 1956, 1956 PA 218, MCL 500.6101 to 500.6111.

(b) Administration of the Edward Byrne memorial justice assistance program established under 42 USC 3751(a), and other programs transferred to the department, as provided under Executive Reorganization Order No. 2009-29, MCL 28.91.

(c) The asset forfeiture reporting requirement under section 7524a of the public health code, 1978 PA 368, MCL 333.7524a.

(3) From the funds appropriated in part 1 for departmental services, the department shall provide oversight and administration of 9-1-1 operations statewide, as provided under the emergency 9-1-1 service enabling act, 1986 PA 32, MCL 484.1101 to 484.1717.

(4) From the funds appropriated in part 1 for departmental services, \$23,904,400.00 shall be used as a pass through via an IDG to the department of technology, management, and budget for technology services, including maintenance and repair service and technology projects, to maximize the operational efficiency and effectiveness of the department.

(5) From the funds appropriated in part 1 for departmental services, funds shall be provided for management operations costs for the department's forensic laboratory located in the Detroit public safety headquarters. The funds shall cover the department's share of annual operating costs for the facility, including repairs, maintenance, utilities, building management, parking, and janitorial services, as a result of it occupying approximately 52,000 square feet, or 18.56%, of the facility's usable space.

LAW ENFORCEMENT SERVICES

TRAINING

Sec. 401. (1) The department shall maintain the staffing and resources necessary to exercise the authority, powers, functions, and responsibilities concerning the development and delivery of professional, innovative, and quality training that supports the enforcement and public safety efforts of the criminal justice community as provided under 1925 PA 211, MCL 28.221 to 28.225.

(2) The department shall provide for the effective recruitment, selection, and hiring of qualified applicants for all positions within the department. As part of its recruitment efforts, the department shall, to the extent consistent with its hiring standards and applicable civil service rules, place an emphasis on recruiting MCOLES-certified police officers for its recruit schools, particularly those officers who are on layoff and possess a valid MCOLES license.

(3) The department shall provide the following performance data as provided under section 219:

(a) The number of state and local law enforcement and other criminal justice employees receiving MSP-provided instruction, with an annual goal of at least 10,000 individuals.

(b) The average classroom occupancy rate, with an annual goal of 55%.

(c) The number of community members provided educational opportunities for personal and professional growth, with a goal of a minimum of 3,000 community members.

(4) Beginning October 1, the department shall submit a report to the subcommittees and the senate and house fiscal agencies within 60 days of the conclusion of any trooper or motor carrier recruit school. The report shall include the following:

(a) The number of veterans and the number of MCOLES-certified police officers who commenced that trooper recruit school.

(b) The number of veterans and the number of MCOLES-certified police officers who concluded that trooper recruit school.

(c) The devices or campaigns that were used to specifically recruit veterans and MCOLES-certified police officers for that trooper recruit school.

(d) The number of recruits who began the school, the number of recruits who graduated, and the cities or posts in which each of these recruits is assigned or stationed.

(5) The department shall distribute and review course evaluations to ensure quality training is provided.

(6) The department shall maintain the staffing and resources necessary to exercise the authority, powers, functions, and responsibilities concerning the provision of specialized traffic safety-support services under the following program authorities:

(a) Section 625h of the Michigan vehicle code, 1949 PA 300, MCL 257.625h, and R 325.2651 to R 325.2659 of the Michigan administrative code.

(b) Sections 628, 651, and 675 of the Michigan vehicle code, 1949 PA 300, MCL 257.628, 257.651, and 257.675.

(c) Section 658 of the Michigan vehicle code, 1949 PA 300, MCL 257.658, and R 28.951 to R 28.961 of the Michigan administrative code.

(d) Section 710a of the Michigan vehicle code, 1949 PA 300, MCL 257.710a, and R 28.901 to R 28.911 of the Michigan administrative code.

(e) Section 1 of 1956 PA 62, MCL 257.951, and R 28.1001 to R 28.2075 of the Michigan administrative code.

(f) Section 727c of the Michigan vehicle code, 1949 PA 300, MCL 257.727c.

(g) Section 608 of the Michigan vehicle code, 1949 PA 300, MCL 257.608.

COMMISSION ON LAW ENFORCEMENT STANDARDS

Sec. 404. (1) MCOLES shall maintain the staffing and resources necessary to exercise the authority, powers, functions, and responsibilities necessary to establish standards for the selection, employment, training, education, licensing, and revocation of all law enforcement officers and provide the basic law enforcement training curriculum for law enforcement training academy programs statewide, as provided under the following authorities:

(a) The commission on law enforcement standards act, 1965 PA 203, MCL 28.601 to 28.616, and R 28.14101 to R 28.14702 of the Michigan administrative code.

(b) 1982 PA 302, MCL 18.421 to 18.429, and R 28.14901 to R 28.14910 of the Michigan administrative code.

(c) Executive Reorganization Order No. 2001-2, as amended by Executive Reorganization Order No. 2008-3, MCL 28.621.

(d) The railroad code of 1993, 1993 PA 354, MCL 462.101 to 462.451.

(e) The private security business and security alarm act, 1968 PA 330, MCL 338.1051 to 338.1092.

(f) Section 5v of 1927 PA 372, MCL 28.425v.

(g) 42 USC 3796gg and 28 CFR part 90, to the extent MCOLES receives grant assistance from the DOJ.

(h) The public safety officers benefit act, 2004 PA 46, MCL 28.631 to 28.638, and R 28.14951 to R 28.14966 of the Michigan administrative code.

(2) MCOLES shall provide information on the following at the time it submits a report under section 7 of the commission on law enforcement standards act, 1965 PA 203, MCL 28.607:

(a) The number of licensed police officers, by the type of law enforcement agency.

(b) The number of new police officer licenses issued.

(c) The number of police officer license revocations.

(3) MCOLES shall provide biannual summary data on justice training fund grants provided under section 3 of 1982 PA 302, MCL 18.423.

(4) MCOLES shall maintain staffing and resources necessary to update law enforcement standards within 30 days of the effective date of any new legislation.

CRIMINAL JUSTICE INFORMATION SYSTEMS

Sec. 405. (1) The department shall maintain criminal justice information systems in the support of public safety and law enforcement communities in this state. The department shall maintain the staffing and resources necessary to exercise its general authority, powers, functions, and responsibilities concerning the maintenance of CJIS applications and databases in accordance with the following program authorities:

(a) 1925 PA 289, MCL 28.241 to 28.248.

(b) The C.J.I.S. policy council act, 1974 PA 163, MCL 28.211 to 28.215.

(c) Executive Reorganization Order No. 2008-2, MCL 28.162.

(d) Executive Order No. 2011-7.

(e) R 28.5101 to R 28.5414 of the Michigan administrative code.

(f) 1935 PA 86, MCL 28.261 to 28.262.

(g) 1935 PA 120, MCL 28.271 to 28.273.

(h) 1945 PA 294, MCL 28.411 to 28.413.

(i) To the extent federal grant assistance is received, the national criminal history improvement program authorized under the crime technology improvement act of 1998, 42 USC 3732, and related statutes to improve the accuracy, quality, timeliness, accessibility, and integration of its CJIS applications and databases.

(2) The department shall prepare a report to the legislature defining a list of options to reduce the LEIN budget without adversely impacting services to customers.

(3) The department shall improve the accuracy, timeliness, and completeness of criminal history information by conducting a minimum of 30 outreach activities targeted to criminal justice agencies.

(4) The department shall maintain the staffing and resources necessary to exercise the authority, powers, functions, and responsibilities concerning the uniform system of reporting crimes and the compilation of crime statistics in accordance with the following program authorities:

(a) 1968 PA 319, MCL 28.251 to 28.259.

(b) 28 USC 534, to the extent necessary to comply with the federal-state uniform crime reporting (UCR) program and the national incident-based report system (NIBRS) established by the federal bureau of investigation pursuant to 28 CFR 0.85.

(5) The department shall publish annual Michigan crime statistics consistent with the UCR and NIBRS programs and notify the subcommittees when the data are published on the department's website.

(6) The department shall process requests for public records as provided under the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(7) By December 1, the department shall provide the following information for the prior fiscal year:

(a) The number of public records requests received.

(b) The number of public records requests fulfilled.

(c) The number of public records requests denied.

(d) The total amount of fees received for fulfilled requests.

(8) The department shall exercise the authority, powers, functions, and responsibilities concerning the compilation and evaluation of traffic crash reports and the maintenance of the state accident data collection system in accordance with the following program authorities:

(a) Section 622 of the Michigan vehicle code, 1949 PA 300, MCL 257.622.

(b) Section 82132 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.82132.

(c) Section 81143 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.81143.

(d) The fatality analysis reporting system, as developed by the national highway traffic safety administration.

(e) The federal moving ahead for progress in the 21st century act, 23 USC 405, to the extent grant assistance is received to improve the timeliness, accuracy, completeness, uniformity, integration, and accessibility of state traffic safety data.

(9) The department shall provide data on the number of copies of traffic crash reports (form UD-10) provided via the traffic crash reporting system, as provided under section 219.

(10) The department shall make traffic crash information available to the public at a reasonable cost. For bulk access to the accident records in which the vehicle identification number has been collected and computerized, the department shall make those records available to the public at cost, provided that the name and address have been excluded.

(11) The department shall maintain the staffing and resources necessary to exercise the authority, powers, functions, and responsibilities concerning the maintenance and dissemination of criminal history records and juvenile records in accordance with the following program authorities:

(a) 1925 PA 289, MCL 28.241 to 28.248.

(b) 1935 PA 120, MCL 28.271 to 28.273.

(c) 28 USC 534, to the extent necessary to exchange criminal history records information for criminal justice purposes.

(d) 28 CFR part 20, to the extent necessary to exchange criminal history records information with the federal bureau of investigation and other states through the interstate identification index, the national crime information center, and other federal CJIS databases and indices.

(e) The criminal justice information security policy, as developed and approved by the federal bureau of investigation and the federal CJIS advisory policy board.

(f) Public Law 92-544, 28 USC 534 note, and Michigan statutes approved under that act, to the extent necessary to exchange criminal history records information for employment and licensing purposes.

(g) The national crime prevention and compact act of 1998, 42 USC 14611 to 14616, 28 CFR chapter IX, and 2008 PA 493, MCL 3.1051 to 3.1053, to exchange criminal history records information for non-criminal-justice purposes.

(12) The department shall provide information on the number of fingerprint checks processed and background checks processed through the Internet criminal history access tool (ICHAT) as provided in section 219.

(13) The department shall maintain the staffing and resources necessary to exercise the authority, powers, functions, and responsibilities concerning the maintenance of records, including criminal history records checks, regarding firearms licensure as provided under the following program authorities:

(a) 1927 PA 372, MCL 28.421 to 28.435.

(b) The federal gun control act, 18 USC chapter 44.

(c) 28 CFR part 25, subpart A, to the extent necessary to ensure compliance with the national instant criminal background check system.

(14) The department shall provide to the legislature a report not later than December 1, 2014 that includes all of the following:

(a) The department's actual revenue received from fees paid for concealed pistol license (CPL) applications for fiscal year 2013-2014 and the uses of that revenue.

(b) The department's fiscal year 2013-2014 costs for administering their responsibilities under sections 4, 5, 5a, 5b, 5c, 5d, 5e, 5m, 6, 6a, and 8 of 1927 PA 372, MCL 28.424, 28.425, 28.425a, 28.425b, 28.425c, 28.425d, 28.425e, 28.425m, 28.426, 28.426a, and 28.428, itemized under each section and not including costs related to the administration of other sections of this statute, other state statutes, or requirements of federal law.

(c) An itemization of the fiscal year 2013-2014 revenue, source of revenue, expenditures, purpose of expenditures, and amount remaining at the end of fiscal year 2013-2014 for the concealed weapon enforcement fund created under section 5v of 1927 PA 372, MCL 28.425v.

(15) The department shall maintain the staffing and resources necessary to exercise the authority, powers, functions, and responsibilities concerning the registration of sex offenders in accordance with the following program authorities:

(a) Sex offenders registration act, 1994 PA 295, MCL 28.721 to 28.736.

(b) The sex offender registration and notification act, 42 USC 16901 to 16962.

(c) 28 CFR part 72.

(d) Guidelines interpreting and implementing the sex offender registration and notification act approved by the United States attorney general pursuant to 42 USC 16912 on July 2, 2008 and January 11, 2009.

(16) The department shall provide the following information as provided in section 219:

(a) The total number of active registered sex offenders in the law enforcement sex offender database, by offense tier level and incarceration status.

(b) The total number of active registered sex offenders in the public sex offender registry, by offense tier level and incarceration status.

(17) The sex offender registry unit shall follow up on tips assigned to law enforcement agencies within 10 working days.

SCIENTIFIC ANALYSIS AND IDENTIFICATION - LABORATORY OPERATIONS

Sec. 412. (1) The department shall maintain the staffing and resources necessary to exercise the authority, powers, functions, and responsibilities concerning the operation of the department's forensic laboratories, including the examination and analysis of drugs, latent prints, firearms, tool marks, explosives, questioned documents, serological and toxicological samples, the processing of major crime and disaster scenes, and the provision of expert testimony in criminal court cases, to aid in criminal investigations, as provided under the following program authorities:

(a) The forensic laboratory funding act, 1994 PA 35, MCL 12.201 to 12.211.

(b) Section 625a of the Michigan vehicle code, 1949 PA 300, MCL 257.625a, section 190 of 1945 PA 327, MCL 259.190, and R 325.2671 to R 325.2675 of the Michigan administrative code.

(c) The Paul Coverdell national sciences improvement act of 2000, 42 USC 3797j to 3797o, to the extent federal grant assistance is received.

(2) The department shall ensure its ability to maintain accreditation by the American society of crime laboratory directors/laboratory accreditation board (ASCLD/LAB), or other federally designated accrediting agency, as provided under 42 USC 14132.

(3) The department shall provide forensic science services with an average turnaround time of 55 days, assuming an annual caseload volume commensurate with that received in fiscal year 2012-2013, and shall achieve a goal of a 30-day average turnaround time across all forensic science disciplines by December 31, 2016.

(4) The department shall provide the following data as provided in section 219:

(a) The average turnaround time for processing forensic evidence across all disciplines.

(b) Forensic laboratory staffing levels, including scientists in training, and vacancies.

(c) The number of backlogged cases in each discipline.

(5) The department shall maintain the staffing and resources necessary to provide lab operations services with a goal of decreasing firearms backlog by 20% per year until eliminated, assuming an annual caseload volume of 5,200 cases received.

(6) The department shall maintain the staffing and resources necessary to provide lab operations services with a goal of decreasing toxicology backlog by 15% per year until eliminated, assuming an annual caseload volume of 20,000 cases received.

SCIENTIFIC ANALYSIS AND IDENTIFICATION - DNA ANALYSIS PROGRAM

Sec. 413. (1) The department shall maintain the staffing and resources necessary to exercise the authority, powers, functions, and responsibilities concerning the forensic testing of DNA evidence and samples to cooperate with all law enforcement agencies within the state by providing analysis of DNA for criminal investigations as provided under the following program authorities:

(a) The DNA identification profiling system act, 1990 PA 250, MCL 28.171 to 28.176, and R 28.5051 to R 28.5059 of the Michigan administrative code.

(b) The DNA identification act, 42 USC 14131 to 14137c.

(c) Any applicable grant requirements pursuant to the DNA backlog reduction grant program established by the DOJ national institute of justice, to the extent federal funding is received under that program.

(d) 42 USC 3796gg and 28 CFR part 90, to the extent federal funding is received for the forensic testing and profiling of DNA evidence.

(2) If changes are made to the department's protocol for retaining and purging DNA analysis samples and records, the department shall post a copy of the protocol changes on the department's website.

(3) The department shall maintain the staffing and resources necessary to provide DNA analysis services with a goal of decreasing backlogs by 15% per year until eliminated, assuming an annual caseload volume of 10,500 cases received.

SCIENTIFIC ANALYSIS AND IDENTIFICATION - BIOMETRICS AND IDENTIFICATION

Sec. 414. (1) The purpose of the biometrics and identification division is to cooperate with all law enforcement agencies within the state by providing services including the specialized use of identification databases and technologies for the purpose of identifying criminals. This includes the use of unique physiological characteristics, such as fingerprints, palm prints, and DNA. The biometrics and identification division shall house and manage the automated fingerprint identification system (AFIS), the statewide network of agency photographs, and combined offender DNA index system (CODIS) biometric databases. The department shall maintain the staffing and resources necessary to exercise the authority, powers, functions, and responsibilities concerning maintenance of biometrics and identification databases and technologies in accordance with the following program authorities:

(a) 1925 PA 289, MCL 28.241 to 28.248.

(b) The C.J.I.S policy council act, 1974 PA 163, MCL 28.211 to 28.215.

(c) Executive Reorganization Order No. 2008-2, MCL 28.162.

(d) Executive Order No. 2011-7.

(e) R 28.5101 to R 28.5414 of the Michigan administrative code.

(f) 28 USC 534 and 28 CFR part 20, to the extent necessary to exchange criminal record information and fingerprint data through the interstate identification index and the national fingerprint file.

(g) The DNA identification profiling system act, 1990 PA 250, MCL 28.171 to 28.176, and R 28.5051 to R 28.5059 of the Michigan administrative code.

(h) The DNA identification act, 42 USC 14131 to 14137c.

(2) The department shall provide data on the number of 10-print and palm-print submissions to the AFIS database, with a goal of at least 97% of submissions provided electronically as provided in section 219.

(3) The department shall maintain the staffing and resources necessary to have a 28-day average wait time for scheduling a polygraph examination, assuming an annual caseload received commensurate with fiscal year 2012-2013, with a goal of achieving a 15-day average wait time.

FIELD SERVICES

GENERAL LAW ENFORCEMENT AND TRAFFIC SAFETY

Sec. 501. (1) The department shall maintain the staffing and resources necessary to exercise the authority, powers, functions, and responsibilities in enforcing the criminal and civil laws of this state, including the enforcement of traffic laws, as provided under 1935 PA 59, MCL 28.1 to 28.16.

(2) The department, in keeping with its role as the general law enforcement agency of the state and as the law enforcement agency of last resort for communities that are either without local law enforcement resources or seriously underserved by local law enforcement resources, shall provide general law enforcement assistance to those communities until adequate law enforcement services can be provided to those communities by other means.

(3) Department enlisted personnel who are employed to enforce traffic laws as provided in section 629e of the Michigan vehicle code, 1949 PA 300, MCL 257.629e, shall not be prohibited from responding to crimes in progress or other emergency situations and are responsible for protecting every citizen of this state from harm.

(4) The department shall maintain the staffing and resources necessary to make traffic contacts per patrol hours commensurate with the service level and contact areas exhibited in fiscal year 2010-2011. There shall be no degradation of road patrol services to any region of this state.

(5) The department shall maintain the staffing and resources necessary to continually work to enhance traffic safety throughout the state and shall dedicate a minimum of 315,000 hours to statewide patrol, of which a minimum of 24,000 shall be committed to distressed cities in this state, and 4,000 shall be committed to Belle Isle.

(6) The department shall maintain the staffing and resources necessary to perform activities to maintain a 93% compliance rate for reporting by registered sex offenders.

(7) The department shall submit a report on or before December 1 to the subcommittees and the senate and house fiscal agencies regarding the secure cities initiative during the prior fiscal year. The report shall include, but is not limited to, statistics regarding criminal activity, including the number of arrests made by troopers assigned to the cities in distress, the number of traffic stops made by troopers assigned to cities in distress, the number of parole or probation violators arrested by troopers assigned to cities in distress, the number of violent and assaultive crimes committed in the cities in distress, the number of illegal drug and narcotic crimes committed in the cities in distress, and the number of property crimes committed in the cities in distress, and statistics regarding the number of local law enforcement officers employed by the cities in distress.

SECURITY AT EVENTS

Sec. 502. The department shall respond to potential and imminent threats to this state's facilities, systems, and property, and large-scale recreational and major public events.

CRIMINAL INVESTIGATIONS

Sec. 503. (1) The department shall maintain the staffing and resources necessary to identify and apprehend criminals through criminal investigations in this state, as provided by law, including the following authorities:

(a) 1935 PA 59, MCL 28.1 to 28.16.

(b) The Michigan gaming control and revenue act, 1996 IL 1, MCL 432.201 to 432.226.

(2) The department shall maintain the staffing and resources necessary to provide a comparable number of hours investigating crimes as those performed in fiscal year 2012-2013.

(3) The department shall maintain the staffing and resources necessary to annually meet or exceed a case clearance rate of 56%, with the goal of achieving a 60% clearance rate by September 30, 2015.

(4) The department shall annually provide 4 training opportunities to local law enforcement partners with the goal of increasing their knowledge of gambling laws, trends, and legal issues.

CRIMINAL INVESTIGATIONS - TOBACCO TAX FRAUD INVESTIGATIONS

Sec. 504. (1) The department shall provide protection to this state, its economy, welfare, and vital state-sponsored programs through the prevention and suppression of organized smuggling of untaxed tobacco products in the state, through enforcement of the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, and other laws pertaining to combating criminal activity in this state, by maintaining a tobacco tax enforcement unit.

(2) The department shall submit an annual report on December 1 to the subcommittees, the senate and house appropriations subcommittees on general government, and the senate and house fiscal agencies that details expenditures and activities related to tobacco tax enforcement for the prior fiscal year.

(3) The tobacco tax enforcement unit shall dedicate a minimum of 16,600 hours to tobacco tax enforcement.

CRIMINAL INVESTIGATIONS - FIRE INVESTIGATIONS

Sec. 505. (1) The department shall maintain the staffing and resources necessary to provide fire investigation services to citizens of this state through investigative assistance to local law enforcement agencies as provided under the fire investigation and criminal enforcement provisions under sections 6 and 7 of the fire prevention code, 1941 PA 207, MCL 29.6 and 29.7.

(2) The department shall maintain the staffing and resources necessary to maintain readiness to respond appropriately to at least the number of requests for fire investigation services that occurred in fiscal year 2010-2011 and shall be available for call out statewide 100% of the time.

SPECIALIZED SERVICES**SPECIAL OPERATIONS**

Sec. 601. (1) The department shall provide specialized services in support of, and to enhance, local, state, and federal law enforcement operations within this state in accordance with all applicable state and federal laws and regulations.

(2) The department shall operate the Michigan intelligence operation center for homeland security as the state's primary federally designated fusion center to receive, analyze, gather, and disseminate threat-related information among federal, state, local, tribal, and private sector partners, as provided under Executive Order No. 2012-5.

(3) Money privately donated to the department is appropriated under part 1 to be used for the purposes designated by the donor of the money, if specified.

(4) The department shall ensure public safety by providing public and private sector partners with timely and accurate information regarding critical information key resource threats as reported to or discovered by the Michigan intelligence operations center for homeland security and shall increase public awareness on how to report suspicious activity through website or telephone communications. The department shall seek to increase the number of public and private sector contacts which receive vital homeland security information and intelligence in order to enhance the safety and security for citizens of this state.

(5) The department shall maintain the staffing and resources necessary to provide training to maintain readiness to respond appropriately to at least the number of requests for specialty services which occurred in fiscal year 2010-2011.

(6) The canine unit shall be available for call out statewide 100% of the time.

(7) The bomb squad unit shall be available for call out statewide 100% of the time.

(8) The emergency support teams shall be available for call out statewide 100% of the time.

(9) The underwater recovery unit shall be available for call out statewide 100% of the time.

(10) Aviation services shall be available for call out statewide 100% of the time, unless prohibited by weather or unexpected mechanical breakdowns.

COMMERCIAL VEHICLE ENFORCEMENT

Sec. 602. (1) The department shall maintain the staffing and resources necessary to exercise the authority, powers, functions, and responsibilities concerning motor carrier safety as provided under the following program authorities:

(a) Section 6d of 1935 PA 59, MCL 28.6d.

(b) Executive Reorganization Order No. 1982-1, MCL 28.21.

(c) The vehicle size, weight, and load requirements under sections 716 to 750 of the Michigan vehicle code, 1949 PA 300, MCL 257.716 to 257.750, and 23 USC 127, 49 USC 31111, 49 USC 31113, and 23 CFR part 658.

(d) The size and weight enforcement certification requirements under 23 USC 141 and 23 CFR part 657.

(e) The operating authority provisions of the motor carrier act, 1933 PA 254, MCL 475.1 to 479.43, and R 460.18101 to R 460.19301 of the Michigan administrative code.

(f) The unified carrier registration provisions under section 7 of article IV of the motor carrier act, 1933 PA 254, MCL 487.7, the unified carrier registration act of 2005, 49 USC 14504a, and 49 CFR 367.30.

(g) The motor carrier fuel tax act, 1980 PA 119, MCL 207.211 to 207.234.

(h) The international fuel tax agreement entered into by the state under section 2a of the motor carrier fuel tax act, 1980 PA 119, MCL 207.212a.

(i) The motor fuel tax act, 2000 PA 403, MCL 207.1001 to 207.1170.

(j) The vehicle registration provisions of chapters II and VII of the Michigan vehicle code, 1949 PA 300, MCL 257.201 to 257.259 and 257.801 to 257.821.

(k) The international registration plan entered into by the state under section 801g of the Michigan vehicle code, 1949 PA 300, MCL 257.801g.

(l) The motor carrier safety act, 1963 PA 181, MCL 480.11 to 480.25, as well as applicable federal motor carrier safety regulations adopted by the federal motor carrier safety administration and applicable hazardous materials regulations adopted by the federal pipeline and hazardous materials administration.

(m) The commercial driver's license provisions of chapter III of the Michigan vehicle code, 1949 PA 300, MCL 257.301 to 257.329, and 49 USC 31311, 49 CFR part 383, and 49 CFR part 384.

(n) Section 25 of 1951 PA 51, MCL 247.675.

(2) The department shall provide the following information, as provided in section 219:

(a) The number of oversize violations.

(b) The number of overweight violations.

(c) The number of vehicles weighed by scale type.

(d) The number of citations and the estimated amount of civil fines by type of overweight violation.

(3) The department shall maintain the staffing and resources necessary to exercise the authority, powers, functions, and responsibilities concerning commercial motor vehicle safety inspections to the extent the department receives funding through the following federal programs:

(a) The federal motor carrier safety assistance program, as authorized under 49 USC 31102 and 49 CFR part 350.

(b) The border enforcement grant program established under 49 USC 31107.

(c) The new entrant safety assurance program established under section 32102 of the moving ahead for progress in the 21st century act, 49 USC 31144(g), 49 CFR 350.21, and 49 CFR part 385 subpart D.

(4) The department shall provide the following information as provided under section 219:

(a) The number of completed inspections supported with border enforcement grant funds.

(b) The number of new entrant safety audits completed.

(5) The department shall maintain the staffing and resources necessary to annually inspect at least 57,000 commercial vehicles.

(6) The department shall maintain the staffing and resources necessary to exercise the authority, powers, functions, and responsibilities concerning the inspection of school buses as provided under the pupil transportation act, 1990 PA 187, MCL 257.1801 to 257.1877.

(7) The department shall annually provide the subcommittees and the senate and house fiscal agencies with the following information for each public and nonpublic school concerning the inspection of school buses:

(a) The total number of school buses inspected.

(b) The number of inspected school buses receiving a passing sticker.

(c) The number of inspected school buses receiving a yellow sticker.

(d) The number of inspected school buses receiving a red sticker.

EMERGENCY MANAGEMENT AND HOMELAND SECURITY

Sec. 606. (1) The department shall coordinate the mitigation, preparation, response, and recovery activities of municipal, county, state, and federal governments, and other governmental entities, for all hazards, disasters, and emergencies, as provided under the following authorities:

(a) The emergency management act, 1976 PA 390, MCL 30.401 to 30.421, and Executive Reorganization Order No. 1993-15, MCL 28.702.

(b) The Robert T. Stafford disaster relief and emergency assistance act, 42 USC chapter 68, and applicable regulations provided in title 44, chapter 1 of the code of federal regulations.

(c) Flood mitigation planning and activities, as provided under 42 USC 4104c, 44 CFR part 78, and 44 CFR part 79.

(d) Section 101 of the implementing recommendations of the 9/11 commission act of 2007, 6 USC 605.

(e) 1945 PA 302, MCL 10.31 to 10.33.

(f) The emergency planning and community right-to-know act, 42 USC 11001 to 11050.

(g) 10 CFR part 50, Appendix E.

(h) 44 CFR part 350.

(2) The state director of emergency management may expend money appropriated under part 1 to call upon any agency or department of the state or any resource of the state to protect life or property or to provide for the health or safety of the population in any area of the state in which the governor proclaims a state of emergency or state of disaster under 1945 PA 302, MCL 10.31 to 10.33, or under the emergency management act, 1976 PA 390, MCL 30.401 to 30.421. The state director of emergency management may expend the amounts the director considers necessary to accomplish these purposes. The director shall submit to the state budget director as soon as possible a complete report of all actions taken under the authority of this section. The report shall contain, as a separate item, a statement of all money expended that is not reimbursable from federal money. The state budget director shall review the expenditures and submit recommendations to the legislature in regard to any possible need for a supplemental appropriation.

(3) In addition to the money appropriated in part 1, the department may receive and expend money from local, private, federal, or state sources for the purpose of providing emergency management training to local or private interests and for the purpose of supporting emergency preparedness, response, recovery, and mitigation activity. If additional expenditure authorization in the Michigan administrative information network is approved by the state budget office under this section, the department and the state budget office shall notify the subcommittees and the senate and house fiscal agencies within 10 days after the approval. The notification shall include the amount and source and the additional authorization, the date of its approval, and the projected use of funds to be expended under the authorization.

(4) The department shall foster, promote, and maintain partnerships to protect this state and homeland from all hazards.

(5) The department shall maintain the staffing and resources necessary to do all of the following:

(a) Serve approximately 105 local emergency management preparedness programs and 88 local emergency planning committees in this state.

(b) Operate and maintain the state's emergency operations center and provide command and control in support of emergency response services.

(c) Maintain readiness, including training and equipment to respond to civil disorders and natural disasters commensurate with the capabilities of fiscal year 2010-2011.

(d) Perform hazardous materials response training.

(6) The department shall conduct a minimum of 3 training sessions to enhance safe response in the event of natural or manmade incidents, emergencies, or disasters.

(7) In addition to the funds appropriated in part 1, there is appropriated from the disaster and emergency contingency fund up to \$800,000.00 to cover costs related to any disaster or emergency as defined in the emergency management act, 1976 PA 390, MCL 30.401 to 30.421. Funds shall be expended as provided under sections 18 and 19 of the emergency management act, 1976 PA 390, MCL 30.418 and 30.419, and R 30.51 to R 30.61 of the Michigan administrative code.

(8) Funds in the disaster and emergency contingency fund shall not be expended unless the state budget director approves the expenditure and the department and the state budget office notify the senate and house appropriations committees. No later than December 1, the department shall provide an annual report to the senate and house appropriations committees, the senate and house fiscal agencies, and the state budget office on the use of the disaster and emergency contingency fund during the prior fiscal year.

(9) From the funds appropriated in part 1 for emergency management and homeland security, \$500,000.00 shall be expended to support the urban search and rescue task force. In distributing funds under this subsection, the department shall require the task force to provide to the department the following information:

(a) A final year-end report providing information on all revenue received by source and expenditures by categories, with the funds distributed to the task force under section 703(9) of article XVI of 2013 PA 59 discretely presented.

(b) Detail on the proposed expenditure of the funds distributed under this subsection.

(c) A final year-end report providing information on all revenue received by source and expenditures by categories, with the funds distributed under this subsection discretely presented.

HIGHWAY SAFETY PLANNING

Sec. 608. (1) The department shall exercise the authority, powers, functions, and responsibilities concerning the planning, administration, and implementation of highway traffic safety programs to save lives and reduce injuries on Michigan roads through leadership, innovation, facilitation, and program support in partnership with other public and private organizations as provided under the following program authorities:

(a) 23 USC chapter 4 and 23 CFR part 1200.

(b) 1967 PA 213, MCL 247.841, 1941 PA 188, MCL 256.561 to 256.563, and Executive Reorganization Order No. 1969-1, MCL 28.61.

(c) Executive Reorganization Order No. 2002-5, MCL 256.571.

(d) The strategic highway safety plan provisions of 23 USC 148 and 23 CFR part 924.

(e) Section 25 of 1951 PA 51, MCL 247.675.

(2) The department shall provide for the publication of annual traffic crash data and notify the subcommittees and the senate and house fiscal agencies when such data are published.

HIGHWAY SAFETY PLANNING - SECONDARY ROAD PATROL PROGRAM

Sec. 610. (1) The department shall exercise the authority, functions, powers, and responsibilities concerning the secondary road patrol program to provide funding to county sheriff departments to patrol secondary roads as provided in the following program authorities:

- (a) Sections 76 and 77 of 1846 RS 14, MCL 51.76 and 51.77.
- (b) Executive Reorganization Order No. 1989-1, MCL 28.31.

(2) The sheriffs' duties under the secondary road patrol program, as outlined in section 76(2) of 1846 RS 14, MCL 51.76, are to patrol and monitor traffic violations; to enforce the criminal laws of this state, violations of which are observed by or brought to the attention of the sheriff's department while patrolling and monitoring secondary roads; to investigate accidents involving motor vehicles; and to provide emergency assistance to persons on or near a highway or road the sheriff is patrolling and monitoring.

(3) The department shall provide the following information on secondary road patrol activities supported by appropriations in part 1, as provided in section 219:

(a) The number of full-time equivalent county sheriff secondary road patrol deputies.

(b) The number of hours dedicated to patrol under the secondary road patrol program, with an annual goal of at least 178,000 hours.

(4) The information required to be reported under subsection (3) shall be reported for each quarter of the fiscal year. However, the department may submit this information on a semiannual basis.

ONE-TIME APPROPRIATIONS

Sec. 701. The department shall maintain the staffing and resources necessary to train at least 100 Michigan state police trooper recruits.

Sec. 702. From the 1-time appropriation in part 1 for the emergency response team vehicle replacement, the department shall purchase 1 vehicle to support the emergency response team.

Sec. 703. The department shall maintain the staffing and resources necessary to train at least 31 Michigan state police motor carrier officer recruits.

Sec. 704. The 1-time appropriation in part 1 for aviation support - helicopter purchase shall be used to provide patrol segments in the area of the city of Detroit 5 times per week, allowing existing secondary department helicopters to provide similar patrol service to areas that may include the cities of Flint, Pontiac, and Saginaw and to reduce the annual number of occasions when requests for helicopter support were unable to be met from the number of 72 in fiscal year 2012-2013.

Sec. 705. The 1-time appropriation in part 1 for LEIN language conversion shall be used to update the language currently used by LEIN to XML to allow LEIN messages to be in a more common language that can be used to share information more easily with other criminal justice partners.

Sec. 706. The 1-time appropriation in part 1 for electronic warrant system shall be to provide for a statewide information exchange system to eliminate the redundant entry of information required to request, approve, and issue warrants for arrest, including information exchanged with prosecutors, courts, LEIN, criminal history databases, the state forensic laboratory, and the state court administrative office, designed to save the time and effort of law enforcement personnel as compared to current procedures.

Sec. 707. The department shall provide traffic control for events at Michigan international speedway.

Sec. 708. (1) The 1-time appropriation in part 1 for local public safety initiative shall be used for local public safety technology and equipment grants with a focus on school safety, distributed as follows:

(a) Eighty percent of the 1-time appropriation in part 1 for local public safety initiative shall be disbursed in the form of competitive grants to K-12 schools, without bias toward public or private educational institutions. The grants shall support the purchase and implementation of safety-related acquisitions such as enhanced 9-1-1 abilities, malicious call tracing, physical deterrents, real-time location systems, emergency alert software, other technologies, equipment, school building security enhancements, or employee training.

(b) Twenty percent of the 1-time appropriation in part 1 for local public safety initiative shall be disbursed in the form of competitive grants to county sheriff departments for the purchase of equipment, technologies, or officer training that would enhance K-12 school safety and the departments' ability to effectively coordinate their response to safety-related incidents at schools.

(2) The governor's council on law enforcement and reinvention shall review applications and make award recommendations to the department.

(3) The department shall report to the subcommittees any grant award determinations made under this appropriation prior to their issuance.

Sec. 709. The 1-time funds appropriated in part 1 for rent and building occupancy charges - Marshall post shall be expended to buy down a portion of the department's share of construction and operating costs for the Marshall regional law enforcement center. Lease terms shall be subject to a market analysis performed by the department of technology, management, and budget to substantiate the rental amount.

PART 2A
PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS
FOR FISCAL YEAR 2015-2016

GENERAL SECTIONS

Sec. 1201. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, 2016 for the line items listed in part 1. The fiscal year 2015-2016 appropriations are anticipated to be the same as those for fiscal year 2014-2015, excluding appropriations designated as 1-time appropriations and adjusting for changes in caseload and related costs, federal fund match rates, economic factors, and available revenue. These adjustments will be determined after the January 2015 consensus revenue estimating conference.

Sec. 1202. It is the intent of the legislature that, with the resources provided within appropriations for fiscal year 2014-2015 and fiscal year 2015-2016, the following shall be achieved:

(a) State police trooper patrol hours shall increase by no less than 9% from fiscal year 2014-2015 to fiscal year 2015-2016.

(b) Aviation patrol hours shall increase by 30% and the helicopter acquired under fiscal year 2014-2015 appropriations shall be used to provide patrol segments in the city of Detroit 5 times per week, allowing existing secondary department-owned helicopters to provide similar patrol service to areas that may include the cities of Flint, Pontiac, and Saginaw and shall reduce the number of occasions when requests for helicopter support were unable to be met from the number of 72 in fiscal year 2012-2013 to lower than 50 for fiscal year 2015-2016.

(c) Motor carrier officer vehicle inspections shall increase by no less than 12%.

(d) The conversion of LEIN language to XML shall result in an increase in ease in the number of law enforcement partners that the department communicates with and to maintain the ability to exchange law enforcement information with the international justice and public safety network.

(e) The establishment and use of the electronic warrant system shall further increase the time and effort saved by the department and other law enforcement agencies by eliminating the redundant entry of information required to request, approve, and issue warrants for arrest, including information exchanged with prosecutor, courts, LEIN, criminal history databases, the state forensic laboratory, and the state court administrative office.

ARTICLE XVII
STATE TRANSPORTATION DEPARTMENT
PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the state transportation department for the fiscal year ending September 30, 2015, from the following funds:

STATE TRANSPORTATION DEPARTMENT
APPROPRIATION SUMMARY

Table with 2 columns: Description and Amount. Rows include Full-time equated unclassified positions (6.0) and Full-time equated classified positions (2,912.3).

GROSS APPROPRIATION \$ 3,701,098,600

Total interdepartmental grants and intradepartmental transfers 3,786,900

ADJUSTED GROSS APPROPRIATION \$ 3,697,311,700

Federal revenues:

Federal aid - transportation programs 1,205,885,500

Total federal revenues 1,205,885,500

Special revenue funds:

Local revenues 50,177,100

Private revenues 100,000

Total local and private revenues 50,277,100

Blue Water Bridge fund 37,759,800

Comprehensive transportation fund 280,104,200

Economic development fund 53,597,000

IRS debt service rebate 6,981,700

Intercity bus equipment fund 140,000

Local bridge fund 28,884,100

Michigan transportation fund 1,017,972,100

Rail freight fund 6,000,000

State aeronautics fund 15,006,600

State trunkline fund 708,555,700

Total other state restricted revenues 2,155,001,200

State general fund/general purpose \$ 286,147,900

For Fiscal Year
Ending Sept. 30,
2015

State general fund/general purpose schedule:

Ongoing state general fund/general purpose	0
One-time state general fund/general purpose	286,147,900

Sec. 102. DEBT SERVICE

State trunkline	\$ 198,076,600
Economic development.....	11,665,300
Local bridge fund.....	2,406,700
Blue Water Bridge fund.....	6,962,000
Airport safety and protection plan.....	4,992,200
Comprehensive transportation	18,215,500
GROSS APPROPRIATION	\$ 242,318,300

Appropriated from:

Federal revenues:

Federal aid - transportation programs	45,726,400
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Special revenue funds:

Blue Water Bridge fund.....	6,962,000
Comprehensive transportation fund.....	18,215,500
Economic development fund.....	11,665,300
Local bridge fund.....	2,406,700
IRS debt service rebate	6,981,700
State aeronautics fund	4,992,200
State trunkline fund.....	145,368,500
State general fund/general purpose	\$ 0

Sec. 103. COLLECTION, ENFORCEMENT, AND OTHER AGENCY SUPPORT

SERVICES

MTF grant to department of environmental quality.....	\$ 1,312,800
MTF grant to department of state for collection of revenue and fees	20,000,000
MTF grant to department of treasury.....	2,700,000
MTF grant to legislative auditor general.....	303,500
STF grant to department of attorney general	2,387,000
STF grant to civil service commission.....	5,697,000
STF grant to department of technology, management, and budget.....	1,296,300
STF grant to department of state police.....	11,433,400
STF grant to department of treasury	129,900
STF grant to legislative auditor general	704,900
SAF grant to department of attorney general.....	174,400
SAF grant to civil service commission	150,000
SAF grant to department of technology, management, and budget	38,600
SAF grant to department of treasury.....	74,300
SAF grant to legislative auditor general.....	29,100
CTF grant to department of attorney general.....	200,900
CTF grant to civil service commission	200,000
CTF grant to department of technology, management, and budget	47,000
CTF grant to department of treasury.....	16,400
CTF grant to legislative auditor general.....	37,300
GROSS APPROPRIATION	\$ 46,932,800

Appropriated from:

Special revenue funds:

Comprehensive transportation fund.....	501,600
Michigan transportation fund	24,316,300
State aeronautics fund	466,400
State trunkline fund.....	21,648,500
State general fund/general purpose	\$ 0

Sec. 104. EXECUTIVE DIRECTION

Full-time equated unclassified positions.....	6.0
Full-time equated classified positions	29.3
Unclassified salaries	\$ 724,700

	For Fiscal Year Ending Sept. 30, 2015
Asset management council.....	1,626,400
Commission audit—29.3 FTE positions.....	3,356,700
GROSS APPROPRIATION.....	\$ 5,707,800
Appropriated from:	
Special revenue funds:	
Michigan transportation fund.....	1,626,400
State trunkline fund.....	4,081,400
State general fund/general purpose.....	\$ 0
Sec. 105. BUSINESS SUPPORT	
Full-time equated classified positions.....	53.0
Business support services—44.0 FTE positions.....	\$ 6,662,100
Economic development and enhancement programs—9.0 FTE positions.....	1,452,600
Property management.....	8,066,500
Worker’s compensation.....	2,237,800
GROSS APPROPRIATION.....	\$ 18,419,000
Appropriated from:	
Special revenue funds:	
Comprehensive transportation fund.....	1,550,700
Economic development fund.....	378,700
Michigan transportation fund.....	779,600
State aeronautics fund.....	634,600
State trunkline fund.....	15,075,400
State general fund/general purpose.....	\$ 0
Sec. 106. INFORMATION TECHNOLOGY	
Information technology services and projects.....	\$ 31,473,500
GROSS APPROPRIATION.....	\$ 31,473,500
Appropriated from:	
Federal revenues:	
Federal aid - transportation programs.....	520,500
Special revenue funds:	
Blue Water Bridge fund.....	53,700
Comprehensive transportation fund.....	218,100
Economic development fund.....	37,200
Michigan transportation fund.....	288,000
State aeronautics fund.....	170,200
State trunkline fund.....	30,185,800
State general fund/general purpose.....	\$ 0
Sec. 107. FINANCE, CONTRACTS, AND SUPPORT SERVICES	
Full-time equated classified positions.....	185.0
Finance, contracts, and support services.....	\$ 21,311,000
GROSS APPROPRIATION.....	\$ 21,311,000
Appropriated from:	
Interdepartmental grant revenues:	
IDG for accounting service center user charges.....	3,786,900
Special revenue funds:	
Michigan transportation fund.....	1,553,400
State trunkline fund.....	15,970,700
State general fund/general purpose.....	\$ 0
Sec. 108. TRANSPORTATION PLANNING	
Full-time equated classified positions.....	141.0
Transportation planning—141.0 FTE positions.....	\$ 38,271,800
Grants to regional planning councils.....	488,800
GROSS APPROPRIATION.....	\$ 38,760,600
Appropriated from:	
Federal revenues:	
Federal aid - transportation programs.....	20,000,000

	For Fiscal Year Ending Sept. 30, 2015
Special revenue funds:	
Comprehensive transportation fund.....	610,500
Michigan transportation fund	8,649,200
State aeronautics fund	15,000
State trunkline fund.....	9,485,900
State general fund/general purpose	\$ 0
Sec. 109. DESIGN AND ENGINEERING SERVICES	
Full-time equated classified positions	1,586.3
Engineering services—427.6 FTE positions	\$ 50,761,600
Program services—1,108.7 FTE positions	104,867,000
Welcome center operations—50.0 FTE positions	4,460,000
GROSS APPROPRIATION	\$ 160,088,600
Appropriated from:	
Federal revenues:	
Federal aid - transportation programs	23,529,800
Special revenue funds:	
Michigan transportation fund	11,946,200
State trunkline fund.....	124,612,600
State general fund/general purpose	\$ 0
Sec. 110. HIGHWAY MAINTENANCE	
Full-time equated classified positions	747.7
State trunkline operations—747.7 FTE positions.....	\$ 310,440,500
GROSS APPROPRIATION	\$ 310,440,500
Appropriated from:	
Special revenue funds:	
State trunkline fund.....	310,440,500
State general fund/general purpose	\$ 0
Sec. 111. ROAD AND BRIDGE PROGRAMS	
State trunkline federal aid and road and bridge construction	\$ 824,646,200
Local federal aid and road and bridge construction.....	240,443,000
Grants to local programs	33,000,000
Rail grade crossing.....	3,000,000
Local bridge program	26,477,400
County road commissions	597,608,200
Cities and villages	333,193,300
GROSS APPROPRIATION	\$ 2,058,368,100
Appropriated from:	
Federal revenues:	
Federal aid - transportation programs	982,720,800
Special revenue funds:	
Local funds.....	30,000,000
Blue Water Bridge fund.....	24,391,900
Local bridge fund	26,477,400
Michigan transportation fund	966,801,500
State trunkline fund.....	27,976,500
State general fund/general purpose	0
Sec. 112. BLUE WATER BRIDGE	
Full-time equated classified positions	41.0
Blue Water Bridge operations—41.0 FTE positions	\$ 6,352,200
GROSS APPROPRIATION	\$ 6,352,200
Appropriated from:	
Special revenue funds:	
Blue Water Bridge fund.....	6,352,200
State general fund/general purpose	\$ 0
Sec. 113. TRANSPORTATION ECONOMIC DEVELOPMENT	
Forest roads	\$ 5,000,000
Rural county urban system.....	2,500,000

	For Fiscal Year Ending Sept. 30, 2015
Target industries/economic redevelopment.....	18,757,800
Urban county congestion.....	7,629,000
Rural county primary.....	7,629,000
GROSS APPROPRIATION.....	\$ 41,515,800
Appropriated from:	
Special revenue funds:	
Economic development fund.....	41,515,800
State general fund/general purpose.....	\$ 0
Sec. 114. AERONAUTICS SERVICES	
Full-time equated classified positions..... 54.0	
Aviation services—54.0 FTE positions.....	\$ 7,430,600
Air service program.....	289,700
GROSS APPROPRIATION.....	\$ 7,720,300
Appropriated from:	
Special revenue funds:	
State aeronautics fund.....	7,720,300
State general fund/general purpose.....	\$ 0
Sec. 115. PUBLIC TRANSPORTATION SERVICES	
Full-time equated classified positions..... 36.0	
Passenger transportation services—36.0 FTE positions.....	\$ 5,699,500
GROSS APPROPRIATION.....	\$ 5,699,500
Appropriated from:	
Federal revenues:	
Federal aid - transportation programs.....	972,100
Special revenue funds:	
Comprehensive transportation fund.....	4,727,400
State general fund/general purpose.....	\$ 0
Sec. 116. BUS TRANSIT DIVISION: STATUTORY OPERATING	
Local bus operating.....	\$ 167,400,000
Nonurban operating/capital.....	25,187,900
GROSS APPROPRIATION.....	\$ 192,587,900
Appropriated from:	
Federal revenues:	
Federal aid - transportation programs.....	23,187,900
Special revenue funds:	
Comprehensive transportation fund.....	167,400,000
Local funds.....	2,000,000
State general fund/general purpose.....	\$ 0
Sec. 117. INTERCITY PASSENGER	
Full-time equated classified positions..... 39.0	
Office of rail—39.0 FTE positions.....	\$ 6,368,200
Freight property management.....	1,000,000
Detroit/Wayne County port authority.....	468,200
Intercity services.....	5,690,000
Rail operations and infrastructure.....	57,022,400
Marine passenger service.....	400,000
Terminal development.....	150,000
GROSS APPROPRIATION.....	\$ 71,098,800
Appropriated from:	
Federal revenues:	
Federal aid - transportation programs.....	14,600,000
Special revenue funds:	
Local funds.....	150,000
Private funds.....	100,000
Comprehensive transportation fund.....	47,388,900
Intercity bus equipment fund.....	140,000
Rail freight fund.....	6,000,000
Michigan transportation fund.....	2,011,500

	For Fiscal Year Ending Sept. 30, 2015
State trunkline fund.....	708,400
State general fund/general purpose	\$ 0
Sec. 118. PUBLIC TRANSPORTATION DEVELOPMENT	
Specialized services.....	\$ 17,938,900
Municipal credit program.....	2,000,000
Transit capital.....	32,145,300
Van pooling	195,000
Service initiatives	4,197,300
Transportation to work.....	4,700,000
GROSS APPROPRIATION.....	\$ 61,176,500
Appropriated from:	
Federal revenues:	
Federal aid - transportation programs	16,050,000
Special revenue funds:	
Local funds.....	5,635,000
Comprehensive transportation fund.....	39,491,500
State general fund/general purpose	\$ 0
Sec. 119. CAPITAL OUTLAY	
(1) BUILDINGS AND FACILITIES	
Special maintenance, remodeling, and additions.....	\$ 3,001,500
GROSS APPROPRIATION.....	\$ 3,001,500
Appropriated from:	
Special revenue funds:	
State trunkline fund.....	3,001,500
State general fund/general purpose	\$ 0
(2) AIRPORT IMPROVEMENT PROGRAMS	
Airport safety, protection, and improvement program	\$ 91,978,000
GROSS APPROPRIATION.....	\$ 91,978,000
Appropriated from:	
Federal revenues:	
Federal aid - transportation programs	78,578,000
Special revenue funds:	
Local funds.....	12,392,100
State aeronautics fund	1,007,900
State general fund/general purpose	\$ 0
Sec. 120. ONE-TIME BASIS ONLY	
State trunkline federal aid and road and bridge construction	\$ 127,000,000
State and local road and bridge programs.....	144,500,000
Transit capital and rail infrastructure	10,000,000
High-speed rail crossing pilot program.....	1,500,000
Regional transit authority	1,100,000
Airport safety, protection, and improvement program	2,047,900
GROSS APPROPRIATION.....	\$ 286,147,900
Appropriated from:	
State general fund/general purpose	\$ 286,147,900

PART 2
PROVISIONS CONCERNING APPROPRIATIONS
FOR FISCAL YEAR 2014-2015

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 2014-2015 is \$2,441,149,100.00 and state spending from state resources to be paid to local units of government for fiscal year 2014-2015 is \$1,316,686,400.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF TRANSPORTATION

Grants to regional planning councils.....	\$ 488,800
Grants to local programs	33,000,000

Rail grade crossing	3,000,000
Local bridge program	26,477,400
Grants to county road commissions	597,608,200
Grants to cities and villages	333,193,300
Economic development fund	22,758,000
Air service program.....	289,700
Local bus operating	167,400,000
Detroit/Wayne County port authority	468,200
Marine passenger service	400,000
Terminal development	150,000
Specialized services.....	3,853,900
Municipal credit program.....	2,000,000
Transit capital	25,895,300
Service initiatives	2,847,300
Transportation to work	4,700,000
Airport safety, protection, and improvement program	1,007,900
One-time state and local road and bridge programs	88,000,500
One-time regional transit authority	1,100,000
One-time airport safety, protection, and improvement program	2,047,900
Total payments to local units of government	\$ 1,316,686,400

Sec. 202. The appropriations authorized under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this part and part 1:

- (a) "Amtrak" means the national railroad passenger corporation.
- (b) "CTF" means comprehensive transportation fund.
- (c) "Department" means the state transportation department.
- (d) "DOT" means the United States department of transportation.
- (e) "DOT-FHWA" means DOT, federal highway administration.
- (f) "FTE" means full-time equated.
- (g) "IRS" means the internal revenue service.
- (h) "MTF" means Michigan transportation fund.
- (i) "SAF" means state aeronautics fund.
- (j) "STF" means state trunkline fund.

Sec. 204. (1) For each new program or program expansion for which funds in excess of \$500,000.00 are appropriated in part 1, the department shall identify specific benchmarks intended to measure the performance or return on taxpayer investment of the program and its associated expenditures. Not later than November 1, 2014, the department shall report the proposed benchmarks to the house and senate appropriations subcommittees for that department, the house and senate fiscal agencies, and the state budget director. The department shall provide an update on its progress in achieving those benchmarks at an appropriations subcommittee meeting called for the purpose of discussing benchmarks and their status.

(2) It is the intent of the legislature that, beginning with the budget for the fiscal year ending September 30, 2016, any proposal for a new program or an expansion of an existing program in excess of \$500,000.00 initiated by the executive branch or the legislature shall include, as part of the original proposal or budget request, a list of benchmarks intended to measure the performance or return on taxpayer investment of the program or spending increase.

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 part 1 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 part 1 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 part 1 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 part 1 pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 207. The department shall cooperate with the department of technology, management, and budget to maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following:

- (a) Fiscal year-to-date expenditures by category.

(b) Fiscal year-to-date expenditures by appropriation unit.

(c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.

(d) The number of active department employees by job classification.

(e) Job specifications and wage rates.

Sec. 208. The departments and agencies receiving appropriations in part 1 shall use the Internet to fulfill the reporting requirements of this part. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on an Internet or Intranet site.

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. Preference shall be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality. In addition, preference shall be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 210. The director 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. 212. The department and agencies receiving appropriations in part 1 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. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 215. A department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 228. Not later than November 30, the state budget office shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the prior fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the office of the state budget, the chairpersons of the senate and house of representatives standing committees on appropriations, and the senate and house fiscal agencies.

Sec. 229. Within 14 days after the release of the executive budget recommendation, the department shall cooperate with the state budget office to provide the state budget director, the senate and house appropriations chairs, the senate and house appropriations subcommittees on transportation, respectively, and the senate and house fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2014 and September 30, 2015.

Sec. 233. Not later than April 1, the department shall prepare and transmit a report that provides detail regarding the department's expenditures for administration and planning associated with local units of government. The report shall list the portion of all the expenditures from part 1 that are allocated for administration and planning that are associated with the disbursement of all local funds. The report shall be transmitted to the office of the state budget, the senate and house appropriations chairs, the senate and house appropriations subcommittees on transportation, respectively, and the senate and house fiscal agencies.

Sec. 235. The department shall maintain, on a publicly accessible website, a department scorecard that identifies, tracks, and regularly updates key metrics that are used to monitor and improve the agency's performance.

Sec. 260. The departments and agencies receiving appropriations in part 1 shall prepare a report on out-of-state travel expenses not later than January 1 of each year. The travel report shall be a listing of all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the senate and house appropriations committees, the house and senate fiscal agencies, and the state budget director. The report shall include the following information:

(a) The dates of each travel occurrence.

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

Sec. 262. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those activities that the attorney general authorizes.

Sec. 263. (1) The department shall report no later than April 1, 2015 on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year to the house and senate appropriations subcommittees on the budget for the department, the joint committee on administrative rules, and the senate and house fiscal agencies.

(2) Funds appropriated in part 1 shall not be used by the department to adopt a rule that will apply to a small business and that will have a disproportionate economic impact on small businesses because of the size of those businesses if the department fails to reduce the disproportionate economic impact of the rule on small businesses as provided under section 40 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

(3) As used in this section:

(a) "Rule" means that term as defined under section 7 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.207.

(b) "Small business" means that term as defined under section 7a of the administrative procedures act of 1969, 1969 PA 306, MCL 24.207a.

Sec. 270. In order to reduce costs and maintain quality, it is the intent of the legislature that, excluding the fleet of motor vehicles for the department of state police, the department will prioritize the utilization of remanufactured parts as the primary means of maintenance and repair for the state of Michigan's fleet of motor vehicles.

Sec. 271. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2015 are \$75,324,500.00. From this amount, total agency appropriations for pension-related legacy costs are estimated at \$42,130,400.00. Total agency appropriations for retiree health care legacy costs are estimated at \$33,194,100.00.

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, unless otherwise stipulated by law. All permit fees are nonrefundable application fees and shall be credited to the appropriate fund to recover the direct and indirect costs of receiving, reviewing, and processing the requests.

(2) A bridge authority shall hold 3 public hearings on an increase 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. Public hearings held under this section shall be conducted in accordance with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275, and shall be conducted so as to provide a reasonable opportunity for public comment, including both spoken and written comments.

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. (1) 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 shall require that revenue from the tenants be placed in an account to be used to pay the costs to maintain and improve the property.

(2) The department shall charge public transit agencies and intercity bus carriers equal rates per square foot for leasing space in state-owned intermodal facilities.

Sec. 306. (1) The amounts appropriated in part 1 to support tax and fee collection, law enforcement, and other program services provided to the department and to transportation funds by other state departments shall be expended from transportation funds pursuant to annual contracts between the department and those other state departments. The contracts shall be executed prior to the expenditure or obligation of those funds. The contracts shall provide, but are not limited to, the following data applicable to each state department:

(a) Estimated costs to be recovered from transportation funds.

(b) Description of services provided to the department and/or transportation funds and financed with transportation funds.

(c) Detailed cost allocation methods appropriate to the type of services being provided and the activities financed with transportation funds.

(2) Not later than 2 months after publication of the state of Michigan comprehensive annual financial report, each state department receiving funding pursuant to an interdepartment contract with the department shall submit a written report to the department, the state budget director, and the house and senate fiscal agencies stating by spending authorization account the amount of estimated funds contracted with the department, the amount of funds expended, the amount of funds returned to the transportation funds, and any unreimbursed transportation-related costs incurred but not billed to 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 as provided in subsection (3).

(3) Biennially, in each even-numbered fiscal year, the auditor general shall conduct an audit of charges to transportation funds by state departments for the 2 preceding fiscal years. The audit shall include both charges governed by interdepartmental contracts as well as miscellaneous charges from other state departments not governed by contracts. The auditor general shall prepare a detailed report, with recommendations and conclusions, including a summary of charges

and related services to transportation funds by department, the appropriateness of those charges, the cost allocation methodologies used in determining the level of funding, and any unreimbursed transportation-related costs, if any. The report shall be provided to the senate and house of representatives committees on appropriations, the senate and house fiscal agencies, and the state budget director 9 months after publication of the state of Michigan comprehensive annual financial report.

Sec. 307. Before March 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. (1) As prescribed in subsection (2), the department shall submit reports to the state budget director, the house and senate appropriations subcommittees on transportation, and the house and senate fiscal agencies on department activities related to the prequalification of construction contractors under 1933 PA 170, MCL 123.501 to 123.508, and related administrative rules. The report shall be submitted on or before March 1, 2015.

(2) The report shall include all of the following:

(a) A description of the department's processes and procedures for evaluating construction contractor performance on capital construction projects administered by the department including state trunkline projects, rail infrastructure projects, local agency federal-aid highway projects, and airport improvement projects.

(b) Criteria that would cause the department to rate contractor performance as unsatisfactory.

(c) The impact, if any, on a contractor's prequalification if given an unsatisfactory performance rating by the department.

(d) A description of all department actions related to unsatisfactory contractor performance ratings and restrictions on contractor prequalification during the fiscal year ending September 30, 2014.

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. From the funds appropriated in part 1, the department shall conduct a study of the feasibility of constructing a pedestrian-only crossing over Bear River in Petoskey that would run parallel to the existing US Highway 31 crossing over Bear River.

Sec. 312. (1) The department shall conduct a workgroup in conjunction with the department of community health, the department of human services, the department of corrections, the strategic fund in the department of treasury, and 1 member from both the senate and the house of representatives to determine how the state can maximize its services and funding for transportation for low-income, elderly, and disabled individuals through consolidating all of the current transportation services for these populations under 1 department.

(2) The department shall submit to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office by March 1 of the current fiscal year a report on the findings of the workgroup on the items described in subsection (1).

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 unencumbered funds remaining in the state infrastructure bank fund shall remain in the fund and be carried forward into the succeeding fiscal year.

(3) The department shall submit a report to the state budget director, the house and senate appropriations subcommittees on transportation, and the house and senate fiscal agencies on the status of the state infrastructure bank. The report shall be submitted on or before December 1, 2014. The report shall include all of the following:

(a) The balance in the state infrastructure bank at September 30, 2014, including a breakdown of the balance by cash and cash equivalents, outstanding loans, and balance available for loan to local agencies.

(b) A breakdown of the state infrastructure loan balance by amounts designated as originating from federal sources and the amounts originating from nonfederal sources.

(c) A list of outstanding loans by agency, original loan amount, project description, loan term, and amount outstanding.

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. 353. The department shall review its contractor payment process and ensure that all prime contractors are paid promptly. The department shall ensure that prime contractors are in compliance with special provision 109.10 regarding the prompt payment of subcontractors.

Sec. 357. When presented with complete local federal aid project submittals, the department shall complete all necessary reviews and inspections required to let local federal aid projects within 120 days of receipt. The department shall implement a system for monitoring the local federal aid project review process.

Sec. 375. The department is prohibited from reimbursing contractors or consultants for costs associated with groundbreaking ceremonies, receptions, open houses, or press conferences related to transportation projects funded, in whole or in part, by revenue appropriated in part 1.

Sec. 381. The department shall require as a condition of each contract or subcontract for construction, maintenance, or engineering services that the prequalified contractor or prequalified subcontractor agree to use the E-Verify system to verify that all persons hired during the contract term by the contractor or subcontractor are legally present and authorized to work in the United States. The department may verify this information directly or may require contractors and subcontractors to verify the information and submit a certification to the department. The department shall report to the house and senate appropriations committees and the house and senate fiscal agencies by March 1, 2015 describing the processes it has developed and implemented under provisions of this section. As used in this section, "E-Verify" means an Internet-based system operated by the department of homeland security, U.S. citizenship and immigration services in partnership with the social security administration.

Sec. 382. In administering a contract with a county road commission, city, or village that allocates costs of construction or reconstruction of highways, roads, and streets as provided in section 18d of 1951 PA 51, MCL 247.668d, the department shall submit the final cost-sharing bill to the county road commission, city, or village not later than 2 years after the date of the final contract payment to the construction contractor.

Sec. 383. (1) The department shall prepare a report on use of department-owned aircraft during the fiscal year ending September 30, 2014. With respect to each department-owned aircraft, the report shall include all of the following:

- (a) Total hours of usage.
- (b) Description of specific flights including dates of travel, names of passengers including state agency, university, or local government affiliation, travel origin and destination, purpose of travel, and total estimated costs associated with the air travel.

(2) The report shall be submitted to the senate and house appropriations subcommittees on transportation and the house and senate fiscal agencies no later than February 1, 2015.

(3) The department shall maintain a system for recovering the cost of operating department-owned aircraft through charges to aircraft users.

(4) From the funds appropriated in part 1, the department is prohibited from transporting legislators or legislative staff on state-owned aircraft without prior approval from the senate majority leader or the speaker of the house of representatives and only when the aircraft is already scheduled by state agencies on related official state business.

(5) It is the intent of the legislature that the department work with the Michigan state police to establish a reciprocal agreement on employing fixed-wing aircraft with specifically designed equipment for use by the Michigan state police when conducting operations.

Sec. 384. (1) Except as otherwise provided in subsection (2), the department shall not obligate the state to expend any state transportation revenue for construction planning or construction of the Detroit River International Crossing or a renamed successor. In addition, except as provided in subsection (2), the department shall not commit the state to any new contract related to the construction planning or construction of the Detroit River International Crossing or a renamed successor that would obligate the state to expend any state transportation revenue. An expenditure for staff resources used in connection with project activities, which expenditure is subject to full and prompt reimbursement from Canada, shall not be considered an expenditure of state transportation revenue.

(2) If the legislature enacts specific enabling legislation for the construction of the Detroit River International Crossing or a renamed successor, subsection (1) does not apply once the enabling legislation goes into effect.

Sec. 385. (1) The department shall submit reports to the state budget director, the speaker of the house, the house minority leader, the senate majority leader, the senate minority leader, the house and senate appropriations subcommittees on transportation, and the house and senate fiscal agencies on department activities related to all nonconstruction or construction planning activities related to the Detroit River International Crossing or a renamed successor. The initial report shall be submitted on or before December 1, 2014 and shall cover the fiscal year ending September 30, 2014.

- (2) The initial report shall include, at a minimum, all of the following:
 - (a) Department costs incurred in the fiscal year ending September 30, 2014, including employee salaries, wages, benefits, travel, and contractual services, and what activities those costs were related to.
 - (b) Costs of other executive branch agencies incurred in the fiscal year ending September 30, 2014, including employee salaries, wages, benefits, travel, and contractual services, and what activities those costs were related to.
 - (c) A breakdown of the source of funds used for the activities described in subdivisions (a) and (b).
 - (d) A breakdown of reimbursements made by Canada under section 384(1) to the state for expenditures for staff resources used in connection with project activities.

(e) A narrative description of the status of the Detroit River International Crossing or a renamed successor, including efforts undertaken to implement provisions of the crossing agreement executed June 15, 2012 by representatives of the Canadian government and this state.

(3) After submission of the initial report, a subsequent report shall be submitted on March 1, 2015, June 1, 2015, and September 1, 2015 and shall include the same information described in subsection (2) for the applicable previous fiscal quarter.

Sec. 393. (1) The department shall promote best practices for public transportation services in this state, including, but not limited to, the following:

(a) Transit vehicle rehabilitation to reduce life-cycle cost of public transportation through midlife rehabilitation of transit buses.

(b) Cooperation between entities using transit, including school districts, cities, townships, and counties with a view to promoting cost savings through joint purchasing of fuel and other procurements.

(c) Coordination of transportation dollars among state departments which provide transit-related services, including the department of human services and the department of community health. Priority should be given to use of public transportation services where available.

(d) Promotion of intelligent transportation services for buses that incorporate computer and navigation technology to make transit systems more efficient, including spotlight coordinating, vehicle tracking, data tracking, and computerized scheduling.

(2) The department shall report on efforts taken to implement this section as well as section 393 of article XVII of 2011 PA 63. The department shall complete and submit the report to the state budget director, the house and senate appropriations subcommittees on transportation, and the house and senate fiscal agencies on or before March 1, 2015.

Sec. 394. The department and local road agencies shall make the preservation of their existing road networks a funding priority.

FEDERAL

Sec. 401. Within 30 days of receiving the applicable fiscal year authorization from the federal government to commit transportation funds, the department shall notify local agency representatives, the senate and house of representatives appropriations transportation subcommittees, the senate and house fiscal agencies, and the state budget director regarding the amount of federal aid for categorical allocations to state and local agency programs not specifically allocated in either federal or state law.

Sec. 402. A portion of the federal DOT-FHWA highway research, planning, and construction funds made available to this state shall be allocated to transportation programs administered by local jurisdictions in accordance with section 10o of 1951 PA 51, MCL 247.660o. A local road agency, with respect to a project approved for federal aid funding in a state transportation improvement program, may enter into a voluntary buyout agreement with the department or with another local road agency to exchange the federal aid with state restricted transportation funds as agreed to by the respective parties. The state restricted transportation funds received in exchange for federal aid funds shall be used for the same purpose as the federal aid funds were originally intended.

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 licensing and regulatory affairs or the department of state police is deposited in the Michigan transportation fund.

Sec. 503. (1) The funds appropriated in part 1 for the economic development and local 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 10(5) of 1951 PA 51, MCL 247.660.

(2) Interest earned in the department of transportation economic development fund and local 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) In addition to the funds appropriated in part 1, the department of transportation economic development fund and local bridge fund may receive federal, local, or private funds or restricted source funds such as interest earnings. These funds are appropriated for projects that are consistent with the purposes of the respective funds.

(4) None of the funds statutorily dedicated to the transportation economic development fund and local bridge fund shall be diverted to other projects.

Sec. 504. Funds from the Michigan transportation fund shall be distributed to the comprehensive transportation fund, the economic development fund, the recreation improvement fund, and the state trunkline fund, in accordance with this part and part 1 and part 711 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 part and part 1, 1951 PA 51, MCL 247.651 to 247.675, and part 711 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.71101 to 324.71108.

STATE TRUNKLINE FUND

Sec. 601. The department shall work with the road construction industry and engineering consulting community 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 of each calendar year to the house of representatives and senate appropriations subcommittees on transportation, the state budget director, and the house and senate fiscal agencies on the status of efforts to develop performance and road construction warranties. The department shall report to the legislature on policy options to strengthen and expand the use of road construction warranties or other measures to increase accountability related to the performance of construction projects on both state and local roads. The department shall complete and submit the report

to the state budget director, the house and senate appropriations subcommittees on transportation, and the house and senate fiscal agencies on or before November 1, 2014.

Sec. 603. 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 March 1 of each year. 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. 604. At the close of the fiscal year, any unencumbered and unexpended balance in the state trunkline fund shall remain in the state trunkline fund and shall carry forward and is appropriated for federal aid road and bridge programs for projects contained in the annual state transportation program.

Sec. 610. The department shall 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 and when funds are available, away from the traveled portion and shoulder of state highways.

Sec. 612. The department shall establish guidelines governing incentives and disincentives provided under contracts for state trunkline projects. The guidelines shall include specific financial information concerning incentives and disincentives. On or before January 1 of each year, the department shall prepare a report for the immediately preceding fiscal year regarding contract incentives and disincentives. This report shall include a list, by project, of the contractors that received contract incentives and/or disincentives, the amount of the incentives and/or disincentives, and the number of days that each project was completed either ahead or past the contracted completion date. This report shall be provided to the senate and house appropriations subcommittees on transportation, the senate and house standing committees on transportation, and the senate and house fiscal agencies.

Sec. 660. (1) The legislature encourages the department to examine the use of alternative road surface materials, including recycled materials, and to develop criteria and specifications for their use in both department-managed and contracted projects.

(2) The department shall evaluate the use of a bituminous mix which incorporates crumb rubber from scrap tires.

(3) The department shall report on efforts taken to implement this section. The report shall include descriptions of specific materials evaluated, evaluation methods, and results of specific field or laboratory tests. The department shall complete and submit the report to the state budget director, the house and senate appropriations subcommittees on transportation, and the house and senate fiscal agencies on or before March 1, 2015.

TRANSIT AND RAIL RELATED FUNDS

Sec. 701. The department shall establish an intercity bus equipment and facility fund as a subsidiary fund within the comprehensive transportation fund created under section 10b of 1951 PA 51, MCL 247.660b. Proceeds received by this state from the sale of state-owned intercity bus equipment shall be credited to the intercity bus equipment facility fund for the purchase and repair of intercity bus equipment, as appropriated. Security deposits not returned to a lessee of state-owned intercity bus equipment under terms of the lease agreement shall be credited to the intercity bus equipment fund for the repair of intercity bus equipment, as appropriated. Money received by the department from lease payments for state-owned intercity bus equipment, and facility maintenance charges under terms of leases of state-owned intercity facilities, shall be credited to the intercity bus equipment facility fund for the purchase and repair of intercity bus equipment or for the maintenance and rehabilitation of state-owned intercity facilities, as appropriated. At the close of the fiscal year, any funds remaining in the intercity bus equipment facility fund shall remain in the fund and be carried forward into the succeeding fiscal year.

Sec. 702. Money that is received by this 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 rail freight fund created by section 17 of the state transportation preservation act of 1976, 1976 PA 295, MCL 474.67. At the close of the fiscal year, any funds remaining in the rail freight fund shall remain in the fund and be carried forward into the succeeding fiscal year.

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. 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 director, and the house and senate fiscal agencies by February 15 of each fiscal year for the prior fiscal year.

Sec. 711. (1) As prescribed in subsection (2), the department shall submit reports to the state budget director, the house and senate appropriations subcommittees on transportation, and the house and senate fiscal agencies on rail passenger service provided by Amtrak under a contractual agreement with the department. The report shall be submitted on or before May 1, 2015.

(2) The report shall include all of the following:

- (a) Passenger counts for the preceding fiscal year for each of the 3 Amtrak routes in Michigan.
- (b) Revenue and operating expenses by Amtrak route.
- (c) Total state operating payments to Amtrak in the preceding fiscal year by Amtrak route.
- (d) A discussion of major factors affecting route costs and revenue and net state costs in the preceding fiscal year, and factors affecting route costs and revenue and net state costs anticipated in the current and future fiscal years.

Sec. 712. From the funds appropriated in part 1, the department shall conduct a study of the feasibility of rail passenger service on the rail corridor between Holland and Detroit, via Grand Rapids and Lansing. The study shall include ridership projections within the corridor, estimated rail passenger service capital and operating costs, and revenue estimates. The department shall complete and submit the report to the state budget director, the house and senate appropriations subcommittees on transportation, and the house and senate fiscal agencies on or before May 1, 2015.

Sec. 735. For the fiscal year ending September 30, 2015, the appropriation to a street railway pursuant to section 10e(22) of 1951 PA 51, MCL 247.660e, is \$0.

Sec. 740. The department shall report by March 1 of each year to the house of representatives and senate appropriations subcommittees on transportation, the house and senate fiscal agencies, and the state budget director the encumbered and unencumbered balances of the comprehensive transportation fund.

Sec. 741. By December 1, 2014, the department shall submit a report to the senate and house appropriations subcommittees on transportation and the senate and house fiscal agencies on the need, feasibility, and cost of increasing the safety standard for transit buses procured by Michigan transit agencies by requiring a federally approved rollover test standard.

AERONAUTICS FUND

Sec. 801. Except as otherwise provided in section 903 for capital outlay, at the close of the fiscal year, 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 legislature encourages the department to find private entities or local public agencies to assume ownership and operating responsibility for airports currently owned by the department.

CAPITAL OUTLAY

Sec. 901. (1) From federal-state-local project appropriations contained in part 1 for the purpose of assisting political entities and subdivisions of this state in the construction and improvement of publicly used airports and landing fields within this state, the state transportation department may permit the award of contracts on behalf of units of local government for the authorized locations not to exceed the indicated amounts, of which the state allocated portion shall not exceed the amount appropriated in part 1.

(2) Political entities and subdivisions shall provide not less than 5% of the cost of any project under this section, unless a total nonfederal share greater than 10% is otherwise specified in federal law. State money shall not be allocated until local money is allocated. State money for any 1 project shall not exceed 1/3 of the total appropriation in part 1 from state funds for airport improvement programs.

(3) The Michigan aeronautics commission may take those steps necessary to match federal money available for airport construction and improvement within this state and to meet the matching requirements of the federal government. Whether acting alone or jointly with another political subdivision or public agency or with this state, a political subdivision or public agency of this state shall not submit to any agency of the federal government a project application for airport planning or development unless it is authorized in this part and part 1 and the project application is approved by the governing body of each political subdivision or public agency making the application and by the Michigan aeronautics commission.

Sec. 902. Before the end of each fiscal year, the state transportation department shall report to the house and senate appropriations subcommittees on transportation and the house and senate fiscal agencies on the status of airport improvement projects funded in part 1 with the estimated dollars allocated for each project. If there has to be a delay in reporting, the state transportation department shall notify the house and senate appropriations subcommittees on transportation in writing of the date the report will be received.

Sec. 903. The appropriations in part 1 for capital outlay shall be carried forward at the end of the fiscal year consistent with the provisions of section 248 of the management and budget act, 1984 PA 431, MCL 18.1248.

ONE-TIME APPROPRIATIONS

Sec. 1001. The 1-time appropriation in part 1 of \$127,000,000.00 from the state general fund is appropriated to the state trunkline federal aid and road and bridge construction program and is intended to ensure that the state is able to match all available federal-aid highway funds.

Sec. 1002. The appropriation in part 1 of \$144,500,000.00 from the state general fund for state and local road and bridge programs shall be distributed to the state trunk line fund, county road commissions, and cities and villages, in

the same percentages described in section 10(1)(j) of 1951 PA 51, MCL 247.660. Funds distributed to county road commissions under this section shall be distributed among the county road commissions in accordance with section 12 of 1951 PA 51, MCL 247.662. Funds distributed to cities and villages under this section shall be distributed among cities and villages in accordance with section 13 of 1951 PA 51, MCL 247.663.

Sec. 1003. By December 1, 2015, the department shall report to the house and senate appropriations subcommittees on transportation, and the house and senate fiscal agencies, on the use of 1-time general fund/general purpose funds appropriated in part 1 for transit capital and rail infrastructure. The report shall include a summary of funds expended, encumbered, and lapsed for both transit capital and rail infrastructure. With regard to transit capital projects, the report shall include grantees, grant amounts, project description, and project completion dates. With regard to rail infrastructure projects, the report shall include grant amounts, project description, and project completion dates.

Sec. 1004. The part 1 appropriation, high-speed rail crossing pilot program, shall be allocated for a pilot project to test traffic control devices at rail grade crossings on railroad tracks that are federally designated as a high-speed rail corridor under 49 USC 26106. Any pilot project entered into under this section shall be done using a competitive bidding process.

Sec. 1005. (1) The part 1 appropriation line item, regional transit authority, shall be expended for the purpose of funding staff and other administrative costs associated with the initial organization and operation of the authority created under the regional transit authority act, 2012 PA 387, MCL 124.541 to 124.558. These funds shall not be used for the ongoing operation of transit services.

(2) It is the intent of the legislature that in developing a public transit plan for the region, as required by section 7(3) of the regional transit authority act, 2012 PA 387, MCL 124.547, the authority develop a plan for the authority to exercise direct control and authority over any existing transit services, whether through acquisition of existing transit service providers or alternate means.

(3) The authority shall include in its report to the legislature, as required under section 6(8) of the regional transit authority act, 2012 PA 387, MCL 124.546, a description of its activities under subsection (2).

Sec. 1006. (1) From the funds appropriated in part 1, there is appropriated to the department \$10,000,000.00 for the purposes of facilitating the construction of a new rail tunnel crossing of the Detroit River between the city of Detroit and Windsor, Ontario, Canada, referenced in the balance of this section as "the project".

(2) The department shall not expend any funds from the appropriation in subsection (1) until the following conditions are met:

(a) The project has obtained all necessary environmental and cross-border crossing permits from the governments of Canada and the United States.

(b) The project is included in the long-range transportation plan of the southeast Michigan council of governments.

(c) The department is satisfied that the project will accommodate not fewer than 400,000 rail cars per year.

(d) The department is satisfied that the project will be available for use by all rail companies.

(e) The department is satisfied that all approvals necessary for the completion of the project have been secured.

(3) On November 10, 2014, the department shall provide a status update to the house and senate transportation appropriations subcommittees and the house and senate fiscal agencies.

PART 2A

PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS FOR FISCAL YEAR 2015-2016

Sec. 1201. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, 2016 for the line items listed in part 1. The fiscal year 2015-2016 appropriations are anticipated to be the same as those for fiscal year 2014-2015, except that the line items will be adjusted for changes in caseload and related costs, federal fund match rates, economic factors, and available revenue. These adjustments will be determined after the January 2015 consensus revenue estimating conference.

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

A bill to make, supplement, adjust, and consolidate appropriations for various state departments and agencies, the judicial branch, and the legislative branch for the fiscal year ending September 30, 2015 and other fiscal years; to provide for certain conditions on appropriations; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

Joe Haveman
Al Pscholka
Conferees for the House

Roger Kahn
John Moolenaar
Conferees for the Senate

The Speaker announced that under Joint Rule 9 the conference report would lie over one day.

Messages from the Senate

House Bill No. 4251, entitled

A bill to amend 1909 PA 283, entitled "An act to revise, consolidate, and add to the laws relating to the establishment, opening, discontinuing, vacating, closing, altering, improvement, maintenance, and use of the public highways and private roads; the condemnation of property and gravel therefor; the building, repairing and preservation of bridges; maintaining public access to waterways under certain conditions; setting and protecting shade trees, drainage, and cutting weeds and brush within this state; providing for the election or appointment and defining the powers, duties, and compensation of state, county, township, and district highway officials; and to prescribe penalties and provide remedies," (MCL 220.1 to 239.6) by adding section 19c to chapter IV.

The Senate has substituted (S-3) the bill.

The Senate has passed the bill as substituted (S-3) and ordered that it be given immediate effect.

The Speaker announced that pursuant to Rule 42, the bill was laid over one day.

House Bill No. 5167, entitled

A bill to amend 1951 PA 51, entitled "An act to provide for the classification of all public roads, streets, and highways in this state, and for the revision of that classification and for additions to and deletions from each classification; to set up and establish the Michigan transportation fund; to provide for the deposits in the Michigan transportation fund of specific taxes on motor vehicles and motor vehicle fuels; to provide for the allocation of funds from the Michigan transportation fund and the use and administration of the fund for transportation purposes; to promote safe and efficient travel for motor vehicle drivers, bicyclists, pedestrians, and other legal users of roads, streets, and highways; to set up and establish the truck safety fund; to provide for the allocation of funds from the truck safety fund and administration of the fund for truck safety purposes; to set up and establish the Michigan truck safety commission; to establish certain standards for road contracts for certain businesses; to provide for the continuing review of transportation needs within the state; to authorize the state transportation commission, counties, cities, and villages to borrow money, issue bonds, and make pledges of funds for transportation purposes; to authorize counties to advance funds for the payment of deficiencies necessary for the payment of bonds issued under this act; to provide for the limitations, payment, retirement, and security of the bonds and pledges; to provide for appropriations and tax levies by counties and townships for county roads; to authorize contributions by townships for county roads; to provide for the establishment and administration of the state trunk line fund, local bridge fund, comprehensive transportation fund, and certain other funds; to provide for the deposits in the state trunk line fund, critical bridge fund, comprehensive transportation fund, and certain other funds of money raised by specific taxes and fees; to provide for definitions of public transportation functions and criteria; to define the purposes for which Michigan transportation funds may be allocated; to provide for Michigan transportation fund grants; to provide for review and approval of transportation programs; to provide for submission of annual legislative requests and reports; to provide for the establishment and functions of certain advisory entities; to provide for conditions for grants; to provide for the issuance of bonds and notes for transportation purposes; to provide for the powers and duties of certain state and local agencies and officials; to provide for the making of loans for transportation purposes by the state transportation department and for the receipt and repayment by local units and agencies of those loans from certain specified sources; and to repeal acts and parts of acts," by amending sections 11 and 11c (MCL 247.661 and 247.661c), section 11 as amended by 2002 PA 639 and section 11c as amended by 2002 PA 498.

The Senate has substituted (S-2) the bill.

The Senate has passed the bill as substituted (S-2), ordered that it be given immediate effect and amended the title to read as follows:

A bill to amend 1951 PA 51, entitled "An act to provide for the classification of all public roads, streets, and highways in this state, and for the revision of that classification and for additions to and deletions from each classification; to set up and establish the Michigan transportation fund; to provide for the deposits in the Michigan transportation fund of specific taxes on motor vehicles and motor vehicle fuels; to provide for the allocation of funds from the Michigan transportation fund and the use and administration of the fund for transportation purposes; to promote safe and efficient travel for motor vehicle drivers, bicyclists, pedestrians, and other legal users of roads, streets, and highways; to set up and establish the truck safety fund; to provide for the allocation of funds from the truck safety fund and administration of the fund for truck safety purposes; to set up and establish the Michigan truck safety commission; to establish certain standards for road contracts for certain businesses; to provide for the continuing review of transportation needs within the state; to authorize the state transportation commission, counties, cities, and villages to borrow money, issue bonds, and make pledges of funds for transportation purposes; to authorize counties to advance funds for the payment of deficiencies necessary for the payment of bonds issued under this act; to provide for the limitations, payment, retirement, and security of the bonds and pledges; to provide for appropriations and tax levies by counties and townships for county roads; to authorize contributions by townships for county roads; to provide for the establishment and administration of the state trunk line

fund, local bridge fund, comprehensive transportation fund, and certain other funds; to provide for the deposits in the state trunk line fund, critical bridge fund, comprehensive transportation fund, and certain other funds of money raised by specific taxes and fees; to provide for definitions of public transportation functions and criteria; to define the purposes for which Michigan transportation funds may be allocated; to provide for Michigan transportation fund grants; to provide for review and approval of transportation programs; to provide for submission of annual legislative requests and reports; to provide for the establishment and functions of certain advisory entities; to provide for conditions for grants; to provide for the issuance of bonds and notes for transportation purposes; to provide for the powers and duties of certain state and local agencies and officials; to provide for the making of loans for transportation purposes by the state transportation department and for the receipt and repayment by local units and agencies of those loans from certain specified sources; and to repeal acts and parts of acts," by amending section 11c (MCL 247.661c), as amended by 2002 PA 498.

The Speaker announced that pursuant to Rule 42, the bill was laid over one day.

House Bill No. 5460, entitled

A bill to amend 1951 PA 51, entitled "An act to provide for the classification of all public roads, streets, and highways in this state, and for the revision of that classification and for additions to and deletions from each classification; to set up and establish the Michigan transportation fund; to provide for the deposits in the Michigan transportation fund of specific taxes on motor vehicles and motor vehicle fuels; to provide for the allocation of funds from the Michigan transportation fund and the use and administration of the fund for transportation purposes; to promote safe and efficient travel for motor vehicle drivers, bicyclists, pedestrians, and other legal users of roads, streets, and highways; to set up and establish the truck safety fund; to provide for the allocation of funds from the truck safety fund and administration of the fund for truck safety purposes; to set up and establish the Michigan truck safety commission; to establish certain standards for road contracts for certain businesses; to provide for the continuing review of transportation needs within the state; to authorize the state transportation commission, counties, cities, and villages to borrow money, issue bonds, and make pledges of funds for transportation purposes; to authorize counties to advance funds for the payment of deficiencies necessary for the payment of bonds issued under this act; to provide for the limitations, payment, retirement, and security of the bonds and pledges; to provide for appropriations and tax levies by counties and townships for county roads; to authorize contributions by townships for county roads; to provide for the establishment and administration of the state trunk line fund, local bridge fund, comprehensive transportation fund, and certain other funds; to provide for the deposits in the state trunk line fund, critical bridge fund, comprehensive transportation fund, and certain other funds of money raised by specific taxes and fees; to provide for definitions of public transportation functions and criteria; to define the purposes for which Michigan transportation funds may be allocated; to provide for Michigan transportation fund grants; to provide for review and approval of transportation programs; to provide for submission of annual legislative requests and reports; to provide for the establishment and functions of certain advisory entities; to provide for conditions for grants; to provide for the issuance of bonds and notes for transportation purposes; to provide for the powers and duties of certain state and local agencies and officials; to provide for the making of loans for transportation purposes by the state transportation department and for the receipt and repayment by local units and agencies of those loans from certain specified sources; and to repeal acts and parts of acts," by amending sections 11, 12, 13, and 14 (MCL 247.661, 247.662, 247.663, and 247.664), section 11 as amended by 2002 PA 639, sections 12 and 13 as amended by 2012 PA 298, and section 14 as amended by 1987 PA 234.

The Senate has substituted (S-3) the bill.

The Senate has passed the bill as substituted (S-3) and ordered that it be given immediate effect.

The Speaker announced that pursuant to Rule 42, the bill was laid over one day.

Rep. Lipton moved that the House adjourn.
The motion prevailed, the time being 8:05 p.m.

Associate Speaker Pro Tempore O'Brien declared the House adjourned until Thursday, June 12, at 10:00 a.m.

GARY L. RANDALL
Clerk of the House of Representatives