

**No. 56**  
**STATE OF MICHIGAN**  
**JOURNAL**  
**OF THE**  
**House of Representatives**  
**98th Legislature**  
**REGULAR SESSION OF 2016**

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House Chamber, Lansing, Tuesday, June 7, 2016.

10:00 a.m.

The House was called to order by the Speaker.

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

|                    |                      |                    |                     |
|--------------------|----------------------|--------------------|---------------------|
| Afendoulis—present | Garrett—present      | LaFontaine—present | Price—present       |
| Banks—present      | Gay-Dagnogo—present  | LaGrand—present    | Pscholka—present    |
| Barrett—present    | Geiss—present        | Lane—present       | Rendon—present      |
| Bizon—present      | Gardon—present       | Lauwers—present    | Roberts, B.—present |
| Brinks—present     | Glenn—present        | LaVoy—present      | Roberts, S.—present |
| Brunner—present    | Goike—present        | Leonard—present    | Robinson—present    |
| Bumstead—present   | Graves—present       | Leutheuser—present | Runestad—present    |
| Byrd—present       | Greig—present        | Liberati—present   | Rutledge—present    |
| Callton—present    | Greimel—present      | Love—present       | Santana—present     |
| Canfield—present   | Guerra—present       | Lucido—present     | Schor—present       |
| Chang—present      | Heise—present        | Lyons—present      | Sheppard—present    |
| Chatfield—present  | Hoadley—present      | Maturen—present    | Singh—present       |
| Chirkun—excused    | Hooker—present       | McBroom—present    | Smiley—present      |
| Clemente—present   | Hovey-Wright—present | McCready—present   | Somerville—present  |
| Cochran—present    | Howell—present       | Miller, A.—present | Talabi—present      |
| Cole—present       | Howrylak—present     | Moss—present       | Tedder—present      |
| Cotter—present     | Hughes—present       | Muxlow—present     | Theis—present       |
| Cox—present        | Iden—present         | Neeley—present     | Townsend—present    |
| Crawford—present   | Inman—present        | Nesbitt—present    | Vaupel—present      |
| Darany—present     | Irwin—present        | Outman—present     | VerHeulen—present   |
| Dianda—present     | Jacobsen—present     | Pagan—present      | Victory—present     |
| Driskell—present   | Jenkins—present      | Pagel—present      | Webber—present      |
| Durhal—present     | Johnson—present      | Pettalia—present   | Whiteford—present   |
| Faris—present      | Kelly—present        | Phelps—present     | Wittenberg—present  |
| Farrington—present | Kesto—present        | Plawecki—present   | Yanez—present       |
| Forlini—present    | Kivela—present       | Poleski—present    | Yonker—present      |
| Franz—present      | Kosowski—present     | Potvin—present     | Zemke—present       |
| Garcia—present     |                      |                    |                     |

e/d/s = entered during session

Rev. Tom Tarpley, Retired Pastor of Fowlerville First United Methodist Church in Fowlerville, offered the following invocation:

“Most Gracious and Loving God, thank You for these men and women who have been chosen by the free election process, to represent the citizens of the state of Michigan, in this House of Representatives. Lord God, please guide these representatives and their staff members, as they labor for the good of all citizens and for what is just in Your eyes.

Let the quest for freedom and the rights of the American people be the business of the day, and may You guide each representative, to honor the privilege and the authority vested in them, to make wise and just decisions, as they create the laws that will move this state of Michigan, to become a role model for every state in the nation. May true harmony, lasting freedom, and justice be safeguarded for all.

Please empower and anoint each member with the courage, the patience, and the moral integrity, needed for true and effective leadership. O God, create an atmosphere of unity among the members of this legislative body, as they come together, and let the goal of seeking peace and justice always triumph.

Give to each member an abundance of insight, an abundance of knowledge, and a sense of divine understanding, that they might know best how to proceed in the work they have been given to do, as well as the strength and courage to act, once they have discerned where Your Spirit might lead them. Lord, let there be no compromise when it comes to doing what is right versus what is wrong.

Gracious God, we know that our state and country are facing problems far greater, than mortal men, and women, have the ability to solve without Your guidance. Please help each member to recognize their helplessness and encourage them to turn to You, the One Who has all power. Bring to remembrance, the promise You made to Your people in 2 Chronicles 7:14: ‘If my people who are called by my name will humble themselves, and pray and seek My face, and turn from their wicked ways, then I will hear from heaven, and will forgive their sin and heal their land.’

Dear God, I close this prayer with the words of the first prayer spoken to the Continental Congress in 1774. Hear these timeless words.

*‘Please make Your presence known, O God of wisdom, and direct the members of this honorable assembly; enable them to settle things on the best and surest foundation. I pray that the spirit of unity, harmony and peace may be effectually restored, and truth and justice, religion and piety, prevail and flourish amongst the people. Lord, may we be creative in restoring hope, persistent in making right judgments, and persevering in speaking the truth.’*

Amen.”

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Rep. Singh moved that Rep. Chirkun be excused from today’s session.  
The motion prevailed.

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

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

### Reports of Standing Committees

The Speaker laid before the House

#### **House Resolution No. 263.**

A resolution to commemorate the 100th anniversary of the creation of the National Park Service.

(For text of resolution, see House Journal No. 32, p. 500.)

(The resolution was reported by the Committee on Tourism and Outdoor Recreation on May 11.)

The question being on the adoption of the resolution,

The resolution was adopted.

**Third Reading of Bills****House Bill No. 5215, entitled**

A bill to amend 1931 PA 328, entitled "The Michigan penal code," (MCL 750.1 to 750.568) by adding section 70a.  
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—79**

|            |              |            |             |
|------------|--------------|------------|-------------|
| Afendoulis | Goike        | Lauwers    | Potvin      |
| Barrett    | Graves       | LaVoy      | Price       |
| Bizon      | Guerra       | Leonard    | Rendon      |
| Brinks     | Heise        | Leutheuser | Roberts, B. |
| Brunner    | Hoadley      | Love       | Runestad    |
| Bumstead   | Hooker       | Lucido     | Rutledge    |
| Callton    | Hovey-Wright | Lyons      | Santana     |
| Canfield   | Howell       | Maturen    | Sheppard    |
| Chatfield  | Hughes       | McBroom    | Smiley      |
| Cole       | Iden         | McCready   | Somerville  |
| Cotter     | Inman        | Miller, A. | Tedder      |
| Cox        | Jacobsen     | Muxlow     | Theis       |
| Crawford   | Jenkins      | Neeley     | Vaupel      |
| Darany     | Johnson      | Nesbitt    | VerHeulen   |
| Driskell   | Kelly        | Outman     | Victory     |
| Forlini    | Kesto        | Pagel      | Webber      |
| Franz      | Kivela       | Pettalia   | Whiteford   |
| Garcia     | Kosowski     | Phelps     | Yanez       |
| Glardon    | LaFontaine   | Plawecki   | Yonker      |
| Glenn      | Lane         | Poleski    |             |

**Nays—29**

|          |             |             |            |
|----------|-------------|-------------|------------|
| Banks    | Farrington  | Irwin       | Robinson   |
| Byrd     | Garrett     | LaGrand     | Schor      |
| Chang    | Gay-Dagnogo | Liberati    | Singh      |
| Clemente | Geiss       | Moss        | Talabi     |
| Cochran  | Greig       | Pagan       | Townsend   |
| Dianda   | Greimel     | Pscholka    | Wittenberg |
| Durhal   | Howrylak    | Roberts, S. | Zemke      |
| Faris    |             |             |            |

In The Chair: Cox

The House agreed to the title of the bill.

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

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

**Senate Bill No. 673, entitled**

A bill to amend 2000 PA 146, entitled "Obsolete property rehabilitation act," by amending section 16 (MCL 125.2796), as amended by 2010 PA 137.

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—94**

|            |              |            |             |
|------------|--------------|------------|-------------|
| Afendoulis | Graves       | Leonard    | Pscholka    |
| Bizon      | Greig        | Leutheuser | Rendon      |
| Brinks     | Greimel      | Liberati   | Roberts, B. |
| Brunner    | Guerra       | Love       | Roberts, S. |
| Bumstead   | Heise        | Lucido     | Runestad    |
| Byrd       | Hoadley      | Lyons      | Rutledge    |
| Callton    | Hovey-Wright | Maturen    | Schor       |
| Canfield   | Howell       | McBroom    | Sheppard    |
| Chang      | Hughes       | McCready   | Singh       |
| Clemente   | Iden         | Miller, A. | Smiley      |
| Cochran    | Inman        | Moss       | Talabi      |
| Cotter     | Irwin        | Muxlow     | Tedder      |
| Cox        | Jacobsen     | Neeley     | Theis       |
| Crawford   | Jenkins      | Nesbitt    | Townsend    |
| Darany     | Johnson      | Outman     | Vaupel      |
| Driskell   | Kelly        | Pagan      | VerHeulen   |
| Durhal     | Kesto        | Pagel      | Victory     |
| Faris      | Kivela       | Pettalia   | Webber      |
| Farrington | Kosowski     | Phelps     | Whiteford   |
| Forlini    | LaFontaine   | Plawecki   | Wittenberg  |
| Garcia     | LaGrand      | Poleski    | Yanez       |
| Garrett    | Lane         | Potvin     | Yonker      |
| Geiss      | Lauwers      | Price      | Zemke       |
| Gardon     | LaVoy        |            |             |

**Nays—14**

|           |             |          |            |
|-----------|-------------|----------|------------|
| Banks     | Dianda      | Goike    | Robinson   |
| Barrett   | Franz       | Hooker   | Santana    |
| Chatfield | Gay-Dagnogo | Howrylak | Somerville |
| Cole      | Glenn       |          |            |

In The Chair: Cox

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

“An act to provide for the establishment of obsolete property rehabilitation districts in certain local governmental units; to provide for the exemption from certain taxes; to levy and collect a specific tax upon the owners of certain facilities; to provide for the disposition of the tax; to provide for the obtaining and transferring of an exemption certificate and to prescribe the contents of those certificates; to prescribe the powers and duties of certain local government officials; and to provide penalties.”

The House agreed to the full title.

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

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

**Senate Bill No. 504, entitled**

A bill to amend 1995 PA 279, entitled “Horse racing law of 1995,” by amending sections 2, 7, 8, 9, 10, 12, 14, 17, 18, 19, 19a, 22, 27, 30, and 31 (MCL 431.302, 431.307, 431.308, 431.309, 431.310, 431.312, 431.314, 431.317, 431.318, 431.319, 431.319a, 431.322, 431.327, 431.330, and 431.331), section 2 as amended by 2006 PA 445, sections 7, 9, 10, and 12 as amended by 2000 PA 164, and sections 14, 17, and 18 as amended and section 19a as added by 1998 PA 408, and by adding section 19b.

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—104**

|            |              |            |             |
|------------|--------------|------------|-------------|
| Afendoulis | Garrett      | LaFontaine | Price       |
| Banks      | Gay-Dagnogo  | LaGrand    | Pscholka    |
| Barrett    | Geiss        | Lane       | Rendon      |
| Brinks     | Gardon       | Lauwers    | Roberts, B. |
| Brunner    | Glenn        | LaVoy      | Roberts, S. |
| Bumstead   | Goike        | Leonard    | Runestad    |
| Byrd       | Graves       | Leutheuser | Rutledge    |
| Callton    | Greig        | Liberati   | Santana     |
| Canfield   | Greimel      | Love       | Schor       |
| Chang      | Guerra       | Lucido     | Sheppard    |
| Chatfield  | Heise        | Maturen    | Singh       |
| Clemente   | Hoadley      | McBroom    | Smiley      |
| Cochran    | Hovey-Wright | McCready   | Somerville  |
| Cole       | Howell       | Miller, A. | Talabi      |
| Cotter     | Howrylak     | Moss       | Tedder      |
| Cox        | Hughes       | Muxlow     | Theis       |
| Crawford   | Iden         | Neeley     | Townsend    |
| Darany     | Inman        | Nesbitt    | Vaupel      |
| Dianda     | Irwin        | Outman     | VerHeulen   |
| Driskell   | Jacobsen     | Pagan      | Victory     |
| Durhal     | Jenkins      | Pagel      | Webber      |
| Faris      | Johnson      | Pettalia   | Whiteford   |
| Farrington | Kelly        | Phelps     | Wittenberg  |
| Forlini    | Kesto        | Plawecki   | Yanez       |
| Franz      | Kivela       | Poleski    | Yonker      |
| Garcia     | Kosowski     | Potvin     | Zemke       |

**Nays—4**

|       |        |       |          |
|-------|--------|-------|----------|
| Bizon | Hooker | Lyons | Robinson |
|-------|--------|-------|----------|

In The Chair: Cox

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

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

A bill to amend 1995 PA 279, entitled “An act to license and regulate the conducting of horse race meetings in this state with pari-mutuel wagering on the results of horse races and persons involved in horse racing and pari-mutuel gaming activities at such race meetings; to create the office of racing commissioner; to prescribe the powers and duties of the racing commissioner; to prescribe certain powers and duties of the department of agriculture and the director of the department of agriculture; to provide for the promulgation of rules; to provide for the imposition of taxes and fees and the disposition of revenues; to impose certain taxes; to create funds; to legalize and permit the pari-mutuel method of wagering on the results of live and simulcast races at licensed race meetings in this state; to appropriate the funds derived from pari-mutuel wagering on the results of horse races at licensed race meetings in this state; to prescribe remedies and penalties; and to repeal acts and parts of acts,” by amending sections 2, 8, 9, 10, 12, 14, 17, 18, 19, 19a, 20, 22, 30, and 31 (MCL 431.302, 431.308, 431.309, 431.310, 431.312, 431.314, 431.317, 431.318, 431.319, 431.319a, 431.320, 431.322, 431.330, and 431.331), section 2 as amended by 2006 PA 445, sections 9, 10, and 12 as amended by 2000 PA 164, sections 14, 17, and 18 as amended and section 19a as added by 1998 PA 408, and section 20 as amended by 2006 PA 185, and by adding sections 6a and 19b.

The motion prevailed.

The House agreed to the title as amended.

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

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

**Senate Bill No. 505, entitled**

A bill to amend 1927 PA 175, entitled “The code of criminal procedure,” by amending section 14d of chapter XVII (MCL 777.14d), as added by 2002 PA 29.

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—104**

|            |              |            |             |
|------------|--------------|------------|-------------|
| Afendoulis | Garcia       | LaGrand    | Price       |
| Banks      | Garrett      | Lane       | Pscholka    |
| Barrett    | Gay-Dagnogo  | Lauwers    | Rendon      |
| Bizon      | Geiss        | LaVoy      | Roberts, B. |
| Brinks     | Gardon       | Leonard    | Roberts, S. |
| Brunner    | Glenn        | Leutheuser | Runestad    |
| Bumstead   | Goike        | Liberati   | Rutledge    |
| Byrd       | Graves       | Love       | Santana     |
| Callton    | Greig        | Lucido     | Schor       |
| Canfield   | Guerra       | Lyons      | Sheppard    |
| Chang      | Heise        | Maturen    | Singh       |
| Chatfield  | Hoadley      | McBroom    | Smiley      |
| Clemente   | Hooker       | McCready   | Somerville  |
| Cochran    | Hovey-Wright | Miller, A. | Talabi      |
| Cole       | Howell       | Moss       | Tedder      |
| Cotter     | Hughes       | Muxlow     | Theis       |
| Cox        | Iden         | Neeley     | Townsend    |
| Crawford   | Inman        | Nesbitt    | Vaupel      |
| Darany     | Jacobsen     | Outman     | VerHeulen   |
| Dianda     | Jenkins      | Pagan      | Victory     |
| Driskell   | Johnson      | Pagel      | Webber      |
| Durhal     | Kelly        | Pettalia   | Whiteford   |
| Faris      | Kesto        | Phelps     | Wittenberg  |
| Farrington | Kivela       | Plawecki   | Yanez       |
| Forlini    | Kosowski     | Poleski    | Yonker      |
| Franz      | LaFontaine   | Potvin     | Zemke       |

**Nays—4**

|         |          |       |          |
|---------|----------|-------|----------|
| Greimel | Howrylak | Irwin | Robinson |
|---------|----------|-------|----------|

In The Chair: Cox

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

“An act to revise, consolidate, and codify the laws relating to criminal procedure and to define the jurisdiction, powers, and duties of courts, judges, and other officers of the court under the provisions of this act; to provide laws relative to the rights of persons accused of criminal offenses and ordinance violations; to provide for the arrest of persons charged with or suspected of criminal offenses and ordinance violations; to provide for bail of persons arrested for or accused of criminal offenses and ordinance violations; to provide for the examination of persons accused of criminal offenses; to regulate the procedure relative to grand juries, indictments, informations, and proceedings before trial; to provide for trials of persons complained of or indicted for criminal offenses and ordinance violations and to provide for the procedure in those trials; to provide for judgments and sentences of persons convicted of criminal offenses and ordinance violations; to establish a sentencing commission and to prescribe its powers and duties; to provide for procedure relating to new trials and appeals in criminal and ordinance violation cases; to provide a uniform system of probation throughout this state and the appointment of probation officers; to prescribe the powers, duties, and compensation of probation officers; to provide penalties for the violation of the duties of probation officers; to provide for procedure governing proceedings to prevent

crime and proceedings for the discovery of crime; to provide for fees of officers, witnesses, and others in criminal and ordinance violation cases; to set forth miscellaneous provisions as to criminal procedure in certain cases; to provide penalties for the violation of certain provisions of this act; and to repeal all acts and parts of acts inconsistent with or contravening any of the provisions of this act.”

The House agreed to the full title.

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

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

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Rep. Howrylak, having reserved the right to explain his protest against the passage of the bill, made the following statement:

“Mr. Speaker and members of the House:

I am voting no on this bill because, with the establishment of the Criminal Justice Policy Commission, this bill should have been sent to the commission for review and input prior to passage.”

### Second Reading of Bills

#### **House Bill No. 4388, entitled**

A bill to amend 1976 PA 451, entitled “The revised school code,” by amending section 1212 (MCL 380.1212), as amended by 2003 PA 299.

Was read a second time, and the question being on the adoption of the proposed substitute (H-3) previously recommended by the Committee on Appropriations,

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 2, line 7, after “**IMPROVEMENTS,**” by inserting “**FOR PUPIL TRANSPORTATION,**”.

The motion did not prevail and the amendment was not adopted, a majority of the members serving not voting therefor.

Rep. McCready moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

#### **House Bill No. 5422, entitled**

A bill to amend 1931 PA 328, entitled “The Michigan penal code,” by amending section 145n (MCL 750.145n), as amended by 2004 PA 559.

The bill was read a second time.

Rep. Nesbitt moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

#### **House Bill No. 5578, entitled**

A bill to amend 1973 PA 186, entitled “Tax tribunal act,” by amending section 3 (MCL 205.703), as amended by 2008 PA 125, and by adding section 38.

Was read a second time, and the question being on the adoption of the proposed substitute (H-1) previously recommended by the Committee on Tax Policy,

The substitute (H-1) was adopted, a majority of the members serving voting therefor.

Rep. Maturen moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

#### **Senate Bill No. 651, entitled**

A bill to provide for exemption of certain property from certain taxes; to levy and collect a specific tax upon the owners of certain property; to provide for the disposition of the tax; to prescribe the powers and duties of certain local government officials; and to provide penalties.

Was read a second time, and the question being on the adoption of the proposed substitute (H-1) previously recommended by the Committee on Tax Policy,

The substitute (H-1) was adopted, a majority of the members serving voting therefor.

Rep. Farrington moved to amend the bill as follows:

1. Amend page 5, line 2, after "(6)" by striking out "If the property owner provides" and inserting "Upon receipt of".
2. Amend page 5, line 4, after "certificate" by striking out "are provided to" and inserting "by".
3. Amend page 7, line 15, after the first "department" by inserting "of treasury".
4. Amend page 7, line 15, after the second "department" by inserting "of treasury".

The motion prevailed and the amendments were adopted, a majority of the members serving voting therefor.

Rep. Nesbitt moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

**Senate Bill No. 652, entitled**

A bill to amend 1893 PA 206, entitled "The general property tax act," by amending section 7jj (MCL 211.7jj[1]), as amended by 2015 PA 107, and by adding section 7vv.

The bill was read a second time.

Rep. Nesbitt moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

**Senate Bill No. 653, entitled**

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending section 51108 (MCL 324.51108), as amended by 2014 PA 146.

Was read a second time, and the question being on the adoption of the proposed substitute (H-1) previously recommended by the Committee on Tax Policy,

The substitute (H-1) was adopted, a majority of the members serving voting therefor.

Rep. Nesbitt 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

**Reports of Standing Committees**

The Committee on Communications and Technology, by Rep. Jacobsen, Chair, reported

**Senate Bill No. 878, entitled**

A bill to amend 1986 PA 32, entitled "Emergency 9-1-1 service enabling act," by amending section 405 (MCL 484.1405), as amended by 2011 PA 271.

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. Jacobsen, Iden, Glardon, Outman, Leutheuser, Tedder, Driskell, Greig and Guerra

Nays: None

The Committee on Communications and Technology, by Rep. Jacobsen, Chair, reported

**Senate Bill No. 976, entitled**

A bill to amend 1927 PA 175, entitled "The code of criminal procedure," by amending section 11b of chapter XVII (MCL 777.11b), as amended by 2015 PA 201.

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. Jacobsen, Iden, Glardon, Outman, Price, Leutheuser, Tedder, Driskell, Greig and Guerra

Nays: None



COMMITTEE ATTENDANCE REPORT

The following report, submitted by Rep. Jacobsen, Chair, of the Committee on Communications and Technology, was received and read:

Meeting held on: Tuesday, June 7, 2016

Present: Reps. Jacobsen, Iden, Glardon, Outman, Price, Leutheuser, Tedder, Driskell, Greig and Guerra

Absent: Reps. Franz, Barrett, Phelps and Chirkun

Excused: Reps. Franz, Barrett, Phelps and Chirkun

**Second Reading of Bills**

**Senate Bill No. 976, entitled**

A bill to amend 1927 PA 175, entitled "The code of criminal procedure," by amending section 11b of chapter XVII (MCL 777.11b), as amended by 2015 PA 201.

The bill was read a second time.

Rep. Nesbitt moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

**Senate Bill No. 878, entitled**

A bill to amend 1986 PA 32, entitled "Emergency 9-1-1 service enabling act," by amending section 405 (MCL 484.1405), as amended by 2011 PA 271.

The bill was read a second time.

Rep. Nesbitt 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

**Reports of Standing Committees**

The Committee on Appropriations, by Rep. Pscholka, Chair, reported

**Senate Bill No. 809, entitled**

A bill to create the office of the Michigan veterans' facility ombudsman; and to prescribe the powers and duties of the office, the ombudsman, the legislative council, and the department of military and veterans affairs.

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. Pscholka, Bumstead, Jenkins, Muxlow, Poleski, Potvin, Kelly, McCready, Pagel, VerHeulen, Victory, Afendoulis, Bizon, Canfield, Cox, Garcia, Inman, Aaron Miller, Santana, Irwin, Banks, Faris and Pagan

Nays: None

The Committee on Appropriations, by Rep. Pscholka, Chair, reported

**Senate Bill No. 883, entitled**

A bill to amend 1984 PA 431, entitled "The management and budget act," (MCL 18.1101 to 18.1594) by adding sections 360 and 360a.

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. Pscholka, Bumstead, Jenkins, Muxlow, Poleski, Kelly, McCready, Pagel, VerHeulen, Victory, Afendoulis, Bizon, Canfield, Cox, Garcia, Inman, Aaron Miller, Santana, Irwin, Sarah Roberts, Banks, Faris, Singh, Yanez, Zemke, Durhal, Hoadley and Pagan

Nays: Rep. Potvin

The Committee on Appropriations, by Rep. Pscholka, Chair, reported

**Senate Bill No. 914, entitled**

A bill to amend 1976 PA 390, entitled "Emergency management act," by amending section 18 (MCL 30.418), as amended by 2013 PA 109.

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. Pscholka, Bumstead, Jenkins, Muxlow, Poleski, Potvin, Kelly, McCready, Pagel, VerHeulen, Victory, Afendoulis, Canfield, Cox, Garcia, Inman, Aaron Miller, Santana, Irwin, Sarah Roberts, Banks, Faris, Singh, Yanez, Zemke, Durhal, Hoadley and Pagan

Nays: Rep. Bizon

The Committee on Appropriations, by Rep. Pscholka, Chair, reported

**Senate Bill No. 957, entitled**

A bill to amend 1978 PA 368, entitled "Public health code," by amending section 20161 (MCL 333.20161), as amended by 2015 PA 104.

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. Pscholka, Bumstead, Jenkins, Muxlow, Poleski, Potvin, Kelly, McCready, Pagel, VerHeulen, Victory, Afendoulis, Bizon, Canfield, Cox, Garcia, Inman, Aaron Miller, Irwin, Sarah Roberts, Banks, Faris, Singh, Yanez, Zemke, Durhal, Hoadley and Pagan

Nays: None

COMMITTEE ATTENDANCE REPORT

The following report, submitted by Rep. Pscholka, Chair, of the Committee on Appropriations, was received and read:  
Meeting held on: Tuesday, June 7, 2016

Present: Reps. Pscholka, Bumstead, Jenkins, Muxlow, Poleski, Potvin, Kelly, McCready, Pagel, VerHeulen, Victory, Afendoulis, Bizon, Canfield, Cox, Garcia, Inman, Aaron Miller, Santana, Irwin, Sarah Roberts, Banks, Faris, Singh, Yanez, Zemke, Durhal, Hoadley and Pagan

COMMITTEE ATTENDANCE REPORT

The following report, submitted by Rep. Jacobsen, Chair, of the Committee on Government Operations, was received and read:

Meeting held on: Thursday, June 2, 2016

Present: Reps. Jacobsen, Webber, LaFontaine and Greimel

Absent: Rep. Singh

**Second Reading of Bills**

**Senate Bill No. 914, entitled**

A bill to amend 1976 PA 390, entitled "Emergency management act," by amending section 18 (MCL 30.418), as amended by 2013 PA 109.

The bill was read a second time.

Rep. Nesbitt moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

**Senate Bill No. 883, entitled**

A bill to amend 1984 PA 431, entitled “The management and budget act,” (MCL 18.1101 to 18.1594) by adding sections 360 and 360a.

The bill was read a second time.

Rep. Nesbitt moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

**Senate Bill No. 809, entitled**

A bill to create the office of the Michigan veterans’ facility ombudsman; and to prescribe the powers and duties of the office, the ombudsman, the legislative council, and the department of military and veterans affairs.

The bill was read a second time.

Rep. Yanez moved to amend the bill as follows:

1. Amend page 4, line 14, after “is” by striking out “not”.

The motion did not prevail and the amendment was not adopted, a majority of the members serving not voting therefor.

Rep. Nesbitt 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

**Third Reading of Bills****House Bill No. 5613, entitled**

A bill to amend 1969 PA 306, entitled “Administrative procedures act of 1969,” by amending sections 32 and 45 (MCL 24.232 and 24.245), section 32 as amended by 2011 PA 270 and section 45 as amended by 2013 PA 200.

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—61**

|            |            |            |             |
|------------|------------|------------|-------------|
| Afendoulis | Goike      | Leonard    | Price       |
| Barrett    | Graves     | Leutheuser | Pscholka    |
| Bumstead   | Heise      | Lucido     | Rendon      |
| Callton    | Hooker     | Lyons      | Roberts, B. |
| Canfield   | Howell     | Maturen    | Runestad    |
| Chatfield  | Howrylak   | McBroom    | Sheppard    |
| Cole       | Iden       | McCready   | Somerville  |
| Cotter     | Inman      | Miller, A. | Tedder      |
| Cox        | Jacobsen   | Muxlow     | Theis       |
| Crawford   | Jenkins    | Nesbitt    | Vaupel      |
| Farrington | Johnson    | Outman     | VerHeulen   |
| Forlini    | Kelly      | Pagel      | Victory     |
| Franz      | Kesto      | Pettalia   | Webber      |
| Garcia     | LaFontaine | Poleski    | Whiteford   |
| Glardon    | Lauwers    | Potvin     | Yonker      |
| Glenn      |            |            |             |

**Nays—47**

|         |             |          |          |
|---------|-------------|----------|----------|
| Banks   | Faris       | Kosowski | Robinson |
| Bizon   | Garrett     | LaGrand  | Rutledge |
| Brinks  | Gay-Dagnogo | Lane     | Santana  |
| Brunner | Geiss       | LaVoy    | Schor    |
| Byrd    | Greig       | Liberati | Singh    |
| Chang   | Greimel     | Love     | Smiley   |

|          |              |             |            |
|----------|--------------|-------------|------------|
| Clemente | Guerra       | Moss        | Talabi     |
| Cochran  | Hoadley      | Neeley      | Townsend   |
| Darany   | Hovey-Wright | Pagan       | Wittenberg |
| Dianda   | Hughes       | Phelps      | Yanez      |
| Driskell | Irwin        | Plawecki    | Zemke      |
| Durhal   | Kivela       | Roberts, S. |            |

In The Chair: Cox

The House agreed to the title of the bill.  
Rep. Nesbitt moved that the bill be given immediate effect.  
The motion prevailed, 2/3 of the members serving voting therefor.

#### House Bill No. 5102, entitled

A bill to amend 1972 PA 230, entitled "Stille-DeRossett-Hale single state construction code act," by amending sections 3a and 4 (MCL 125.1503a and 125.1504), section 3a as amended by 2006 PA 192 and section 4 as amended by 2012 PA 504.

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—108

|            |              |            |             |
|------------|--------------|------------|-------------|
| Afendoulis | Garrett      | LaFontaine | Price       |
| Banks      | Gay-Dagnogo  | LaGrand    | Pscholka    |
| Barrett    | Geiss        | Lane       | Rendon      |
| Bizon      | Gardon       | Lauwers    | Roberts, B. |
| Brinks     | Glenn        | LaVoy      | Roberts, S. |
| Brunner    | Goike        | Leonard    | Robinson    |
| Bumstead   | Graves       | Leutheuser | Runestad    |
| Byrd       | Greig        | Liberati   | Rutledge    |
| Callton    | Greimel      | Love       | Santana     |
| Canfield   | Guerra       | Lucido     | Schor       |
| Chang      | Heise        | Lyons      | Sheppard    |
| Chatfield  | Hoadley      | Maturen    | Singh       |
| Clemente   | Hooker       | McBroom    | Smiley      |
| Cochran    | Hovey-Wright | McCready   | Somerville  |
| Cole       | Howell       | Miller, A. | Talabi      |
| Cotter     | Howrylak     | Moss       | Tedder      |
| Cox        | Hughes       | Muxlow     | Theis       |
| Crawford   | Iden         | Neeley     | Townsend    |
| Darany     | Inman        | Nesbitt    | Vaupel      |
| Dianda     | Irwin        | Outman     | VerHeulen   |
| Driskell   | Jacobsen     | Pagan      | Victory     |
| Durhal     | Jenkins      | Pagel      | Webber      |
| Faris      | Johnson      | Pettalia   | Whiteford   |
| Farrington | Kelly        | Phelps     | Wittenberg  |
| Forlini    | Kesto        | Plawecki   | Yanez       |
| Franz      | Kivela       | Poleski    | Yonker      |
| Garcia     | Kosowski     | Potvin     | Zemke       |

#### Nays—0

In The Chair: Cox

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

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

A bill to amend 1972 PA 230, entitled "Stille-DeRossett-Hale single state construction code act," by amending section 3a (MCL 125.1503a), as amended by 2006 PA 192.

The motion prevailed.

The House agreed to the title as amended.

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

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

By unanimous consent the House returned to the order of

### **Motions and Resolutions**

Reps. Hoadley, Moss, Greig, Brinks, LaVoy, Driskell, Pagan, Byrd, Robinson, Plawecki, Chang, Hovey-Wright, LaGrand, Brunner, Smiley, Rutledge, Phelps, Schor, Durhal, Singh, Guerra, Wittenberg, Faris, Love, Townsend, Greimel, Yanez, Darany, Dianda, Geiss, Irwin, Cochran, Liberati, Chirkun, Neeley, Garrett, Lane, Kivela, Sarah Roberts, Banks, Talabi and Zemke offered the following resolution:

#### **House Resolution No. 307.**

A resolution to declare June 2016 as Lesbian, Gay, Bisexual, and Transgender Pride Month in the state of Michigan.

Whereas, Michigan is a state that is rich in diversity and community and this diversity is demonstrated to all who live, work, and visit our state; and

Whereas, The people of Michigan value this diversity and celebrate the rich variation of persons in our state; and

Whereas, The people of Michigan benefit from the multiple talents, viewpoints, and cultural backgrounds of all of its citizens; and

Whereas, The people of Michigan firmly believe in a society that values the freedom, worth, and dignity of each human being; and

Whereas, The people of Michigan understand, appreciate, and value the cultural, civic, and economic contributions of the gay, lesbian, bisexual, and transgender communities to the greater community of the state; and

Whereas, Communities throughout Michigan will host events to celebrate the LGBT community throughout the month of June; and

Whereas, June is recognized and celebrated as LGBT pride month throughout the country and worldwide; now, therefore, be it

Resolved by the House of Representatives, That the members of this legislative body declare June 2016 as Lesbian, Gay, Bisexual, and Transgender Pride Month in the state of Michigan.

The resolution was referred to the Committee on Families, Children, and Seniors.

Rep. Nesbitt moved that when the House adjourns today it stand adjourned until Wednesday, June 8, at 10:00 a.m.

The motion prevailed.

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Associate Speaker Pro Tempore Cox called Associate Speaker Pro Tempore Franz to the Chair.

### **Announcement by the Clerk of Printing and Enrollment**

The Clerk announced that the following bills had been reproduced and made available electronically on Thursday, June 2:  
**House Bill Nos. 5716 5717 5718 5719 5720 5721**

The Clerk announced the enrollment printing and presentation to the Governor on Thursday, June 2, for his approval of the following bills:

**Enrolled House Bill No. 5017 at 3:42 p.m.**

**Enrolled House Bill No. 5018 at 3:44 p.m.**

**Enrolled House Bill No. 5019 at 3:46 p.m.**

**Enrolled House Bill No. 5020 at 3:48 p.m.**

**Enrolled House Bill No. 5021 at 3:50 p.m.**  
**Enrolled House Bill No. 5022 at 3:52 p.m.**  
**Enrolled House Bill No. 5395 at 3:54 p.m.**

The Clerk announced the enrollment printing and presentation to the Governor on Monday, June 6, for his approval of the following bills:

**Enrolled House Bill No. 4344 at 2:48 p.m.**  
**Enrolled House Bill No. 4578 at 2:50 p.m.**  
**Enrolled House Bill No. 4656 at 2:52 p.m.**  
**Enrolled House Bill No. 4796 at 2:54 p.m.**  
**Enrolled House Bill No. 4817 at 2:56 p.m.**  
**Enrolled House Bill No. 4818 at 2:58 p.m.**

The Clerk announced that the following bills had been reproduced and made available electronically on Tuesday, June 7:  
**Senate Bill Nos. 1013 1014 1015 1016 1017 1018 1019**

**Reports of Select Committees**

**First Conference Report**

The Committee of Conference on the matters of difference between the two Houses concerning **House Bill No. 5256, entitled**

A bill to make appropriations for the department of military and veterans affairs for the fiscal year ending September 30, 2017; and to provide for the expenditure of the appropriations.

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 appropriations for the department of military and veterans affairs for the fiscal year ending September 30, 2017; and to provide for the expenditure of the appropriations.

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

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of military and veterans affairs for the fiscal year ending September 30, 2017, from the following funds:

**DEPARTMENT OF MILITARY AND VETERANS AFFAIRS**

APPROPRIATION SUMMARY

|  |            |                |
|--|------------|----------------|
| Full-time equated unclassified positions.....                        | 9.0        |                |
| Full-time equated classified positions .....                         | 898.5      |                |
| <b>GROSS APPROPRIATION</b> .....                                     |            | \$ 174,100,200 |
| Interdepartmental grant and intradepartmental transfer revenues:     |            |                |
| Total interdepartmental grants and intradepartmental transfers ..... |            | 101,800        |
| <b>ADJUSTED GROSS APPROPRIATION</b> .....                            |            | \$ 173,998,400 |
| Federal revenues:  |            |                |
| Total federal revenues.....  |            | 91,793,600     |
| Special revenue funds:   |            |                |
| Total local revenues.....  |            | 1,522,400      |
| Total private revenues.....  |            | 742,800        |
| Total other state restricted revenues .....                          |            | 24,696,000     |
| State general fund/general purpose .....                             |            | \$ 55,243,600  |
| State general fund/general purpose schedule:                         |            |                |
| Ongoing state general fund/general purpose .....                     | 51,443,600 |                |
| One-time state general fund/general purpose .....                    | 3,800,000  |                |
| <b>Sec. 102. MILITARY</b>  |            |                |
| Full-time equated unclassified positions.....                        | 9.0        |                |
| Full-time equated classified positions .....                         | 334.0      |                |
| Unclassified positions—9.0 FTE positions .....                       |            | \$ 1,425,500   |

|  | For Fiscal Year<br>Ending Sept. 30,<br>2017 |
|--|---|
| Departmentwide accounts.....   | 1,839,100                                   |
| Headquarters and armories—78.0 FTE positions.....                        | 17,254,100                                  |
| Information technology services and projects.....                        | 1,384,600                                   |
| Michigan youth challenge academy—50.0 FTE positions .....                | 5,326,900                                   |
| Military family relief fund .....  | 600,000                                     |
| Military training sites and support facilities—205.0 FTE positions ..... | 33,793,000                                  |
| National Guard tuition assistance fund .....                             | 60,000                                      |
| National Guard tuition assistance program—1.0 FTE position .....         | 3,505,000                                   |
| National Guard operations.....   | 338,200                                     |
| Starbase grant .....   | 2,322,000                                   |
| <b>GROSS APPROPRIATION</b> .....   | <b>\$ 67,848,400</b>                        |
| Appropriated from:   |   |
| Interdepartmental grant and intradepartmental transfer revenues:         |   |
| Total interdepartmental grants and intradepartmental transfers .....     | 101,800                                     |
| Federal revenues:  |   |
| Total federal revenues.....  | 47,488,100                                  |
| Special revenue funds:   |   |
| Total local revenues.....  | 1,522,400                                   |
| Total private revenues.....  | 202,800                                     |
| Total other state restricted revenues .....                              | 6,551,800                                   |
| State general fund/general purpose .....                                 | \$ 11,981,500                               |
| <b>Sec. 103. MICHIGAN VETERANS AFFAIRS AGENCY</b>                        |   |
| Full-time equated classified positions .....                             | 209.5                                       |
| Board of managers (veterans homes) .....                                 | \$ 940,000                                  |
| D.J. Jacobetti home for veterans—164.5 FTE positions .....               | 21,250,600                                  |
| Michigan veterans trust fund administration—6.0 FTE positions.....       | 1,464,800                                   |
| Michigan veterans trust fund grants .....                                | 3,746,500                                   |
| MVAA administration—39.0 FTE positions .....                             | 7,057,300                                   |
| Targeted grants .....  | 200,000                                     |
| Veterans service grants .....  | 3,763,500                                   |
| <b>GROSS APPROPRIATION</b> .....   | <b>\$ 38,422,700</b>                        |
| Appropriated from:   |   |
| Federal revenues:  |   |
| Total federal revenues.....  | 8,305,600                                   |
| Special revenue funds:   |   |
| Total private revenues.....  | 540,000                                     |
| Total other state restricted revenues .....                              | 10,611,700                                  |
| State general fund/general purpose .....                                 | \$ 18,965,400                               |
| <b>Sec. 104. GRAND RAPIDS HOME FOR VETERANS</b>                          |   |
| Full-time equated classified positions .....                             | 355.0                                       |
| Veterans home operations.....  | \$ 6,135,400                                |
| Purchased services.....  | 10,342,600                                  |
| Salaries, wages, and fringe benefits—355.0 FTE positions .....           | 30,751,000                                  |
| <b>GROSS APPROPRIATION</b> .....   | <b>\$ 47,229,000</b>                        |
| Appropriated from:   |   |
| Federal revenues:  |   |
| Total federal revenues.....  | 20,999,900                                  |
| Special revenue funds:   |   |
| Total other state restricted revenues .....                              | 6,532,500                                   |
| State general fund/general purpose .....                                 | \$ 19,696,600                               |
| <b>Sec. 105. CAPITAL OUTLAY</b>  |   |
| Land and acquisitions.....   | \$ 1,000,000                                |
| Special maintenance - headquarters and armories.....                     | 15,300,000                                  |
| Special maintenance - veterans homes .....                               | 500,000                                     |
| Veterans homes planning .....  | 100   |
| <b>GROSS APPROPRIATION</b> .....   | <b>\$ 16,800,100</b>                        |



For Fiscal Year  
Ending Sept. 30,  
2017

|  |              |
|--|--------------|
| Appropriated from:                                   |              |
| Federal revenues:                                    |              |
| Total federal revenues.....                          | 15,000,000   |
| Special revenue funds:                               |              |
| Total other state restricted revenues .....          | 1,000,000    |
| State general fund/general purpose .....             | \$ 800,100   |
| <b>Sec. 106. ONE-TIME APPROPRIATIONS</b>             |              |
| Armory maintenance .....                             | \$ 2,500,000 |
| Grand Rapids home Medicaid certification pilot ..... | 1,000,000    |
| Homeless veterans .....                              | 300,000      |
| GROSS APPROPRIATION .....                            | \$ 3,800,000 |
| Appropriated from:                                   |              |
| State general fund/general purpose .....             | \$ 3,800,000 |

PART 2  
PROVISIONS CONCERNING APPROPRIATIONS  
FOR FISCAL YEAR 2016-2017

**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 2016-2017 is \$79,939,600.00 and state spending from state resources to be paid to local units of government for fiscal year 2016-2017 is \$102,400.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

**DEPARTMENT OF MILITARY AND VETERANS AFFAIRS**

|  |            |
|--|------------|
| Military training sites and support facilities ..... | \$ 52,400  |
| MVAA administration .....                            | \$ 50,000  |
| TOTAL.....   | \$ 102,400 |

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) "Core services" means that phrase as defined in section 373 of the management and budget act, 1984 PA 431, MCL 18.1373.
- (b) "Department" means the department of military and veterans affairs.
- (c) "Director" means the director of the department.
- (d) "DJJHV" means the D.J. Jacobetti home for veterans.
- (e) "FTE" means full-time equated.
- (f) "GRHV" means the Grand Rapids home for veterans.
- (g) "HVAC" means heating, ventilation, and air conditioning.
- (h) "MVAA" means the Michigan veterans affairs agency.
- (i) "Subcommittees" means the subcommittees of the senate and house appropriations committees with jurisdiction over the budget of the department.
- (j) "USDVA" means the United States Department of Veterans Affairs.
- (k) "USDVA-VHA" means the USDVA Veterans Health Administration.
- (l) "VSO" means veterans service organization.
- (m) "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. 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 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. 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. 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 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. 219. 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) A report on the status of performance metrics cited in this part and information required to be reported in this part.
- (d) The number of active employees at the close of the fiscal quarter by job classification and program.
- (e) Evidence of efficiencies and management of funds within established appropriations.

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) Board of managers (veterans homes).
- (l) Grand Rapids home for veterans.
- (m) D.J. Jacobetti home for veterans.

Sec. 225. 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. 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 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, 2016 and September 30, 2017.

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, 2017 are \$18,602,500.00. From this amount, total agency appropriations for pension-related legacy costs are estimated at \$10,314,600.00. Total agency appropriations for retiree health care legacy costs are estimated at \$8,287,900.00.

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 real property, the department shall submit notification of that intent to the subcommittees and the senate and house fiscal agencies.

Sec. 234. The one-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.

Sec. 240. In addition to the metrics required under section 447 of the management and budget act, 1984 PA 431, MCL 18.1447, for each new program or program enhancement for which funds in excess of \$500,000.00 are appropriated in part 1, the department shall provide not later than November 1, 2016 a list of program-specific metrics intended to measure its performance based on a return on taxpayer investment. The department shall deliver the program-specific metrics to members of the senate and house subcommittees that have subject matter jurisdiction for this budget, fiscal agencies, and the state budget director. The department shall provide an update on its progress in tracking program-specific metrics and the status of program success at an appropriations subcommittee meeting called for by the subcommittee chair.

#### **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; chief executive officer for the veteran health system; 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.

#### **ARMORIES AND JOINT FORCE READINESS**

Sec. 302. (1) From the funds appropriated in part 1 for military operations, effective and efficient executive direction and administrative leadership shall be provided to the department.

(2) The department shall operate and maintain National Guard armories.

(3) The department shall evaluate armories and submit a quarterly report on the status of the armories.

(4) The department shall maintain a system to measure the condition and adequacy of the armories.

(5) 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.

(6) By December 1, the department shall report the following information to the subcommittees, the senate and house fiscal agencies, and the state budget office:

(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 use of armories shared with other local, state, or federal agencies to improve responses 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.

Sec. 305. There is hereby created and established under the jurisdiction and control of the department a revolving account to be known as the billeting fund account. All of the fees and other revenues generated from the operation of the chargeable transient quarters program shall be deposited in the billeting fund account. Appropriations will be made from the account for the support of program operations and the maintenance and operations of the chargeable transient quarters program and will not exceed the estimated revenues for the fiscal year in which they are made, together with unexpended balances from prior years. The department shall submit an annual report of operations and expenditures regarding the billeting fund account to the appropriations committees of the senate and house of representatives, the house and senate fiscal agencies, and the state budget office at the end of the fiscal year.

**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 health and human services to identify youth who may be eligible for the challenge program from those youth served by department of health and 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 grant applications this fiscal year under the Michigan military relief fund and report those applications as provided in section 219.

**STARBASE GRANT**

Sec. 309. 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, primarily in the fifth grade, in math, science, and technology. The starbase program is to specifically target minority and at-risk students for participation.

**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 increase 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 to determine whether the percentage of authorized Michigan Air and Army National Guard strength obtained and retained is competitive in comparison with the neighboring air and army national guards from the states of Illinois, Indiana, Ohio, and Wisconsin.

(4) From the funds appropriated in part 1, the National Guard tuition assistance program shall be supported with revenue from the Michigan national guard tuition assistance fund created in section 4 of the Michigan national guard tuition assistance act, 2014 PA 259, MCL 32.434. As provided in section 4 of the Michigan national guard tuition assistance act, 2014 PA 259, MCL 32.434, unexpended funds remaining in the Michigan national guard tuition assistance fund at the end of the fiscal year shall not lapse to the general fund.

#### **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 interdepartmental grant 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 MVAA 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 Michigan's population of veterans, as assessed by annual census estimates, with a goal of reaching 100% and enabling 100% to access benefit information online.

(b) Communicate veteran benefit information pertaining to the Michigan military family relief fund, Michigan veterans' trust fund, and USDVA 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.

(d) Continue the process to digitize all medical records, military discharge documents, and burial records that are currently on paper and microfilm.

(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 this state.

(ii) A summary of the activities and strategies developed to date under the MVAA community assessment and regional service delivery model pilot.

(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 VSOs 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 health and human services and the department of corrections.

(iii) Coordinate with regional workforce and economic development agencies.

(iv) Coordinate activities among local foundations, nonprofit 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 the provision of information relating to mental health care resources into their daily operations to aid veterans in understanding the mental health care support services they may be eligible to receive.

(d) The MVAA shall coordinate with the department of health and human services to identify Medicaid recipients who are veterans and who may be eligible for federal veterans health care benefits or other benefits, to the extent that the identification does not violate applicable confidentiality requirements.

(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, 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 USDVA for the health, financial, and memorial benefits for which they are eligible, and shall do all of the following:

(a) Report the following information as provided in section 219:

(i) The number of benefit claims, by type, submitted to the USDVA by MVAA and coalition partner veteran service officers.

(ii) The number of fully developed claims, submitted to the USDVA, with an overall goal of 40% of benefit claims submitted that are considered fully developed by the USDVA.

(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 information as provided in section 219 on the number and percentage of county veterans counselors requesting training by the MVAA, with an overall goal of 100% of county veterans counselors trained.

(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) From the funds appropriated in part 1 for MVAA, the MVAA is authorized to expend up to \$50,000.00 to hire legal services to represent veterans benefit cases before federal court to maintain accreditation under 38 CFR 14.628(d)(1)(iv).

#### **VETERANS SERVICE ORGANIZATION 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 organization 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 service organization grants awarded by the MVAA 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 service hours provided to eligible incarcerated veterans within 1 year of their earliest release date.

(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 organization 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 USDVA by veterans service organizations, with an overall goal of 40% of benefit claims submitted that are considered fully developed by the USDVA.

#### **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.

(3) Any funds not expended or encumbered at the end of the current fiscal year shall be deposited into the Michigan veterans' trust fund corpus.

**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 AND D.J. JACOBETTI HOMES FOR VETERANS**

Sec. 501. (1) The MVAA and the board of managers shall provide compassionate and quality nursing and domiciliary care services at the Grand Rapids and D.J. Jacobetti homes for veterans so that members can achieve their highest potential of wellness, independence, self-worth, and dignity.

(2) The department shall provide resources necessary to provide nursing care services to veterans in accordance with federal standards and provide the results of the annual USDVA survey and certification as proof of compliance.

(3) Appropriations in part 1 for the Grand Rapids and the D.J. Jacobetti homes for veterans shall not be used for any purpose other than for veterans and veterans' families.

(4) Any contractor providing competency evaluated nursing assistants (CENA) to the Grand Rapids home for veterans shall ensure that each CENA has at least 8 hours of training on information provided by the home.

(5) Any contractor providing competency evaluated nursing assistants to the Grand Rapids home for veterans shall ensure that each CENA has at least 1 eight-hour shift of shadowing at the veterans' home.

(6) Any contractor providing competency evaluated nursing assistants to the Grand Rapids home for veterans shall ensure that each CENA is competent in the basic skills needed to perform his or her assigned duties at the home.

(7) The Grand Rapids home for veterans shall provide each CENA at least 12 hours of in-service training once that individual has been assigned to the home.

(8) All complaints of abusive or neglectful care at the Grand Rapids and the D.J. Jacobetti homes for veterans by a resident member, a resident member's family or legal guardian, or staff of the veterans' homes, received by a supervisor shall be referred to the director of nursing or his or her designee upon receipt of such complaint. The director of nursing or his or her designee 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 and the D.J. Jacobetti homes for veterans.

(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.

(9) The Grand Rapids and D.J. Jacobetti homes for veterans 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 and D.J. Jacobetti homes for veterans shall provide all members and staff a safe and secure environment.

(10) The Grand Rapids and D.J. Jacobetti homes for veterans shall ensure that they effectively develop, execute, and monitor all comprehensive care plans in accordance with federal regulations and their internal policies, with a goal that a comprehensive care plan is fully developed for all resident members.

(11) The Grand Rapids and D.J. Jacobetti homes for veterans shall implement controls over their food, maintenance supplies, pharmaceuticals, and medical supplies inventories.

(12) The Grand Rapids and D.J. Jacobetti homes for veterans 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 and D.J. Jacobetti homes for veterans shall establish sufficient controls to ensure that all past due resident member maintenance assessments are addressed within 30 days.

(13) The Grand Rapids and D.J. Jacobetti homes for veterans shall establish sufficient controls over monetary donations and donated goods.

(14) The Grand Rapids and D.J. Jacobetti homes for veterans 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.

(15) 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.

(16) The process by which visitors, residents, and employees of the Grand Rapids and D.J. Jacobetti homes for veterans may register complaints shall be displayed in high-traffic areas throughout the home.

(17) The MVAA shall report its findings regarding the state veterans' homes' compliance with the requirements and standards under this section in a quarterly report to the legislature and the state budget office. The quarterly reports shall include, but are not limited to, the following information:

(a) Quality of care metrics, including:

(i) The number of patient care hours and staffing levels measured against USDVA-VHA standards.

(ii) Sentinel events reported to the USDVA.  
 (iii) Fall and wound reports.  
 (iv) Complaint reports, including abuse and neglect complaints and outcomes of complaint investigations.  
 (v) Additional minimum data set quality of care indicators used to measure quality of care in long-term care facilities.  
 (b) Quarterly budget update.  
 (c) An accounting of resident member populations at the Grand Rapids and D.J. Jacobetti homes for veterans as follows:

(i) By demographics, including period of service, gender, and age.  
 (ii) By care setting, payment source, and associated revenue projections.  
 (d) Updates related to the modernization of the Grand Rapids and D.J. Jacobetti homes for veterans, including information related to the following:  
 (i) Infrastructure/capital outlay improvements.  
 (ii) Information technology updates.  
 (iii) Financial management.  
 (e) Updates on corrective action status related to any audit and survey findings until such findings have been fully addressed.

(18) The Grand Rapids and D.J. Jacobetti homes for veterans 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 USDVA-VHA and any corresponding corrective action plan. This information shall also be made available publicly through the department's or MVAA's website.

(19) The MVAA shall provide to the legislature and the state budget office quarterly reports regarding the status of Medicaid certification efforts, including, but not limited to, descriptions of incremental milestones, associated expenditures, and the percent of plan completed.

Sec. 502. (1) From the increased funds appropriated in part 1 for the D.J. Jacobetti home for veterans, the department shall pursue compliance with current Centers for Medicare and Medicaid Services certification standards by the end of the current fiscal year. The purpose of this expansion will be to obtain Medicaid certification during fiscal year 2016-2017, to increase the ability to fully utilize all federal funding available to cover the cost of care of eligible veterans living at DJJHV, and to improve overall quality of care for all veterans living at DJJHV.

(2) The department shall identify specific outcomes and performance measures for this initiative, including, but not limited to, the following:

(a) The quality of care to members of DJJHV shall increase as a result of increased direct care staffing ratios.  
 (b) The quality of the care environment at DJJHV shall increase as a result of facility updates made according to Medicaid specifications to increase members' access to private and semi-private accommodations.  
 (c) The quality of care for members of DJJHV shall increase as a result of increased ability efforts to implement long-term care evidence-based best practices at DJJHV.  
 (d) The collection of available federal Medicaid revenue shall increase as a result of Medicaid certification.  
 (e) The fiscal stability of DJJHV shall improve due to increased efforts to collect available federal revenue.

Sec. 503. The department shall ensure that the quality of care for members of the Grand Rapids and D.J. Jacobetti homes for veterans shall exceed the current quality of care for the full spectrum of health care services as a result of the upgrades made to the homes to meet the Centers for Medicare and Medicaid Services certification standards. The department shall provide a quarterly report to the subcommittees which contains evidence that the quality of care for the full spectrum of health care services has improved due to those upgrades.

#### **BOARD OF MANAGERS (VETERANS HOMES)**

Sec. 504. The board of managers shall exercise certain regulatory and governance authority regarding admission and member affairs at the Grand Rapids and D.J. Jacobetti homes for veterans. 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, including armories, 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 date 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 section 501 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 date of current and planned special maintenance projects at the Grand Rapids home for veterans and D.J. Jacobetti home for veterans 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.

**VETERANS' HOMES PLANNING**

Sec. 605. (1) Funds appropriated in part 1 for veterans' homes planning shall be used for the purposes of improving this state's services in providing homes for veterans, which includes, but is not limited to, the following:

(a) Developing a long-term plan for this state's veterans' homes.

(b) The acquisition of land or facilities for the purpose of expanding upon existing veterans' homes or creating new veterans' homes.

(c) Constructing 1 or more new veterans' homes.

(d) Renovation of an existing veterans' home, in whole or in part, or its associated facilities and infrastructure.

(2) The department shall issue a report quarterly regarding the progress of any project undertaken utilizing funds appropriated for veterans' homes planning to the chairs of the house and senate standing committees on appropriations, the subcommittees, and the house and senate fiscal agencies.

**ONE-TIME APPROPRIATIONS****ARMORY MAINTENANCE**

Sec. 701. (1) The appropriations in part 1 for armory 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.

(2) The appropriations for armory maintenance 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, including armories.

**PART 2A****PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS  
FOR FISCAL YEAR 2017-2018****GENERAL SECTIONS**

Sec. 1201. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, 2018 for the line items listed in part 1. The fiscal year 2017-2018 appropriations are anticipated to be the same as those for fiscal year 2016-2017, excluding appropriations designated as one-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 2017 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 to the subcommittees at quarterly legislative hearings.

Sec. 1203. The veterans affairs agency shall maintain a minimum 50% fully developed claims as determined by the USDVA.

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

A bill to make appropriations for the department of military and veterans affairs for the fiscal year ending September 30, 2017; and to provide for the expenditure of the appropriations.

Larry C. Inman  
Nancy E. Jenkins  
Conferees for the House

Mike Nofs  
Patrick Colbeck  
David Knezek  
Conferees for the Senate



**First Conference Report**

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

**House Bill No. 5263, entitled**

A bill to make appropriations for the department of state police for the fiscal year ending September 30, 2017; and to provide for the expenditure of the appropriations.

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 appropriations for the department of state police for the fiscal year ending September 30, 2017; and to provide for the expenditure of the appropriations.

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

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of state police for the fiscal year ending September 30, 2017, from the following funds:

**DEPARTMENT OF STATE POLICE**

APPROPRIATION SUMMARY

|  |               |                |
|--|---------------|----------------|
| Full-time equated unclassified positions.....                        | 3.0           |                |
| Full-time equated classified positions .....                         | 3,226.0       |                |
| <b>GROSS APPROPRIATION</b> .....                                     |               | \$ 649,476,100 |
| Interdepartmental grant and intradepartmental transfer revenues:     |               |                |
| Total interdepartmental grants and intradepartmental transfers ..... |               | 26,580,400     |
| <b>ADJUSTED GROSS APPROPRIATION</b> .....                            |               | \$ 622,895,700 |
| Federal revenues:  |               |                |
| Total federal revenues.....  |               | 87,967,800     |
| Special revenue funds:   |               |                |
| Total local revenues.....  |               | 5,828,500      |
| Total private revenues.....  |               | 78,100         |
| Total other state restricted revenues .....                          |               | 126,358,500    |
| State general fund/general purpose .....                             |               | \$ 402,662,800 |
| State general fund/general purpose schedule:                         |               |                |
| Ongoing state general fund/general purpose .....                     | \$393,962,800 |                |
| One-time state general fund/general purpose .....                    | 8,700,000     |                |

**Sec. 102. EXECUTIVE DIRECTION AND DEPARTMENTAL SERVICES**

|   |       |               |
|---|-------|---------------|
| Full-time equated unclassified positions.....     | 3.0   |               |
| Full-time equated classified positions .....      | 103.0 |               |
| Unclassified positions—3.0 FTE positions .....    |       | \$ 600,200    |
| Information technology services and projects..... |       | 24,425,900    |
| Departmentwide.....                               |       | 38,607,700    |
| Departmental services—46.0 FTE positions .....    |       | 7,001,900     |
| Executive direction—57.0 FTE positions.....       |       | 8,015,800     |
| <b>GROSS APPROPRIATION</b> .....                  |       | \$ 78,651,500 |

Appropriated from:

|  |  |               |
|--|--|---------------|
| Interdepartmental grant and intradepartmental transfer revenues:     |  |               |
| Total interdepartmental grants and intradepartmental transfers ..... |  | 776,500       |
| Federal revenues:  |  |               |
| Total federal revenues.....  |  | 1,328,000     |
| Special revenue funds:   |  |               |
| Total local revenues.....  |  | 1,133,100     |
| Total other state restricted revenues .....                          |  | 12,619,500    |
| State general fund/general purpose .....                             |  | \$ 62,794,400 |

**Sec. 103. LAW ENFORCEMENT SERVICES**

|   |       |              |
|---|-------|--------------|
| Full-time equated classified positions .....                  | 505.0 |              |
| Biometrics and identification—51.0 FTE positions .....        |       | \$ 8,145,400 |
| Criminal justice information center—133.0 FTE positions ..... |       | 18,485,400   |
| Forensic science—248.0 FTE positions .....                    |       | 41,556,700   |

|  | For Fiscal Year<br>Ending Sept. 30,<br>2017 |
|--|---|
| Grants and community services—17.0 FTE positions .....                   | 17,584,000                                  |
| Training—56.0 FTE positions .....  | 13,030,600                                  |
| GROSS APPROPRIATION .....  | \$ 98,802,100                               |
| Appropriated from:   |   |
| Interdepartmental grant and intradepartmental transfer revenues:         |   |
| Total interdepartmental grants and intradepartmental transfers .....     | 6,216,500                                   |
| Federal revenues:  |   |
| Total federal revenues.....  | 17,261,400                                  |
| Special revenue funds:   |   |
| Total local revenues.....  | 915,300                                     |
| Total other state restricted revenues .....                              | 35,084,000                                  |
| State general fund/general purpose .....                                 | \$ 39,324,900                               |
| <b>Sec. 104. MICHIGAN COMMISSION ON LAW ENFORCEMENT STANDARDS</b>        |   |
| Full-time equated classified positions .....                             | 18.0  |
| Standards and training/justice training grants—14.0 FTE positions.....   | \$ 9,094,500                                |
| Training only to local units—3.0 FTE positions.....                      | 654,100                                     |
| Public safety officers benefit program—1.0 FTE position.....             | 151,100                                     |
| GROSS APPROPRIATION .....  | \$ 9,899,700                                |
| Appropriated from:   |   |
| Federal revenues:  |   |
| Total federal revenues.....  | 175,700                                     |
| Special revenue funds:   |   |
| Total other state restricted revenues .....                              | 8,830,700                                   |
| State general fund/general purpose .....                                 | \$ 893,300                                  |
| <b>Sec. 105. FIELD SERVICES</b>  |   |
| Full-time equated classified positions .....                             | 2,089.0                                     |
| Investigative services—150.5 FTE positions.....                          | \$ 28,626,500                               |
| Secure cities partnership—30.0 FTE positions .....                       | 7,718,000                                   |
| Roadside saliva testing pilot project.....                               | 100   |
| Post operations—1,908.5 FTE positions .....                              | 279,967,400                                 |
| GROSS APPROPRIATION .....  | \$ 316,312,000                              |
| Appropriated from:   |   |
| Interdepartmental grant and intradepartmental transfer revenues:         |   |
| Total interdepartmental grants and intradepartmental transfers .....     | 6,776,800                                   |
| Federal revenues:  |   |
| Total federal revenues.....  | 6,590,000                                   |
| Special revenue funds:   |   |
| Total local revenues.....  | 2,079,000                                   |
| Total other state restricted revenues .....                              | 44,556,900                                  |
| State general fund/general purpose .....                                 | \$ 256,309,300                              |
| <b>Sec. 106. SPECIALIZED SERVICES</b>                                    |   |
| Full-time equated classified positions .....                             | 511.0                                       |
| Hazardous materials programs—25.0 FTE positions .....                    | \$ 35,114,400                               |
| Commercial vehicle enforcement and inspections—194.0 FTE positions ..... | 24,199,100                                  |
| Commercial vehicle regulation—22.0 FTE positions.....                    | 4,179,600                                   |
| Emergency management and homeland security—60.0 FTE positions .....      | 14,933,800                                  |
| Highway safety planning—26.0 FTE positions.....                          | 16,130,000                                  |
| Special operations—183.0 FTE positions .....                             | 31,485,900                                  |
| Secondary road patrol program—1.0 FTE position .....                     | 11,068,000                                  |
| GROSS APPROPRIATION .....  | \$ 137,110,800                              |
| Appropriated from:   |   |
| Interdepartmental grant and intradepartmental transfer revenues:         |   |
| Total interdepartmental grants and intradepartmental transfers .....     | 12,810,600                                  |
| Federal revenues:  |   |
| Total federal revenues.....  | 62,612,700                                  |

|   | For Fiscal Year<br>Ending Sept. 30,<br>2017 |
|---|---|
| Special revenue funds:                                  |   |
| Total local revenues.....                               | 1,701,100                                   |
| Total private revenues.....                             | 78,100                                      |
| Total other state restricted revenues.....              | 25,267,400                                  |
| State general fund/general purpose .....                | \$ 34,640,900                               |
| <b>Sec. 107. ONE-TIME APPROPRIATIONS</b>                |   |
| Trooper recruit school .....                            | \$ 3,200,000                                |
| Sexual assault prevention and education initiative..... | 500,000                                     |
| Advanced 9-1-1 .....                                    | 2,200,000                                   |
| Michigan International Speedway traffic control .....   | 800,000                                     |
| School safety initiative .....                          | 2,000,000                                   |
| GROSS APPROPRIATION.....                                | \$ 8,700,000                                |
| Appropriated from:                                      |   |
| State general fund/general purpose .....                | \$ 8,700,000                                |

PART 2  
PROVISIONS CONCERNING APPROPRIATIONS  
FOR FISCAL YEAR 2016-2017

**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 2016-2017 is \$529,021,300.00 and state spending from state resources to be paid to local units of government for fiscal year 2016-2017 is \$17,198,900.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF STATE POLICE

|  |               |
|--|---------------|
| Michigan Commission on law enforcement standards ..... | \$ 3,559,700  |
| Specialized services.....                              | 681,900       |
| Secondary road patrol program .....                    | 10,957,300    |
| School safety initiative .....                         | 2,000,000     |
| TOTAL.....   | \$ 17,198,900 |

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) "CJIS" means Criminal Justice Information Systems.
- (b) "Core service" 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 state police.
- (d) "Director" means the director of the department.
- (e) "DNA" means deoxyribonucleic acid.
- (f) "DTMB" means the department of technology, management, and budget.
- (g) "MCOLES" means the Michigan commission on law enforcement standards.
- (h) "Subcommittees" means the subcommittees of the senate and house standing committees on appropriations with jurisdiction over the budget for the department.
- (i) "Support service" means an activity required to support the ongoing delivery of core services.

Sec. 204. The following are the appropriations from part 1 for interdepartmental grant funds received by the department from sources outside the department: \$2,858,700.00 from training academy charges; \$344,200.00 from the department of corrections contract; \$369,900.00 from the department of state; \$11,627,600.00 from the department of transportation - state trunkline funds; \$6,174,100.00 from casino gaming fees; \$689,900.00 from the department of treasury - emergency telephone fund coordinator; and \$750,800.00 from the department of treasury - emergency telephone fund operations.

Sec. 204a. (1) The following are the appropriations from part 1 for interdepartmental grant funds made from the department to other departments:

|   |            |
|---|------------|
| Attorney general - operations .....     | \$ 257,300 |
| Environmental quality.....              | 1,744,500  |
| Military and veterans affairs .....     | 101,800    |
| DTMB - building occupancy charges ..... | 8,770,100  |
| DTMB - accounting service center.....   | 1,058,500  |
| DTMB - information technology .....     | 24,425,900 |

(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. 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 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.

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 or supplies, or both.

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. 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 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 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 information required to be reported in this part, reasons for nonachievement of metric targets, and proposed corrective actions.

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 security operations.

- (b) Training.
- (c) Michigan commission on law enforcement standards.
- (d) Criminal justice information systems.
- (e) Forensic analysis and biometric identification.
- (f) General law enforcement and criminal investigations.
- (g) Special operations.
- (h) Commercial vehicle regulation and enforcement.
- (i) Emergency management and homeland security.
- (j) Highway safety planning.
- (k) 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 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. 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 services provided 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 appropriation lapses by major departmental program or program areas. The report shall be transmitted to 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, 2016 and September 30, 2017.

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 on matters pertaining to the Michigan public safety communications system and shall 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, 2017 are \$133,307,100.00. From this amount, total agency appropriations for pension-related legacy costs are estimated at \$71,007,700.00. Total agency appropriations for retiree health care legacy costs are estimated at \$62,299,400.00.

Sec. 238. 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.

Sec. 240. In addition to the metrics required under section 447 of the management and budget act, 1984 PA 431, MCL 18.1447, for each new program or program enhancement for which funds in excess of \$500,000.00 are appropriated in part 1, the department shall provide not later than November 1, 2016 a list of program-specific metrics intended to measure its performance based on a return on taxpayer investment. The department shall deliver the program-specific metrics to members of the senate and house subcommittees that have subject matter jurisdiction for this budget, fiscal agencies, and the state budget director. The department shall provide an update on its progress in tracking program-specific metrics and the status of program success at an appropriations subcommittee meeting called for by the subcommittee chair.

Sec. 241. (1) Federal revenues authorized by and available from the federal government in excess of the appropriation in part 1 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).



**EXECUTIVE DIRECTION AND DEPARTMENTAL SERVICES**

Sec. 301. (1) The department shall provide security services at the State Capitol Complex facilities and the State Secondary Complex 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 State Capitol Complex, State Secondary Complex, House Office Building, Farnum Building, Capitol parking lot, Townsend Parking Ramp, the Roosevelt Parking Ramp, and other areas as directed.

(3) The department may develop a phased approach for improving security at the Capitol Building.

(4) The department shall maintain a goal of annually conducting 35,000 property inspections of state owned and leased facilities.

**LAW ENFORCEMENT SERVICES**

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.

(2) The department shall provide performance data as provided under section 219 for average classroom occupancy rate, with an annual goal of at least 55%.

(3) 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, motor carrier, or state properties security recruit school. The report shall include the following:

(a) The number of veterans and the number of MCOLES-certified police officers who were admitted to and the number who graduated from the recruit school.

(b) The total number of recruits who were admitted to the school, the number of recruits who graduated from the school, and the location at which each of these recruits is assigned.

(4) The department shall distribute and review course evaluations to ensure that quality training is provided.

Sec. 402. (1) In accordance with applicable state and federal laws and regulations, the department shall maintain and ensure compliance with CJIS databases and applications in the support of public safety and law enforcement communities.

(2) 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.

(3) The department shall provide for the compilation of crime statistics consistent with the uniform crime reporting (UCR) program and the national incident-based report system (NIBRS).

(4) The department shall provide for the compilation and evaluation of traffic crash reports and the maintenance of the state accident data collection system.

(5) 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.

(6) In accordance with applicable state and federal laws and regulations, the department shall provide for the maintenance and dissemination of criminal history records and juvenile records, including 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.

(7) In accordance with applicable state and federal laws, the department shall provide for the maintenance of records, including criminal history records regarding firearms licensure.

(8) The department shall provide to the legislature a report on concealed pistol licensing not later than December 1, 2017 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 2016-2017 and the uses of that revenue.

(b) The department's fiscal year 2016-2017 costs for administering its concealed pistol licensing responsibilities under 1927 PA 372, MCL 28.421 to 28.435, but not including costs related to the administration of other state statutes, or requirements of federal law.

(9) The department shall maintain the staff and resources necessary to maintain the sex offender registry and enforce the registration requirements as provided by law.

(10) The department shall provide information on the number of background checks processed through the Internet criminal history access tool (ICHAT) as provided in section 219.

(11) The following unexpended and unencumbered revenues deposited into the criminal justice information service fee fund shall not lapse to the general fund, but shall be carried forward into the subsequent fiscal year:

(a) Fees for fingerprinting and criminal record checks and name-based criminal record checks pursuant to 1935 PA 120, MCL 28.271 to 28.273.

(b) Fees for application and licensing for initial and renewal concealed pistol licenses pursuant to 1927 PA 372, MCL 28.421 to 28.435.

(c) Fees for searching, copying, and providing public records pursuant to the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(d) Revenue from other sources, including, but not limited to, investment and interest earnings.

(12) Unexpended and unencumbered revenue generated by state records management system fees shall not lapse to the general fund, but shall be carried forward into the subsequent fiscal year.

Sec. 403. (1) The department shall provide forensic testing services to aid in criminal investigations.

(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, 2017.

(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 forensic laboratory services with a goal of decreasing firearms backlog annually until the department maintains a 30-day turnaround time across all disciplines.

(6) The department shall maintain the staffing and resources necessary to provide forensic laboratory services with a goal of decreasing toxicology backlog annually until the department maintains a 30-day turnaround time across all disciplines.

(7) The department shall provide for the forensic testing and analysis/profiling of DNA evidence to aid criminal investigations by law enforcement agencies in this state.

(8) 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.

(9) The department shall maintain the staffing and resources necessary to provide DNA analysis services with a goal of decreasing backlogs of biology/DNA cases annually until the department maintains a 30-day turnaround time across all disciplines.

Sec. 404. (1) The biometrics and identification division shall house and manage the automated fingerprint identification system, the statewide network of agency photographs, and combined offender DNA index system biometric databases.

(2) The department shall provide data on the number of 10-print and palm-print submissions to the 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.

Sec. 405. Not later than October 31 of the subsequent fiscal year, the department shall submit a report to the subcommittees and senate and house fiscal agencies that includes, but is not limited to, all of the following information:

(a) Sexual assault kit analysis backlog at the beginning of the current fiscal year.

(b) The number of sexual assault kits collected or submitted for analysis during the current fiscal year.

(c) The number of sexual assault kits analyzed and the number of associated DNA profiles created and uploaded during the current fiscal year.

(d) Sexual assault kit analysis backlog at the ending of the current fiscal year.

(e) The average turnaround time to analyze sexual assault kits and to create and upload associated DNA profiles for the current fiscal year.

Sec. 406. The department shall provide administrative support for the following grant and community service programs:

(a) The operations of the automobile theft prevention authority.

(b) Administration of the Edward Byrne memorial justice assistance program and other grant programs as well as the department's community policing efforts.

(c) Oversight and administration of 9-1-1 operations statewide.

#### **MICHIGAN COMMISSION ON LAW ENFORCEMENT STANDARDS**

Sec. 501. (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.

(2) MCOLES shall maintain staffing and resources necessary to update law enforcement standards within 120 days of the enactment date of any new legislation.

#### **FIELD SERVICES**

Sec. 601. (1) 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 making every effort to protect all residents of this state.

(2) The department shall maintain the staffing and resources necessary to continually work to enhance traffic safety throughout this state and shall dedicate a minimum of 400,000 hours to statewide patrol, of which a minimum of 40,000 shall be committed to distressed cities in this state, and 4,000 shall be committed to Belle Isle. The department shall

work to improve public safety efforts within distressed cities by enhancing data analysis capabilities and identifying crime trends and areas with high occurrence of crime.

(3) The department shall maintain the staffing and resources necessary to perform activities to maintain a 93% compliance rate for reporting by registered sex offenders.

(4) The department shall submit a report on or before December 1 to the subcommittees and senate and house fiscal agencies regarding the secure cities partnership during the prior fiscal year.

Sec. 602. (1) The department shall identify and apprehend criminals through criminal investigations in this state.

(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 62%.

(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, legal issues, and opioid-related investigations.

(5) The department shall maintain the staffing and resources necessary to increase the number of opioid-related investigations by 20% above the number of such investigations conducted in the 2014-2015 fiscal year conducted by multijurisdictional task forces and hometown security teams. The department shall work to enhance investigative and drug interdiction efforts by enhancing data analysis capabilities and linking investigations among multijurisdictional task forces and hometown security teams.

Sec. 603. (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, the senate and house fiscal agencies, and the state budget office 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.

Sec. 604. (1) The department shall provide fire investigation services to citizens of this state through training and investigative assistance to public safety agencies in this state.

(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**

Sec. 701. (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.

(3) 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.

(4) 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.

(5) The canine unit shall be available for call out statewide 100% of the time.

(6) The bomb squad unit shall be available for call out statewide 100% of the time.

(7) The emergency support teams shall be available for call out statewide 100% of the time.

(8) The underwater recovery unit shall be available for call out statewide 100% of the time.

(9) Aviation services shall be available for call out statewide 100% of the time, unless prohibited by weather or unexpected mechanical breakdowns.

(10) The department shall maintain the staffing and resources necessary to support the cyber section, including the Michigan cyber command center, the computer crimes unit, and the Internet crimes against children task force. The department shall maintain the staffing and resources necessary to increase the number of cases completed by the computer crimes unit by 20% above the number of cases completed in the 2014-2015 fiscal year. The unit shall pursue process improvement initiatives to effectively utilize staff resources in providing investigatory assistance and evidentiary analysis for law enforcement and criminal justice agencies statewide.

Sec. 702. (1) The department shall maintain commercial vehicle regulation, school bus inspections, and enforcement activities, including enforcement of requirements concerning size, weight, and load restrictions; operating authority; registration; fuel taxes; transportation of hazardous materials; operations of new entrants; and commercial driver's licenses.

(2) The department shall maintain the staffing and resources necessary to meet inspection goals consistent with the department's federal motor carrier assistance program activities.



(3) Revenue collected under the motor carrier act, 1933 PA 254, MCL 475.1 to 479.42, shall be expended in accordance with that act. Unexpended and unencumbered revenues shall not lapse to the general fund but shall be carried forward into the subsequent fiscal year.

Sec. 703. (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.

(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 an amount necessary 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. If expenditures are made from the disaster and emergency contingency fund during a month, the department shall submit monthly reports to the house and senate fiscal agencies detailing the purpose of the expenditures. These monthly reports shall be submitted within 30 days after the end of the month during which funds from the disaster and emergency contingency fund were expended.

(9) Upon the declaration of a state of emergency or disaster by the governor pursuant to section 3 of the emergency management act, 1976 PA 390, MCL 30.403, approval of the state budget director, and notification of the subcommittees and house and senate fiscal agencies, the director may expend funds appropriated from any source to any line item within part 1 for the purpose of paying the necessary and reasonable expenses incurred by the department in responding to or mitigating the effects of any emergency or disaster as those terms are defined in section 2 of the emergency management act, 1976 PA 390, MCL 30.402.

Sec. 704. The department shall provide for the planning, administration, and implementation of highway traffic safety programs to save lives and reduce injuries on Michigan roads in partnership with other public and private organizations.

#### **SECONDARY ROAD PATROL PROGRAM**

Sec. 801. (1) The department shall provide funding to county sheriff departments to patrol secondary roads.

(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 funded 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 on an annual basis.

#### **ONE-TIME APPROPRIATIONS**

Sec. 901. (1) Funding appropriated in part 1 for the school safety initiative shall be used to provide and administer competitive grants to public or nonpublic schools, school districts, and intermediate school districts to purchase technology and equipment and to conduct assessments to improve the safety and security of school buildings, students, and staff.

(2) The department shall issue grant guidance and application materials including required performance measures no later than November 1, 2016 and shall issue awards no later than February 28, 2017.

(3) The department shall report on grant activities to the subcommittees and the state budget office by December 1, 2017, including performance outcomes as identified in individual grant agreements.

Sec. 902. (1) Funding provided in part 1 for the sexual assault prevention and education initiative shall be used to provide and administer grants to public or nonpublic community colleges, colleges, and universities with a physical presence in the state to address campus sexual assault issues to improve the safety and security of students, faculty, and staff in campus environments in the state.

(2) Grant funds awarded shall support sexual assault programs, including education, awareness, prevention, reporting, and bystander intervention programs.

(3) The department shall issue awards no later than December 1, 2016, with a grant period of 1 year.

(4) The department shall report on grant activities to the subcommittees and the state budget office by February 28, 2018.

(5) Unexpended and appropriations in part 1 for the sexual assault prevention and education initiative are designated as work project appropriations. Any unencumbered or unallotted funds at the end of the fiscal year shall be 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 project is to provide grants for sexual assault education, awareness, prevention, reporting, and bystander intervention programs.

(b) The project will be accomplished by grants to eligible community colleges, colleges, and universities.

(c) The total estimated cost of the project is \$500,000.00.

(d) The estimated completion date is September 30, 2018.

Sec. 903. Funding appropriated in part 1 for advanced 9-1-1 shall be used to support the costs for the administration and initial implementation of a supplemental 9-1-1 database that allows public safety answering points to view voluntarily disclosed information relevant to the 9-1-1 caller, including information on properties and household members, that would assist first responders in providing emergency services to the caller. The implementation of the database among public safety answering points and the funding for this purpose shall be overseen and administered by the office of the state 9-1-1 coordinator. Funds shall be payable by the office to a vendor based upon the number of public safety answering points implementing a supplemental database. Public safety answering points choosing to implement a supplemental database shall begin implementation by not later than October 1, 2018 to be eligible for funds provided under this section. Funds appropriated for advanced 9-1-1 shall be considered a work project, and unexpended and unencumbered funds shall be carried forward into the subsequent fiscal year.

#### **PART 2A**

#### **PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS FOR FISCAL YEAR 2017-2018**

#### **GENERAL SECTIONS**

Sec. 1201. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, 2018 for the line items listed in part 1. The fiscal year 2017-2018 appropriations are anticipated to be the same as those for fiscal year 2016-2017, excluding appropriations designated as one-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 2017 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 appropriations for the department of state police for the fiscal year ending September 30, 2017; and to provide for the expenditure of the appropriations.

Aaron Miller  
Nancy E. Jenkins  
Jeff Irwin  
Conferees for the House

Mike Nofs  
David Knezek  
Conferees for the Senate

**First Conference Report**

The Committee of Conference on the matters of difference between the two Houses concerning **House Bill No. 5268, entitled**

A bill to make appropriations for the department of agriculture and rural development for the fiscal year ending September 30, 2017; and to provide for the expenditure of the appropriations.

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 appropriations for the department of agriculture and rural development for the fiscal year ending September 30, 2017; and to provide for the expenditure of the appropriations.

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

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, 2017, from the following funds:

**DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT**

**APPROPRIATION SUMMARY**

|  |       |                      |
|--|-------|----------------------|
| Full-time equated unclassified positions.....                        | 6.0   |                      |
| Full-time equated classified positions .....                         | 473.0 |                      |
| <b>GROSS APPROPRIATION .....</b>                                     |       | <b>\$ 94,101,300</b> |
| Interdepartmental grant revenues:                                    |       |                      |
| IDG from LARA (LCC), liquor quality testing fees.....                |       | 220,100              |
| IDG from MDEQ, biosolids.....  |       | 103,100              |
| Total interdepartmental grants and intradepartmental transfers ..... |       | 323,200              |
| <b>ADJUSTED GROSS APPROPRIATION .....</b>                            |       | <b>\$ 93,778,100</b> |
| Federal revenues:  |       |                      |
| Department of Interior.....  |       | 273,800              |
| EPA, multiple grants.....  |       | 1,313,100            |
| HHS, multiple grants.....  |       | 2,520,600            |
| USDA, multiple grants .....  |       | 6,363,700            |
| Total federal revenues.....  |       | 10,471,200           |
| Special revenue funds:   |       |                      |
| Private - commodity group revenue .....                              |       | 109,600              |
| Private - slow-the-spread foundation.....                            |       | 21,100               |
| Total private revenues.....  |       | 130,700              |
| Agricultural preservation fund.....                                  |       | 1,109,800            |
| Agriculture equine industry development fund .....                   |       | 3,667,200            |
| Agriculture licensing and inspection fees .....                      |       | 4,107,400            |
| Animal welfare fund.....   |       | 193,300              |
| Commodity inspection fees .....                                      |       | 516,000              |
| Consumer and industry food safety education fund.....                |       | 355,400              |
| Dairy and food safety fund .....                                     |       | 5,103,800            |
| Feed control fund .....  |       | 1,135,200            |
| Fertilizer control fund.....   |       | 762,600              |
| Freshwater protection fund.....                                      |       | 6,401,300            |
| Gasoline inspection and testing fund .....                           |       | 1,990,200            |
| Grain dealers fee fund.....  |       | 615,000              |
| Horticulture fund .....  |       | 38,800               |
| Industry support funds.....  |       | 433,300              |
| Migratory labor housing fund.....                                    |       | 167,800              |
| Nonretail liquor fees.....   |       | 904,200              |
| Private forestland enhancement fund.....                             |       | 288,200              |
| Refined petroleum fund.....  |       | 2,373,200            |
| Rural development fund .....   |       | 2,000,000            |
| Testing fees.....  |       | 293,100              |
| Weights and measures regulation fees.....                            |       | 793,500              |

|  | For Fiscal Year<br>Ending Sept. 30,<br>2017 |
|--|---|
| Total other state restricted revenues .....                | 33,249,300                                  |
| State general fund/general purpose .....                   | \$ 49,926,900                               |
| State general fund/general purpose schedule:               |   |
| Ongoing state general fund/general purpose .....           | \$47,536,900                                |
| One-time state general fund/general purpose .....          | \$2,390,000                                 |
| <b>Sec. 102. DEPARTMENTWIDE</b>                            |   |
| Full-time equated unclassified positions.....              | 6.0   |
| Full-time equated classified positions .....               | 32.0  |
| Commissions and boards .....                               | \$ 23,800                                   |
| Unclassified positions—6.0 FTE positions .....             | 545,900                                     |
| Executive direction—9.0 FTE positions.....                 | 1,413,500                                   |
| Operational services—19.0 FTE positions .....              | 1,882,700                                   |
| Statistical reporting service—1.0 FTE position .....       | 153,600                                     |
| Emergency management—3.0 FTE positions.....                | 614,600                                     |
| Accounting service center .....                            | 1,141,600                                   |
| Building occupancy charges .....                           | 631,200                                     |
| <b>GROSS APPROPRIATION</b> .....                           | <b>\$ 6,406,900</b>                         |
| Appropriated from:   |   |
| Federal revenues:  |   |
| HHS, multiple grants.....                                  | 331,900                                     |
| Special revenue funds:                                     |   |
| Private - commodity group revenue .....                    | 79,100                                      |
| Agricultural preservation fund.....                        | 15,200                                      |
| Agriculture licensing and inspection fees .....            | 263,900                                     |
| Commodity inspection fees .....                            | 1,100                                       |
| Dairy and food safety fund .....                           | 416,900                                     |
| Feed control fund .....                                    | 38,900                                      |
| Fertilizer control fund.....                               | 24,000                                      |
| Freshwater protection fund.....                            | 67,500                                      |
| Gasoline inspection and testing fund .....                 | 80,000                                      |
| Grain dealers fee fund.....                                | 7,900                                       |
| Industry support funds.....                                | 54,300                                      |
| Migratory housing fund.....                                | 28,600                                      |
| Nonretail liquor fees.....                                 | 28,100                                      |
| State general fund/general purpose .....                   | \$ 4,969,500                                |
| <b>Sec. 103. INFORMATION AND TECHNOLOGY</b>                |   |
| Information technology services and projects .....         | \$ 1,768,500                                |
| <b>GROSS APPROPRIATION</b> .....                           | <b>\$ 1,768,500</b>                         |
| Appropriated from:   |   |
| Interdepartmental grant revenues:                          |   |
| IDG from LARA (LCC), liquor quality testing fees.....      | 3,200                                       |
| Special revenue funds:                                     |   |
| Agricultural preservation fund.....                        | 200   |
| Agriculture licensing and inspection fees .....            | 93,800                                      |
| Dairy and food safety fund .....                           | 61,200                                      |
| Freshwater protection fund.....                            | 100   |
| Gasoline inspection and testing fund .....                 | 31,800                                      |
| Nonretail liquor fees.....                                 | 500   |
| State general fund/general purpose .....                   | \$ 1,577,700                                |
| <b>Sec. 104. FOOD AND DAIRY</b>                            |   |
| Full-time equated classified positions .....               | 123.0                                       |
| Food safety and quality assurance—93.0 FTE positions ..... | \$ 14,006,400                               |
| Milk safety and quality assurance—30.0 FTE positions.....  | 4,260,100                                   |
| <b>GROSS APPROPRIATION</b> .....                           | <b>\$ 18,266,500</b>                        |
| Appropriated from:   |   |
| Federal revenues:  |   |
| HHS, multiple grants.....                                  | 1,193,800                                   |

|   | For Fiscal Year<br>Ending Sept. 30,<br>2017 |
|---|---|
| USDA, multiple grants .....                                     | 136,300                                     |
| Special revenue funds:  |   |
| Consumer and industry food safety education fund.....           | 355,400                                     |
| Dairy and food safety fund .....                                | 4,554,500                                   |
| State general fund/general purpose .....                        | \$ 12,026,500                               |
| <b>Sec. 105. ANIMAL INDUSTRY</b>                                |   |
| Full-time equated classified positions .....                    | 60.0  |
| Animal disease prevention and response—60.0 FTE positions ..... | \$ 9,054,500                                |
| Indemnification - livestock depredation .....                   | 50,000                                      |
| Animal agriculture initiative - ongoing .....                   | 399,000                                     |
| <b>GROSS APPROPRIATION</b> .....                                | <u>\$ 9,503,500</u>                         |
| Appropriated from:  |   |
| Federal revenues:   |   |
| Department of Interior.....                                     | 50,800                                      |
| HHS, multiple grants.....                                       | 46,600                                      |
| USDA, multiple grants .....                                     | 527,900                                     |
| Special revenue funds:  |   |
| Private commodity group revenue .....                           | 30,500                                      |
| Agriculture licensing and inspection fees .....                 | 59,300                                      |
| Animal welfare fund.....  | 193,300                                     |
| State general fund/general purpose .....                        | \$ 8,595,100                                |
| <b>Sec. 106. PESTICIDE AND PLANT PEST MANAGEMENT</b>            |   |
| Full-time equated classified positions .....                    | 92.0  |
| Pesticide and plant pest management—86.0 FTE positions.....     | \$ 13,672,000                               |
| Producer security/grain dealers—6.0 FTE positions .....         | 653,500                                     |
| <b>GROSS APPROPRIATION</b> .....                                | <u>\$ 14,325,500</u>                        |
| Appropriated from:  |   |
| Federal revenues:   |   |
| Department of Interior.....                                     | 101,700                                     |
| EPA, multiple grants.....                                       | 533,100                                     |
| HHS, multiple grants.....                                       | 325,000                                     |
| USDA, multiple grants .....                                     | 843,800                                     |
| Special revenue funds:  |   |
| Private - slow-the-spread foundation.....                       | 21,100                                      |
| Agriculture licensing and inspection fees .....                 | 3,611,600                                   |
| Commodity inspection fees .....                                 | 514,900                                     |
| Feed control fund .....   | 948,600                                     |
| Fertilizer control fund.....                                    | 738,600                                     |
| Freshwater protection fund.....                                 | 153,900                                     |
| Grain dealers fee fund.....                                     | 607,100                                     |
| Horticulture fund .....   | 38,800                                      |
| Industry support funds.....                                     | 246,400                                     |
| State general fund/general purpose .....                        | \$ 5,640,900                                |
| <b>Sec. 107. ENVIRONMENTAL STEWARDSHIP</b>                      |   |
| Full-time equated classified positions .....                    | 55.0  |
| Environmental stewardship - MAEAP—23.0 FTE positions .....      | \$ 9,146,800                                |
| Farmland and open space preservation—7.0 FTE positions .....    | 1,422,100                                   |
| Qualified forest program—9.0 FTE positions .....                | 2,582,700                                   |
| Migrant labor housing—9.0 FTE positions.....                    | 1,199,400                                   |
| Right-to-farm—3.0 FTE positions.....                            | 577,600                                     |
| Intercounty drain—4.0 FTE positions .....                       | 484,400                                     |
| <b>GROSS APPROPRIATION</b> .....                                | <u>\$ 15,413,000</u>                        |
| Appropriated from:  |   |
| Interdepartmental grant revenues:                               |   |
| IDG from MDEQ, biosolids.....                                   | 103,100                                     |

For Fiscal Year  
Ending Sept. 30,  
2017

|  |               |
|--|---------------|
| Federal revenues:  |               |
| Department of Interior.....                                | 121,300       |
| EPA, multiple grants.....                                  | 608,300       |
| USDA, multiple grants .....                                | 922,300       |
| Special revenue funds:                                     |               |
| Agricultural preservation fund.....                        | 1,094,400     |
| Freshwater protection fund.....                            | 6,179,800     |
| Migratory labor housing fund.....                          | 139,200       |
| Private forestland enhancement fund.....                   | 288,200       |
| State general fund/general purpose .....                   | \$ 5,956,400  |
| <b>Sec. 108. LABORATORY PROGRAM</b>                        |               |
| Full-time equated classified positions .....               | 96.0          |
| Laboratory services—42.0 FTE positions .....               | \$ 6,611,000  |
| USDA monitoring—13.0 FTE positions .....                   | 1,616,500     |
| Consumer protection program—41.0 FTE positions.....        | 6,637,400     |
| GROSS APPROPRIATION .....                                  | \$ 14,864,900 |
| Appropriated from:   |               |
| Interdepartmental grant revenues:                          |               |
| IDG from LARA (LCC), liquor quality testing fees.....      | 216,900       |
| Federal revenues:  |               |
| EPA, multiple grants.....                                  | 171,700       |
| HHS, multiple grants.....                                  | 623,300       |
| USDA, multiple grants .....                                | 1,617,400     |
| Special revenue funds:                                     |               |
| Agriculture licensing and inspection fees .....            | 78,800        |
| Dairy and food safety fund .....                           | 71,200        |
| Feed control fund .....                                    | 147,700       |
| Gasoline inspection and testing fund .....                 | 1,878,400     |
| Refined petroleum fund.....                                | 2,373,200     |
| Testing fees.....  | 293,100       |
| Weights and measures regulation fees.....                  | 793,500       |
| State general fund/general purpose .....                   | \$ 6,599,700  |
| <b>Sec. 109. AGRICULTURE DEVELOPMENT</b>                   |               |
| Full-time equated classified positions .....               | 15.0          |
| Agriculture development—11.0 FTE positions .....           | \$ 3,604,300  |
| Grape and wine program—3.0 FTE positions.....              | 921,000       |
| Value-added grants - ongoing.....                          | 500,000       |
| Rural development fund grant program—1.0 FTE position..... | 2,000,000     |
| GROSS APPROPRIATION .....                                  | \$ 7,025,300  |
| Appropriated from:   |               |
| Federal revenues:  |               |
| USDA, multiple grants .....                                | 2,316,000     |
| Special revenue funds:                                     |               |
| Industry support funds.....                                | 132,600       |
| Nonretail liquor fees.....                                 | 875,600       |
| Rural development fund .....                               | 2,000,000     |
| State general fund/general purpose .....                   | \$ 1,701,100  |
| <b>Sec. 110. FAIRS AND EXPOSITIONS</b>                     |               |
| Fairs and racing .....                                     | \$ 256,600    |
| County fairs, shows, and exhibitions grants.....           | 470,000       |
| 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.....                         | 345,900       |
| Standardbred purses and supplements - licensed tracks..... | 671,800       |
| Standardbred sire stakes .....                             | 275,000       |



|   | For Fiscal Year<br>Ending Sept. 30,<br>2017 |
|---|---|
| Thoroughbred supplements - licensed tracks .....    | 601,900                                     |
| Thoroughbred breeders' awards .....                 | 368,600                                     |
| Thoroughbred sire stakes.....                       | 378,800                                     |
| GROSS APPROPRIATION .....                           | \$ 4,137,200                                |
| Appropriated from:                                  |   |
| Special revenue funds:                              |   |
| Agriculture equine industry development fund .....  | 3,667,200                                   |
| State general fund/general purpose .....            | \$ 470,000                                  |
| <b>Sec. 111. ONE-TIME BASIS ONLY</b>                |   |
| Value-added grants - one-time.....                  | \$ 1,000,000                                |
| Grape and wine council - one-time .....             | 170,000                                     |
| Vital agriculture infrastructure grant program..... | 220,000                                     |
| Tree fruit research grants.....                     | 500,000                                     |
| Animal agriculture initiative - one-time .....      | 500,000                                     |
| GROSS APPROPRIATION .....                           | \$ 2,390,000                                |
| Appropriated from:                                  |   |
| State general fund/general purpose .....            | \$ 2,390,000                                |

PART 2  
PROVISIONS CONCERNING APPROPRIATIONS  
FOR FISCAL YEAR 2016-2017

**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 2016-2017 is \$83,176,200.00 and state spending from state resources to be paid to local units of government for fiscal year 2016-2017 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/MAEAP ..... | \$ 3,250,000 |
| 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) "FDA" means the United States Food and Drug Administration.
- (e) "Fiscal agencies" means the Michigan house fiscal agency and the Michigan senate fiscal agency.
- (f) "FTE" means full-time equated.
- (g) "HHS" means the United States Department of Health and Human Services.
- (h) "IDG" means interdepartmental grant.
- (i) "LARA" means the Michigan department of licensing and regulatory affairs.
- (j) "LCC" means the Michigan liquor control commission.
- (k) "MAEAP" means the Michigan agriculture environmental assurance program.
- (l) "MDEQ" means the Michigan department of environmental quality.
- (m) "MDNR" means the Michigan department of natural resources.
- (n) "MOU" means memorandum of understanding.
- (o) "Subcommittees" means all members of the subcommittees of the house and senate appropriations committees with jurisdiction over the budget for the department.
- (p) "TB" means tuberculosis.
- (q) "USDA" means the United States Department of Agriculture.

Sec. 204. 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. 205. 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. 206. 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. 207. 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. 208. 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. 209. 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. 210. (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. 211. 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. 212. 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, 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, 2016 and September 30, 2017.

Sec. 213. 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. 214. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2017 is \$11,911,300.00. From this amount, total agency appropriations for pension-related legacy costs are estimated at \$6,604,500.00. Total agency appropriations for retiree health care legacy costs are estimated at \$5,306,800.00.

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. 233. In addition to the metrics required under section 447 of the management and budget act, 1984 PA 431, MCL 18.1447, for each new program or program enhancement for which funds in excess of \$500,000.00 are appropriated in part 1, the department shall provide not later than November 1, 2016 a list of program-specific metrics intended to measure its performance based on a return on taxpayer investment. The department shall deliver the program-specific metrics to members of the senate and house subcommittees that have subject matter jurisdiction for this budget, fiscal agencies, and the state budget director. The department shall provide an update on its progress in tracking program-specific metrics and the status of program success at an appropriations subcommittee meeting called for by the subcommittee chair.

Sec. 234. 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.

#### **DEPARTMENTWIDE**

Sec. 301. (1) The department may establish a fee schedule and collect fees for the following work activities and services:

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

(f) Laboratory support test samples for other state and local agencies and public or private organizations.

(2) The department may receive and expend revenue from the fees authorized under subsection (1), subject to appropriation, for the purpose of recovering expenses associated with the work activities and services described in subsection (1). Fee revenue collected by the department under subsection (1) shall not lapse to the state general fund at the end of the fiscal year but shall carry forward for appropriation by the legislature in the subsequent fiscal year.

(3) 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 the market conditions act, 1915 PA 91, MCL 285.35.

(4) On or before February 1 of each year, 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. (1) The department may contract with or provide grants to local units of government, institutions of higher education, or nonprofit organizations to support activities authorized by appropriations in part 1. As used in this section, contracts and grants include, but are not limited to, contracts for delivery of groundwater/freshwater programs, MAEAP technical assistance, forest management, invasive species monitoring, wildlife risk mitigation, grants promoting proper pesticide disposal, and research grants for the purpose of enhancing the agricultural industries in this state.

(2) The department shall provide notice of contracts or grants authorized under this section to the subcommittees and the fiscal agencies not later than 7 days before the department notifies contract or grant recipients.

Sec. 303. It is the intent of the legislature that the department use revenue from licensing and inspection fees to increase the use of technology in licensing and inspection activities to make licensing and inspection functions, including reporting, more efficient. The department shall work to ensure that all license and registration applications can be completed online through a secure web portal.

#### **FOOD AND DAIRY**

Sec. 401. (1) The department shall report on the previous calendar year's activities of the food and dairy division. The report shall include information on activities and outcomes of the dairy safety and inspection program, the food safety inspection program, the foodborne illness and emergency response program, and the food service program.

(2) The report shall include information on significant foodborne outbreaks and emergencies, including any enforcement actions taken related to food safety during the prior calendar year.

(3) The report shall be transmitted to the subcommittees and the fiscal agencies and posted to the department's website on or before April 1 of each year.

Sec. 403. It is the intent of the legislature that the department work with the FDA and representatives of agriculture producers to develop on-farm food safety education and training programs to assist producers in implementing the food safety modernization act, Public Law 111-353, requirements. The department may receive and expend federal revenues in excess of the federal revenue appropriated in part 1, section 104, for food safety modernization act, Public Law 111-353, education and training program activities. The department shall notify the subcommittees and the fiscal agencies prior to expending federal revenues authorized under this section.

**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. 452. The department shall report on the previous calendar year's activities of the animal industry division. The report shall be transmitted to the subcommittees and the fiscal agencies and posted to the department's website on or before April 1 of each year.

Sec. 453. (1) From the funds appropriated in part 1 for animal disease prevention and response, the department may provide for indemnity pursuant to the animal industry act, 1988 PA 466, MCL 287.701 to 287.746, not to exceed \$100,000.00 per order. Any indemnification agreement between the department and an owner of livestock that exceeds \$100,000.00 shall be subject to specific appropriation by the legislature.

(2) The department shall not make an indemnification payment under the animal industry act, 1988 PA 466, MCL 287.701 to 287.746, until the department provides all of the following information to the subcommittees and the fiscal agencies:

- (a) The reason for the indemnification.
- (b) The amount of the indemnification.
- (c) The person to whom the indemnification is to be paid.

(3) From the funds appropriated in part 1 for indemnification - livestock depredation, the department shall make indemnification payments for livestock killed by a wolf, coyote, or cougar pursuant to the wildlife depredation indemnification act, 2012 PA 487, MCL 285.361 to 285.365.

(4) On or before March 1, 2017, the department shall report to the subcommittees and the fiscal agencies on indemnification payments for livestock depredation made in the previous fiscal year. The report shall include all of the following information:

- (a) The reason for the indemnification.
- (b) The amount of the indemnification.
- (c) The person to whom the indemnification was paid.

Sec. 454. The department shall use its resources to collaborate with the USDA to monitor bovine TB, consistent with the May 2014 memorandum of understanding between the department and the USDA.

Sec. 457. (1) On or before October 15, 2016, the department shall provide to the subcommittees and the fiscal agencies a report on bovine TB status and department activities.

(2) For each fiscal quarter following the report required in subsection (1), the department shall provide an update to the subcommittees and fiscal agencies. The quarterly update reports shall identify significant impacts to the program, including new incidence of bovine TB in this state, department activity associated with specific new incidence of bovine TB, any changes in USDA requirements or movement orders, 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; 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.

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.

**PESTICIDE AND PLANT PEST MANAGEMENT**

Sec. 501. The department shall report on the previous calendar year's activities of the pesticide and plant pest management division. The report shall be transmitted to the subcommittees and the fiscal agencies and posted to the department's website on or before April 1 of each year.

**ENVIRONMENTAL STEWARDSHIP**

Sec. 601. The funds appropriated in part 1 for environmental stewardship/MAEAP 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. 602. The department shall report on the previous calendar year's activities of the environmental stewardship division. The report shall be transmitted to the subcommittees and the fiscal agencies and posted to the department's website on or before April 1 of each year.

Sec. 604. The department may receive and expend federal revenues in excess of the federal revenue appropriated in part 1, section 107, for environmental stewardship and MAEAP activities. The department shall notify the subcommittees and the fiscal agencies prior to expending federal revenues authorized under this section.

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.

#### **LABORATORY PROGRAM**

Sec. 651. The department shall report on the previous calendar year's activities of the laboratory division. The report shall be transmitted to the subcommittees and the fiscal agencies and posted to the department's website on or before April 1 of each year.

Sec. 652. The laboratory program shall increase turnaround times in the Geagley laboratory from 30%-50% to 75%-80% and implement a risk-based inspection program on devices and package content in the consumer protection program in the current fiscal year. The purpose of these programs is to ensure the protection of consumers from economic harm due to labeling or measurement fraud and to ensure the safety of the food supply. The department will track the outcome of the program by measuring sample analysis turnaround times and the percentage of compliant measurement devices inspected in the fiscal year.

#### **AGRICULTURE DEVELOPMENT**

Sec. 701. (1) From the funds appropriated in part 1 for value-added grants, the department shall do both of the following:

- (a) Establish and administer a competitive grant program.
- (b) Establish and administer a food and agriculture investment program.

(2) Both programs established in subsection (1) shall promote the expansion of value-added agricultural production, processing, and access within the state.

(3) In addition to the funds appropriated in part 1, the department may receive and expend funds received from outside sources for the competitive grant program and the food and agricultural investment program.

(4) Grantees funded through the competitive grant program 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, and private or public corporations.

(5) For the competitive grant program, a joint evaluation committee shall be selected by the director consisting of representatives that have 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.

(6) The department shall provide a year-end report on the competitive grant program no later than September 30 of the current fiscal year to the subcommittees and the fiscal agencies, which shall include a listing of the grantees, award amounts, match funding, and project outcomes.

(7) The food and agriculture investment program shall be administered by the department to provide support for food and agriculture projects that will help expand food and agriculture processing in order to enable growth in the industry and Michigan's economy. The department shall identify specific outcomes and performance metrics for each project. Prior to the allocation of funding, all projects shall receive approval from the Michigan commission of agriculture and rural development.

(8) The unexpended portion of the valued-added grants program shall be considered a work project appropriation in accordance with the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

(9) The department may expend money from the funds appropriated in part 1 for value-added grants for administration of the program.

Sec. 702. The department shall work with the rural development fund board to establish a process and criteria for funding projects as well as establishing metrics and measurable outcomes for the program. Funds appropriated from the rural development fund shall be used in accordance with the provisions of 2012 PA 41.

Sec. 706. (1) The department shall report on the previous calendar year's activities of the agriculture development division. The report shall be transmitted to the subcommittees and the fiscal agencies and posted to the department's website on or before April 1 of each year.

(2) The report shall include the following information on any grants awarded during the prior fiscal year:

- (a) The name of the grantee.
- (b) The amount of the grant.
- (c) The purpose of the grant, including measurable outcomes.
- (d) Additional state, federal, private, or local funds contributed to the grant project.
- (e) The completion date of grant-funded 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 code 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 previous fiscal year and the results of research grant projects completed during the previous fiscal year.

#### **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. 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, shows, and exhibitions grant program. The program shall have the following objectives:

(a) Assist in the promotion of building improvements or other capital improvements at county fairgrounds of the state.

(b) Provide financial support, promotion, prizes, and premiums of equine, livestock, and other agricultural commodity expositions in 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, shows, and exhibitions grants. Grantees will be required to provide a dollar-for-dollar cash match with grant awards and identify measurable project outcomes. A county fair organization that received a county fair capital improvement grant in the prior fiscal year shall not receive a grant from the appropriation in part 1, unless otherwise designated to receive a grant within this section.

(3) From the amount appropriated in part 1 for county fairs, shows, and expositions, up to \$20,000.00 shall be expended for the purpose of financial support, promotion, prizes, and premiums of equine, livestock, and other agricultural commodity expositions in this state.

(4) The department shall award grants for the purposes stipulated in subsection (3) on a competitive basis to persons organizing shows and expositions. Grantees will be required to provide a dollar-for-dollar cash match with grant awards and identify measurable project outcomes.

(5) The department shall identify criteria, evaluate applications, and provide recommendations to the director for final approval of grant awards.

(6) From the funds appropriated in part 1, for county fairs, shows, and exhibitions grants, \$60,000.00 shall be used to support capital improvements to the dairy barn at the Lenawee County fair.

(7) From the funds appropriated in part 1, for county fairs, shows, and exhibitions grants, \$50,000.00 shall be used to make capital improvements to the horse judging booth at the Tuscola County fair.

(8) From the funds appropriated in part 1, for county fairs, shows, and exhibitions grants, \$40,000.00 shall be used to make capital improvements to the streets within the Monroe County fairgrounds to improve handicap accessibility.

(9) The department may expend money from the funds appropriated in part 1 for the county fairs, shows, and exhibitions grants for administering the program.

(10) The unexpended portion of the county fairs, shows, and exhibitions grants is considered a work project appropriation in accordance with the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

(11) The department shall provide a year-end report on the county fairs, shows, and exhibitions grants no later than December 1, 2017 to the subcommittees and the fiscal agencies, which shall include a listing of the grantees, award amounts, match funding, and project outcomes.

PART 2A  
PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS  
FOR FISCAL YEAR 2017-2018

**GENERAL SECTIONS**

Sec. 1201. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, 2018 for the line items listed in part 1. The fiscal year 2017-2018 appropriations are anticipated to be the same as those for fiscal year 2016-2017, 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 2017 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 appropriations for the department of agriculture and rural development for the fiscal year ending September 30, 2017; and to provide for the expenditure of the appropriations.

Nancy E. Jenkins  
Roger Victory  
Jon Hoadley  
Conferees for the House

Mike Green  
Jim Stamas  
Hoon-Yung Hopgood  
Conferees for the Senate

**First Conference Report**

The Committee of Conference on the matters of difference between the two Houses concerning  
**House Bill No. 5272, entitled**

A bill to make appropriations for the department of corrections for the fiscal year ending September 30, 2017; and to provide for the expenditure of the appropriations.

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 appropriations for the department of corrections for the fiscal year ending September 30, 2017; and to provide for the expenditure of the appropriations.

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

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of corrections for the fiscal year ending September 30, 2017, from the following funds:

**DEPARTMENT OF CORRECTIONS  
APPROPRIATION SUMMARY**

|  |          |                         |
|--|----------|-------------------------|
| Average population.....  | 43,655   |                         |
| Full-time equated unclassified positions .....                       | 16.0     |                         |
| Full-time equated classified positions .....                         | 13,803.9 |                         |
| <b>GROSS APPROPRIATION .....</b>                                     |          | <b>\$ 2,002,729,000</b> |
| Interdepartmental grant revenues:                                    |          |                         |
| Total interdepartmental grants and intradepartmental transfers ..... |          | 0                       |
| <b>ADJUSTED GROSS APPROPRIATION .....</b>                            |          | <b>\$ 2,002,729,000</b> |
| Federal revenues:  |          |                         |
| Total federal revenues.....  |          | 5,523,700               |
| Special revenue funds:   |          |                         |
| Total local revenues.....  |          | 8,692,800               |
| Total private revenues.....  |          | 0                       |
| Total other state restricted revenues .....                          |          | 36,554,600              |
| State general fund/general purpose .....                             |          | \$ 1,951,957,900        |

**Sec. 102. EXECUTIVE**

Full-time equated unclassified positions..... 16.0

Full-time equated classified positions .....



|  | For Fiscal Year<br>Ending Sept. 30,<br>2017 |
|--|---|
| Unclassified positions—16.0 FTE positions .....                          | \$ 1,793,800                                |
| Executive direction—20.0 FTE positions .....                             | 4,208,600                                   |
| GROSS APPROPRIATION .....  | \$ 6,002,400                                |
| Appropriated from:   |   |
| State general fund/general purpose .....                                 | \$ 6,002,400                                |
| <b>Sec. 103. PRISONER REENTRY AND COMMUNITY SUPPORT</b>                  |   |
| Full-time equated classified positions .....                             | 336.4                                       |
| Prisoner reentry local service providers .....                           | \$ 13,208,600                               |
| Prisoner reentry MDOC programs .....                                     | 9,624,100                                   |
| Prisoner reentry federal grants .....                                    | 750,000                                     |
| Reentry services—70.0 FTE positions .....                                | 14,965,100                                  |
| Education program—266.4 FTE positions .....                              | 37,712,800                                  |
| Community corrections comprehensive plans and services .....             | 12,158,000                                  |
| Felony drunk driver jail reduction and community treatment program ..... | 1,440,100                                   |
| Residential services .....   | 15,475,500                                  |
| Public safety initiative .....   | 4,500,000                                   |
| Goodwill Flip the Script .....   | 1,500,000                                   |
| GROSS APPROPRIATION .....  | \$ 111,334,200                              |
| Appropriated from:   |   |
| Federal revenues:  |   |
| DOJ, prisoner reintegration .....  | 250,000                                     |
| DOJ, second chance act reentry initiative .....                          | 500,000                                     |
| Federal education funding .....  | 1,757,300                                   |
| Special revenue funds:   |   |
| Program and special equipment fund .....                                 | 5,213,200                                   |
| State general fund/general purpose .....                                 | \$ 103,613,700                              |
| <b>Sec. 104. BUDGET AND OPERATIONS ADMINISTRATION</b>                    |   |
| Full-time equated classified positions .....                             | 247.0                                       |
| Budget and operations administration—185.0 FTE positions .....           | \$ 24,696,700                               |
| Prison industries operations—62.0 FTE positions .....                    | 9,837,400                                   |
| New custody staff training .....   | 9,216,500                                   |
| Compensatory buyout and union leave bank .....                           | 100   |
| Worker’s compensation .....  | 14,171,300                                  |
| Rent .....   | 2,349,100                                   |
| Equipment and special maintenance .....                                  | 1,559,700                                   |
| Administrative hearings officers .....                                   | 3,407,100                                   |
| 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 .....                                  | 15,064,600                                  |
| GROSS APPROPRIATION .....  | \$ 85,453,500                               |
| Appropriated from:   |   |
| Federal revenues:  |   |
| DOJ, prison rape elimination act grant .....                             | 674,700                                     |
| Special revenue funds:   |   |
| Jail reimbursement program fund .....                                    | 5,900,000                                   |
| Program and special equipment fund .....                                 | 100   |
| Local corrections officer training fund .....                            | 100,000                                     |
| Correctional industries revolving fund .....                             | 10,451,800                                  |
| State general fund/general purpose .....                                 | \$ 68,326,900                               |
| <b>Sec. 105. FIELD OPERATIONS ADMINISTRATION</b>                         |   |
| Full-time equated classified positions .....                             | 2,194.6                                     |
| Field operations—1,881.9 FTE positions .....                             | \$ 213,669,400                              |
| Detroit Detention Center—63.1 FTE positions .....                        | 8,487,400                                   |
| Detroit Reentry Center—216.6 FTE positions .....                         | 27,073,900                                  |
| Parole board operations—33.0 FTE positions .....                         | 3,812,000                                   |

|  | For Fiscal Year<br>Ending Sept. 30,<br>2017 |
|--|---|
| Parole/probation services.....   | 940,000                                     |
| Parole sanction certainty pilot program.....                                       | 1,440,000                                   |
| Supervising region incentive program.....  | 2,518,600                                   |
| Criminal justice reinvestment.....   | 4,573,300                                   |
| GROSS APPROPRIATION.....   | \$ 262,514,600                              |
| Appropriated from:   |   |
| Special revenue funds:   |   |
| Local - community tether program reimbursement.....                                | 205,400                                     |
| Local revenues.....  | 8,487,400                                   |
| Reentry center offender reimbursements.....  | 24,300                                      |
| Parole and probation oversight fees.....   | 4,428,600                                   |
| Parole and probation oversight fees set-aside.....                                 | 940,000                                     |
| Tether program participant contributions.....                                      | 2,480,900                                   |
| State general fund/general purpose.....  | \$ 245,948,000                              |
| <b>Sec. 106. CORRECTIONAL FACILITIES ADMINISTRATION</b>                            |   |
| Full-time equated classified positions.....  | 318.0                                       |
| Correctional facilities administration—21.0 FTE positions.....                     | \$ 5,046,600                                |
| Prison food service.....   | 54,455,900                                  |
| Transportation—211.0 FTE positions.....  | 24,913,200                                  |
| Central records—52.0 FTE positions.....  | 6,015,600                                   |
| Inmate legal services.....   | 790,900                                     |
| Housing inmates in federal institutions.....                                       | 611,000                                     |
| Prison store operations—34.0 FTE positions.....                                    | 3,294,200                                   |
| Leased beds and alternatives to leased beds.....                                   | 100   |
| Public works programs.....   | 1,000,000                                   |
| Cost-effective housing initiative.....   | 100   |
| Inmate housing fund.....   | 100   |
| GROSS APPROPRIATION.....   | \$ 96,127,700                               |
| Appropriated from:   |   |
| Federal revenues:  |   |
| DOJ-BOP, federal prisoner reimbursement.....                                       | 411,000                                     |
| SSA-SSI, incentive payment.....  | 272,000                                     |
| Special revenue funds:   |   |
| Correctional industries revolving fund.....  | 569,000                                     |
| Public works user fees.....  | 1,000,000                                   |
| Resident stores.....   | 3,294,200                                   |
| State general fund/general purpose.....  | \$ 90,581,500                               |
| <b>Sec. 107. HEALTH CARE</b>   |   |
| Full-time equated classified positions.....  | 1,464.1                                     |
| Health care administration—21.0 FTE positions.....                                 | \$ 3,690,800                                |
| Prisoner health care services.....   | 69,880,400                                  |
| Vaccination program.....   | 691,200                                     |
| Interdepartmental grant to health and human services, eligibility specialists..... | 100,000                                     |
| Mental health services and support—372.0 FTE positions.....                        | 60,465,700                                  |
| Clinical complexes—1,051.1 FTE positions.....                                      | 143,622,300                                 |
| Hepatitis C treatment.....   | 14,935,000                                  |
| Substance abuse testing and treatment services—8.0 FTE positions.....              | 21,590,600                                  |
| Healthy Michigan plan administration—12.0 FTE positions.....                       | 1,100,700                                   |
| GROSS APPROPRIATION.....   | \$ 316,076,700                              |
| Appropriated from:   |   |
| Federal revenues:  |   |
| Federal revenues and reimbursements.....   | 373,700                                     |
| DOJ, Office of Justice Programs, RSAT.....   | 250,200                                     |
| Special revenue funds:   |   |
| Prisoner health care copayments.....   | 257,200                                     |
| State general fund/general purpose.....  | \$ 315,195,600                              |

For Fiscal Year  
Ending Sept. 30,  
2017

**Sec. 108. CORRECTIONAL FACILITIES**

|  |         |                  |
|--|---------|------------------|
| Average population.....  | 43,655  |                  |
| Full-time equated classified positions .....                                       | 9,223.8 |                  |
| Alger Correctional Facility - Munising—260.0 FTE positions.....                    |         | \$ 30,592,600    |
| Baraga Correctional Facility - Baraga—294.8 FTE positions.....                     |         | 35,293,400       |
| Bellamy Creek Correctional Facility - Ionia—390.2 FTE positions.....               |         | 43,795,600       |
| Earnest C. Brooks Correctional Facility - Muskegon—440.9 FTE positions .....       |         | 50,687,600       |
| Carson City Correctional Facility - Carson City—425.4 FTE positions .....          |         | 48,491,500       |
| Central Michigan Correctional Facility - St. Louis—391.6 FTE positions .....       |         | 46,681,300       |
| Chippewa Correctional Facility - Kincheloe—435.1 FTE positions.....                |         | 50,344,100       |
| Cooper Street Correctional Facility - Jackson—263.1 FTE positions .....            |         | 29,702,000       |
| G. Robert Cotton Correctional Facility - Jackson—392.3 FTE positions.....          |         | 44,413,200       |
| Charles E. Egeler Correctional Facility - Jackson—374.6 FTE positions .....        |         | 44,425,500       |
| Richard A. Handlon Correctional Facility - Ionia—252.7 FTE positions .....         |         | 29,795,100       |
| Gus Harrison Correctional Facility - Adrian—442.6 FTE positions.....               |         | 49,366,400       |
| Ionia Correctional Facility - Ionia—286.3 FTE positions .....                      |         | 33,682,200       |
| Kinross Correctional Facility - Kincheloe—268.1 FTE positions .....                |         | 33,138,100       |
| Lakeland Correctional Facility - Coldwater—279.4 FTE positions.....                |         | 33,268,200       |
| Macomb Correctional Facility - New Haven—294.8 FTE positions .....                 |         | 34,622,300       |
| Marquette Branch Prison - Marquette—321.7 FTE positions.....                       |         | 39,175,100       |
| Michigan Reformatory - Ionia—311.7 FTE positions .....                             |         | 35,418,300       |
| Muskegon Correctional Facility - Muskegon—205.0 FTE positions.....                 |         | 25,400,500       |
| Newberry Correctional Facility - Newberry—200.1 FTE positions.....                 |         | 24,345,100       |
| Oaks Correctional Facility - Eastlake—290.4 FTE positions .....                    |         | 34,072,200       |
| Ojibway Correctional Facility - Marenisco—203.1 FTE positions.....                 |         | 23,486,000       |
| Parnall Correctional Facility - Jackson—260.0 FTE positions .....                  |         | 28,374,500       |
| Saginaw Correctional Facility - Freeland—274.9 FTE positions.....                  |         | 32,909,600       |
| Special Alternative Incarceration Program - Cassidy Lake—119.0 FTE positions ..... |         | 13,733,700       |
| St. Louis Correctional Facility - St. Louis—303.6 FTE positions.....               |         | 36,687,100       |
| Thumb Correctional Facility - Lapeer—283.6 FTE positions.....                      |         | 32,997,500       |
| Womens Huron Valley Correctional Complex - Ypsilanti—501.9 FTE positions .....     |         | 59,117,400       |
| Woodland Correctional Facility - Whitmore Lake—284.9 FTE positions.....            |         | 33,272,600       |
| Future facility .....  |         | 100              |
| Northern region administration and support—48.0 FTE positions .....                |         | 5,551,100        |
| Southern region administration and support—124.0 FTE positions .....               |         | 24,098,000       |
| GROSS APPROPRIATION.....   |         | \$ 1,086,937,900 |

Appropriated from:

Federal revenues:

|   |  |           |
|---|--|-----------|
| DOJ, state criminal alien assistance program..... |  | 1,034,800 |
|---|--|-----------|

Special revenue funds:

|  |    |               |
|--|----|---------------|
| State restricted revenues and reimbursements ..... |    | 102,100       |
| State general fund/general purpose .....           | \$ | 1,085,801,000 |

**Sec. 109. INFORMATION TECHNOLOGY**

|   |    |            |
|---|----|------------|
| Information technology services and projects..... | \$ | 28,813,300 |
| GROSS APPROPRIATION.....                          | \$ | 28,813,300 |

Appropriated from:

Special revenue funds:

|   |    |            |
|---|----|------------|
| Correctional industries revolving fund .....        |    | 177,100    |
| Parole and probation oversight fees set-aside ..... |    | 694,800    |
| Program and special equipment fund .....            |    | 440,000    |
| State general fund/general purpose .....            | \$ | 27,501,400 |

**Sec. 110. ONE-TIME APPROPRIATIONS**

|   |    |           |
|---|----|-----------|
| New custody staff training .....          | \$ | 8,506,100 |
| Ballistic vests.....                      |    | 481,300   |
| Supervising region incentive program..... |    | 481,300   |
| GROSS APPROPRIATION.....                  | \$ | 9,468,700 |

For Fiscal Year  
Ending Sept. 30,  
2017

Appropriated from:  
Special revenue funds:

|  |              |
|--|--------------|
| Program and special equipment fund ..... | 481,300      |
| State general fund/general purpose ..... | \$ 8,987,400 |

PART 2  
PROVISIONS CONCERNING APPROPRIATIONS  
FOR FISCAL YEAR 2016-2017

**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 2016-2017 is \$1,988,512,500.00 and state spending from state resources to be paid to local units of government for fiscal year 2016-2017 is \$111,888,200.00. 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.....             | \$ 61,749,900         |
| Community corrections comprehensive plans and services .....             | 12,158,000            |
| Reentry services - intensive detention reentry program.....              | 1,500,000             |
| Residential services .....   | 15,475,500            |
| County jail reimbursement program.....                                   | 15,064,600            |
| Felony drunk driver jail reduction and community treatment program ..... | 1,440,100             |
| Leased beds and alternatives to leased beds .....                        | 100                   |
| Public safety initiative .....   | 4,500,000             |
| <b>TOTAL.....</b>  | <b>\$ 111,888,200</b> |

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 2016-2017:

- (i) Correctional facilities.
- (ii) Northern and southern region administration and support.
- (iii) Clinical and mental health services and support.
- (iv) Prisoner health care services.
- (v) Vaccination program.
- (vi) Prison food service.
- (vii) Transportation.
- (viii) Inmate legal services.
- (ix) Correctional facilities administration.
- (x) Central records.
- (xi) Worker's compensation.
- (xii) New custody staff training.
- (xiii) Prison store operations.
- (xiv) Education program.

(c) "Department" or "MDOC" means the Michigan department of corrections.

(d) "DOJ" means the United States Department of Justice.

(e) "DOJ-BOP" means the DOJ Bureau of Prisons.

(f) "EPIC program" means the department's effective process improvement and communications program.

(g) "Evidence-based practices" or "EBP" means a decision-making process that integrates the best available research, clinician expertise, and client characteristics.

(h) "FTE" means full-time equated.

(i) "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.

(j) "IDG" means interdepartmental grant.

(k) "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.

(l) "MDHHS" means the Michigan department of health and human services.

(m) "MDSP" means the Michigan department of state police.

(n) "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.

(o) "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.

(p) "OCC" means office of community corrections.

(q) "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.

(r) "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.

(s) "Offender target populations" 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.

(t) "Offender who would likely be sentenced to imprisonment" means either of the following:

(i) A felon or misdemeanant 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 misdemeanant 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.

(u) "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.

(v) "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.

(w) "RSAT" means residential substance abuse treatment.

(x) "Serious emotional disturbance" means that term as defined in section 100d(2) of the mental health code, 1974 PA 328, MCL 330.1100d.

(y) "Serious mental illness" means that term as defined in section 100d(3) of the mental health code, 1974 PA 328, MCL 330.1100d.

(z) "SSA" means the United States Social Security Administration.

(aa) "SSA-SSI" means SSA supplemental security income.

Sec. 206. The department shall not take disciplinary action against an employee or a prisoner for communicating with a member of the legislature or his or her staff.

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 or private nonprofit organizations. 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 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) 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 program and special equipment costs, be the same as fee schedules for calls placed from outside of correctional facilities.

(2) Revenues appropriated and collected for program and special equipment funds shall be considered state restricted revenue. Funding shall be used for prisoner programming, 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 program and special equipment funds. The report shall include all of the following:

(a) A list of all individual projects and purchases financed with program and 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 program and 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 program and 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 appropriations committees 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 \$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 \$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, 2016 and September 30, 2017.

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 department's performance.

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, 2017 are \$337,858,200.00. From this amount, total department appropriations for pension-related legacy costs are estimated at \$187,327,100.00. Total department appropriations for retiree health care legacy costs are estimated at \$150,531,100.00.

Sec. 247. In addition to the metrics required under section 447 of the management and budget act, 1984 PA 431, MCL 18.1447, for each new program or program enhancement for which funds in excess of \$500,000.00 are appropriated in part 1, the department shall provide not later than November 1 a list of program-specific metrics intended to measure its performance based on a return on taxpayer investment. The department shall deliver the program-specific metrics to members of the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director. The department shall provide an update on its progress in tracking program-specific metrics and the status of program success at an appropriations subcommittee meeting called for by the subcommittee chair.

#### **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 department shall maintain a staff savings initiative program in conjunction with the EPIC program for employees to submit suggestions for efficiencies for the department. The department shall consider each suggestion in a timely manner. 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 process improvements that were implemented based on suggestions that were recommended for implementation from the staff savings initiative and EPIC programs.

#### **PRISONER REENTRY 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 recommendation 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. By March 1, the department shall provide a report on prisoner reentry 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. 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.

Sec. 407. 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.

Sec. 408. The department shall measure the recidivism rates of offenders.

Sec. 409. (1) The department shall engage with the talent investment agency within the department of talent and economic development and local entities to design services and shall use appropriations provided in part 1 for reentry and vocational education programs. 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.

(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 MDHHS 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 \$65.00 per diem per diverted offender for offenders with a presumptive prison guideline score, \$55.00 per diem per diverted offender for offenders with a straddle cell guideline for a group 1 crime, and \$40.00 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.

(6) Any county that receives funding under this section for the purpose of housing in jails certain felons who otherwise would have been sentenced to prison shall, as a condition of receiving the funding, report by September 30 an annual average jail capacity and annual average jail occupancy for the immediately preceding fiscal year.

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 MDHHS 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 populations by security levels by facility, prison facility capacities, and parolee and probationer populations.

(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) Prisoners classified as past their earliest release date.

(f) Parole board activity, including the numbers and percentages of parole grants and parole denials.

(g) 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.

(h) 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. 421. (1) Funds appropriated in part 1 for the parole sanction certainty pilot program shall be distributed to an American Correctional Association accredited rehabilitation organization operating in any of the following counties: Berrien, Calhoun, Genesee, Kalamazoo, Kent, Macomb, Muskegon, Oakland, Saginaw, and Wayne for operations and administration of the pilot program. The pilot program may be utilized as a condition of parole for technical parole violators to ensure public safety and justice through a program based on evidence-based tactics and programs.

(2) The program or programs 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 who participate in the pilot program, the number of individuals who return to prison after participating, and outcomes of participants who complete the program.

Sec. 422. (1) On a quarterly basis, 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, for the previous 4 quarters detailing the outcomes of prisoners who have been reviewed for parole. The report shall include all of the following:

(a) How many prisoners in each quarter were reviewed.

(b) How many prisoners were granted parole.

(c) How many prisoners were denied parole.

(d) How many parole decisions were deferred.



(e) The distribution of the total number of prisoners reviewed during that quarter grouped by whether the prisoner had been interviewed for the first, second, third, fourth, fifth, sixth, or more than sixth time.

(f) The number of paroles granted, denied, or deferred for each of the parole guideline scores of low, average, and high.

(g) The reason for denying or deferring parole.

Sec. 425. (1) From the funds appropriated in part 1, the department shall establish a medication-assisted treatment reentry pilot program to provide prerelease treatment and postrelease referral for opioid-addicted and alcohol-addicted offenders who voluntarily participate in the medication-assisted treatment reentry pilot program. The department shall collaborate with residential and nonresidential substance abuse treatment providers and with community-based clinics to provide postrelease treatment. The program shall employ a multifaceted approach to treatment, including a long-acting nonaddictive medication approved by the Food and Drug Administration for the treatment of opioid and alcohol dependence, counseling, and postrelease referral to community-based providers.

(2) The manufacturer of a long-acting nonaddictive medication approved by the Food and Drug Administration for opioid and alcohol dependence shall provide the department with samples of the medication, at no cost to the department, during the duration of the medication-assisted treatment reentry pilot program. Offenders shall receive 1 injection prior to being released from custody and shall be connected with an aftercare plan and assistance with obtaining insurance to cover subsequent injections.

(3) Participants of the program shall be required to attend substance abuse treatment programming as directed by their agent, shall be subject to routine drug and alcohol testing, shall not be allowed to consume drugs or alcohol, and shall possess a strong will to overcome addiction.

(4) The department shall submit a report by September 30 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 number of offenders who received injections upon release, the number of offenders who received injections and tested positive for drugs or alcohol, the number of offenders who received injections in the community for a duration of at least 3 months, and the number of offenders who received injections and were subsequently returned to prison.

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 to 29. The program 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. 503. The department shall issue a biannual report for all vendor contracts to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the legislative corrections ombudsman. The report shall cover the previous 4 quarters and include all of the following:

(a) The original start date and the current expiration date of each contract.

(b) The number, if any, of site visits completed by the department for each vendor.

(c) The number and amount of fines, if any, for service-level agreement noncompliance for each vendor broken down by area of noncompliance.

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. 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 January 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; the current unspent balance of any authorized capital outlay projects, including the original authorized amount; and its expected future useful life.

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 reentry to society that ensures prisoners' readiness for meeting parole requirements and ensures a reduction in the total number of released inmates who reenter 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. 602. The funds appropriated in part 1 for the supervising region incentive program shall be used only to fund an incentive program for field operations administration regions in accordance with the supervising region incentive act.

Sec. 603. (1) All prisoners, probationers, and parolees involved with the curfew monitoring 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 program reimbursement for the curfew monitoring 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 curfew monitoring program to be administered by the department. The curfew monitoring program is intended to provide sentencing judges and county sheriffs in coordination with local community corrections advisory boards access to the state's curfew monitoring program to reduce prison admissions and improve local jail utilization. The department shall determine the appropriate distribution of the curfew monitor 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 curfew monitor equipment, replacement parts, administrative oversight of the equipment's operation, notification of violators, and periodic reports regarding county program participants. Counties are responsible for curfew monitor 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 curfew monitor charges outstanding over 60 days shall be considered in violation of the community curfew monitor program agreement and lose access to the program.

Sec. 604. The funds appropriated in part 1 for criminal justice reinvestment shall be used only to fund evidence-based programs designed to reduce recidivism among probationers and parolees.

Sec. 611. The department shall prepare by March 1 individual reports for the community reentry program, the electronic monitoring 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 reentry 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) By April 1, the department shall provide a 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 all parolees returned to prison and probationers sentenced to prison for either a technical violation or new sentence during the preceding fiscal year. The report shall include the following information for probationers, for parolees after their first parole, and for 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 high school equivalency or high school diploma prior to incarceration in prison, how many received a high school equivalency while in prison, and how many received a vocational certificate while in prison.

(d) The number of offenders who participated in the reentry 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. (1) The department shall submit a report 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 April 30.

(2) The report shall include the following information on parolable lifers who have served more than 25 years: prisoner name, MDOC identification number, prefix, offense for which life term is being served, county of conviction, age at time offense was committed, current age, race, gender, true security classification, dates of parole board file reviews, dates of parole board interviews, parole guideline scores, and reason for decision not to release.

Sec. 616. The parole board shall review its policies related to the review and parole of those offenders serving a parolable life sentence with consideration given to those that do not pose an ongoing risk to society.

### **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 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.

Sec. 803. (1) 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.

(2) The department shall assure that any such signed release forms follow a prisoners upon transfer to another department facility or to the supervision of a parole officer.

(3) The form shall be placed online, on a public website managed by the department.

Sec. 804. 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, emergency room visits, and prisoners receiving off-site inpatient medical care in the previous quarter, by facility.

Sec. 806. From the funds appropriated in part 1 for mental health services and support, the department shall expand its mental health treatment and sex offender treatment programs. The purpose of this enhancement is to address increased caseloads, reduce the number of prisoners on the waiting list who are past their earliest release date, and reduce the percentage of prisoners readmitted to mental health programs at their previous level of care.

Sec. 807. The funds appropriated in part 1 for Hepatitis C treatment shall be used only to purchase specialty medication for Hepatitis C treatment in the prison population. In addition to the above appropriation, any rebates received from the medications used shall be used only to purchase specialty medication for Hepatitis C treatment. On a quarterly basis, 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, showing for the previous 4 quarters the total amount spent on specialty medication for the treatment of Hepatitis C, the number of prisoners that were treated, the amount of any rebates that were received from the purchase of specialty medication, and what outstanding rebates are expected to be received.

Sec. 812. (1) The department shall provide the department of health and human services with a monthly list of prisoners newly committed to the department of corrections. The department and the department of health and human services shall enter into an interagency agreement under which the department of health and 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. 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. 901. The department, working with the department of technology, management, and budget, shall determine the costs of entering into an agreement to lease or purchase a private correctional facility to be operated by the department, as well as the costs of reopening a closed correctional facility already owned by the department to determine if it would be in the best interest of the citizens of this state to house prisoners in a private correctional facility leased or purchased and operated by the department, or a closed correctional facility owned by the department that the department reopens, rather than in a correctional facility currently operated by the department. By October 15, the department shall issue a report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director that documents the acquisition, lease, reopening, and modernization costs, and taxes, utilities, expected future capital repair, and upgrades of the correctional facilities described in this section.

Sec. 902. From the funds appropriated in part 1 for the education program, the department shall use \$2,000,000.00 to expand the vocational village program.

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 do not complete each program and are not subsequently reenrolled, 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, 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 high school equivalency.
- (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) The number of prisoners not paroled at their earliest release date due to lack of a high school equivalency, and the reason those prisoners have not obtained a high school equivalency.



Sec. 908. From the funds appropriated in part 1, the department shall explore the feasibility of establishing an online career high school education pilot program, or other alternatives to providing prisoners with a high school diploma in lieu of a high school equivalency. The department shall explore establishing outside partnerships to assist the department with providing high school diplomas. The department shall submit a report by December 1 to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, the legislative corrections ombudsman, and the state budget director that describes the necessary steps the department would have to take, the resources the department would need, and departmental organizational changes that would be required, and the feasibility of the department's forming outside partnerships to assist with providing prisoners with a high school diploma in lieu of a high school equivalency.

Sec. 909. From the funds appropriated in part 1, the department shall focus on providing career-based educational programming for prisoners, to include vocational trade programs and employment readiness programs.

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, escape attempts, suicides, and attempted suicides 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) From the funds appropriated in part 1, the department shall focus on providing required programming to prisoners who are past their earliest release date because of not having received the required programming. Programming includes, but is not limited to, violence prevention programming, assaultive offender programming, sexual offender programming, substance abuse treatment programming, thinking for a change programming, and any other programming that is required as a condition of parole.

(2) 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 placed on a waiting list for the appropriate programming upon entrance to prison and 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.

(3) 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, from the date of entrance to prison, 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. 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, 2015 and September 30, 2016, and the annual number of prisoners in administrative segregation between October 1, 2015 and September 30, 2016 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 reentry program that recognizes the needs of prisoners less than 18 years old for supervised reentry.

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. 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.

### **INFORMATION TECHNOLOGY**

Sec. 1000. From the funds appropriated in part 1 for information technology services and projects, the department shall expand bandwidth in 27 correctional facilities and 113 field operations offices. The purpose of this bandwidth expansion is to support critical information technology systems that provide platforms for several mandated programs and department cost savings efforts.

### **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. 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 may 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 may 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 at no additional cost to this state.

### **ONE-TIME APPROPRIATIONS**

Sec. 1100. From the funds appropriated in part 1 for new custody staff training, the department shall increase the training capacity for new custody staff by 350 officers. The purpose of this academy is to address higher than normal attrition of correction officers and to decrease overtime costs.

PART 2A
PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS
FOR FISCAL YEAR 2017-2018

GENERAL SECTIONS

Sec. 1201. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, 2018 for the line items listed in part 1. The fiscal year 2017-2018 appropriations are anticipated to be the same as those for fiscal year 2016-2017, 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 2017 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 appropriations for the department of corrections for the fiscal year ending September 30, 2017; and to provide for the expenditure of the appropriations.

Dave Pagel
Chris Afendoulis
Conferees for the House

John Proos
Marty Knollenberg
Vincent Gregory
Conferees for the Senate

First Conference Report

The Committee of Conference on the matters of difference between the two Houses concerning
House Bill No. 5276, entitled

A bill to make appropriations 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, the department of talent and economic development, and certain state purposes related thereto for the fiscal year ending September 30, 2017; to provide for the expenditure of the appropriations; to provide for the disposition of fees and other income received by the state agencies; and to declare the effect of this act.

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 appropriations 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, the department of talent and economic development, and certain state purposes related thereto for the fiscal year ending September 30, 2017; to provide for the expenditure of the appropriations; to provide for the disposition of fees and other income received by the state agencies; and to declare the effect of this act.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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, the department of talent and economic development, and certain state purposes related thereto for the fiscal year ending September 30, 2017, from the following funds:

TOTAL GENERAL GOVERNMENT

APPROPRIATION SUMMARY

Full-time equated unclassified positions..... 50.0

Full-time equated classified positions ..... 8,709.7

GROSS APPROPRIATION ..... \$ 4,869,270,600

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental transfers ..... 760,158,300

ADJUSTED GROSS APPROPRIATION ..... \$ 4,109,112,300

Federal revenues:

Total federal revenues..... 826,723,500

For Fiscal Year  
Ending Sept. 30,  
2017

|  |                  |
|--|------------------|
| Special revenue funds:                     |                  |
| Total local revenues.....                  | 12,021,000       |
| Total private revenues.....                | 6,064,500        |
| Total other state restricted revenues..... | 2,126,990,600    |
| State general fund/general purpose.....    | \$ 1,137,312,700 |

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

**(1) APPROPRIATION SUMMARY**

|   |       |                |
|---|-------|----------------|
| Full-time equated unclassified positions..... | 6.0   |                |
| Full-time equated classified positions.....   | 527.0 |                |
| GROSS APPROPRIATION.....                      |       | \$ 101,485,800 |

Interdepartmental grant revenues:

|   |               |
|---|---------------|
| Total interdepartmental grants and intradepartmental transfers..... | 28,989,700    |
| ADJUSTED GROSS APPROPRIATION.....                                   | \$ 72,496,100 |

Federal revenues:

|                             |           |
|-----------------------------|-----------|
| Total federal revenues..... | 9,476,700 |
|-----------------------------|-----------|

Special revenue funds:

|  |               |
|--|---------------|
| Total local revenues.....                  | 0             |
| Total private revenues.....                | 0             |
| Total other state restricted revenues..... | 20,178,900    |
| State general fund/general purpose.....    | \$ 42,840,500 |

**(2) ATTORNEY GENERAL OPERATIONS**

|  |       |               |
|--|-------|---------------|
| Full-time equated unclassified positions.....                      | 6.0   |               |
| Full-time equated classified positions.....                        | 522.5 |               |
| Attorney general.....  |       | \$ 112,500    |
| Unclassified positions—5.0 FTE positions.....                      |       | 754,000       |
| Attorney general operations—479.5 FTE positions.....               |       | 86,400,000    |
| Child support enforcement—25.0 FTE positions.....                  |       | 3,503,800     |
| Prosecuting attorneys coordinating council—12.0 FTE positions..... |       | 2,142,600     |
| Public safety initiative—1.0 FTE position.....                     |       | 905,800       |
| Sexual assault law enforcement—5.0 FTE positions.....              |       | 1,713,500     |
| GROSS APPROPRIATION.....   |       | \$ 95,532,200 |

Appropriated from:

Interdepartmental grant revenues:

|  |           |
|--|-----------|
| IDG from MDHHS, health policy.....   | 206,900   |
| IDG from MDHHS, medical services administration.....                         | 691,200   |
| IDG from MDHHS, WIC.....   | 152,500   |
| IDG from department of corrections.....                                      | 660,300   |
| IDG from MDE.....  | 595,600   |
| IDG from MDEQ.....   | 2,009,000 |
| IDG from MDHHS, human services.....  | 5,932,500 |
| IDG from MDIFS, financial and insurance services.....                        | 1,213,000 |
| IDG from TED, workforce development agency.....                              | 89,600    |
| IDG from MDLARA, fireworks safety fund.....                                  | 83,000    |
| IDG from MDLARA, health professions.....                                     | 3,037,400 |
| IDG from MDLARA, licensing and regulation fees.....                          | 335,600   |
| IDG from MDLARA, Michigan occupational safety and health administration..... | 107,700   |
| IDG from MDLARA, remonumentation fees.....                                   | 106,100   |
| IDG from MDLARA, securities fees.....  | 188,300   |
| IDG from MDLARA, unlicensed builders.....                                    | 334,700   |
| IDG from MDMVA.....  | 164,900   |
| IDG from MDOS, children’s protection registry.....                           | 45,000    |
| IDG from MDOT, comprehensive transportation fund.....                        | 204,500   |
| IDG from MDOT, state aeronautics fund.....                                   | 177,600   |
| IDG from MDOT, state trunkline fund.....                                     | 2,429,200 |
| IDG from MDSP.....   | 257,300   |
| IDG from MDTMB.....  | 463,800   |

|   | For Fiscal Year<br>Ending Sept. 30,<br>2017 |
|---|---|
| IDG from MDTMB, civil service commission .....                                      | 305,900                                     |
| IDG from MDTMB, risk management revolving fund .....                                | 1,468,400                                   |
| IDG from Michigan state housing development authority .....                         | 676,600                                     |
| IDG from treasury .....   | 6,874,000                                   |
| IDG from TED, Michigan strategic fund .....   | 179,100                                     |
| Federal revenues:   |   |
| DAG, state administrative match grant/food stamps .....                             | 137,000                                     |
| Federal funds .....   | 3,145,100                                   |
| HHS, medical assistance, medigrant .....  | 384,800                                     |
| HHS-OS, state Medicaid fraud control units .....                                    | 5,688,600                                   |
| National criminal history improvement program .....                                 | 121,200                                     |
| Special revenue funds:  |   |
| Antitrust enforcement collections .....   | 762,600                                     |
| Attorney general's operations fund .....  | 767,000                                     |
| Auto repair facilities fees .....   | 327,400                                     |
| Franchise fees .....  | 382,400                                     |
| Game and fish protection fund .....   | 751,100                                     |
| Human trafficking commission fund .....   | 390,000                                     |
| Lawsuit settlement proceeds fund .....  | 2,600,000                                   |
| Liquor purchase revolving fund .....  | 1,459,200                                   |
| Manufactured housing fees .....   | 250,600                                     |
| Merit award trust fund .....  | 495,700                                     |
| Michigan employment security act - administrative fund .....                        | 2,241,500                                   |
| Prisoner reimbursement .....  | 625,200                                     |
| Prosecuting attorneys training fees .....   | 411,500                                     |
| Public utility assessments .....  | 2,077,300                                   |
| Real estate enforcement fund .....  | 100,700                                     |
| Reinstatement fees .....  | 257,700                                     |
| Retirement funds .....  | 1,042,200                                   |
| Second injury fund .....  | 821,700                                     |
| Self-insurers security fund .....   | 571,200                                     |
| Silicosis and dust disease fund .....   | 225,700                                     |
| State building authority revenue .....  | 120,900                                     |
| State casino gaming fund .....  | 1,861,900                                   |
| State lottery fund .....  | 345,100                                     |
| Utility consumers fund .....  | 780,800                                     |
| Waterways fund .....  | 140,000                                     |
| Worker's compensation administrative revolving fund .....                           | 369,500                                     |
| State general fund/general purpose .....  | \$ 36,886,900                               |
| <b>(3) INFORMATION TECHNOLOGY</b>   |   |
| Information technology services and projects .....                                  | \$ 1,553,600                                |
| GROSS APPROPRIATION .....   | \$ 1,553,600                                |
| Appropriated from:  |   |
| State general fund/general purpose .....  | \$ 1,553,600                                |
| <b>(4) ONE-TIME BASIS ONLY APPROPRIATIONS</b>                                       |   |
| Full-time equated classified positions .....  | 4.5   |
| Prescription drug abuse enforcement—4.5 FTE positions .....                         | \$ 700,000                                  |
| State defense costs .....   | 3,000,000                                   |
| Prosecuting attorneys coordinating council juvenile life without parole cases ..... | 700,000                                     |
| GROSS APPROPRIATION .....   | \$ 4,400,000                                |
| Appropriated from:  |   |
| State general fund/general purpose .....  | \$ 4,400,000                                |
| <b>Sec. 103. DEPARTMENT OF CIVIL RIGHTS</b>   |   |
| <b>(1) APPROPRIATION SUMMARY</b>  |   |
| Full-time equated unclassified positions .....                                      | 6.0   |
| Full-time equated classified positions .....  | 129.0                                       |
| GROSS APPROPRIATION .....   | \$ 16,248,500                               |

For Fiscal Year  
Ending Sept. 30,  
2017

|  |               |
|--|---------------|
| Interdepartmental grant revenues:                                    |               |
| Total interdepartmental grants and intradepartmental transfers ..... | 293,600       |
| ADJUSTED GROSS APPROPRIATION .....                                   | \$ 15,954,900 |
| Federal revenues:  |               |
| Total federal revenues.....  | 2,763,000     |
| Special revenue funds:   |               |
| Total local revenues.....  | 0             |
| Total private revenues.....  | 18,700        |
| Total other state restricted revenues .....                          | 151,900       |
| State general fund/general purpose .....                             | \$ 13,021,300 |
| <b>(2) CIVIL RIGHTS OPERATIONS</b>                                   |               |
| Full-time equated unclassified positions.....                        | 6.0           |
| Full-time equated classified positions .....                         | 127.0         |
| Unclassified positions—6.0 FTE positions .....                       | \$ 660,300    |
| Civil rights operations—121.0 FTE positions .....                    | 13,831,700    |
| Division on deaf and hard of hearing—6.0 FTE positions .....         | 798,600       |
| GROSS APPROPRIATION .....  | \$ 15,290,600 |
| Appropriated from:   |               |
| Interdepartmental grant revenues:                                    |               |
| IDG from DTMB.....   | 293,600       |
| Federal revenues:  |               |
| EEOC, state and local antidiscrimination agency contracts .....      | 1,211,500     |
| HUD, grant.....  | 1,536,500     |
| Special revenue funds:   |               |
| Private revenues.....  | 18,700        |
| Division on deafness fund.....                                       | 93,400        |
| State restricted indirect funds.....                                 | 58,500        |
| State general fund/general purpose .....                             | \$ 12,078,400 |
| <b>(3) INFORMATION TECHNOLOGY</b>                                    |               |
| Information technology services and projects.....                    | \$ 707,900    |
| GROSS APPROPRIATION .....  | \$ 707,900    |
| Appropriated from:   |               |
| Federal revenues:  |               |
| EEOC, state and local antidiscrimination agency contracts .....      | 15,000        |
| State general fund/general purpose .....                             | \$ 692,900    |
| <b>(4) ONE-TIME BASIS ONLY APPROPRIATIONS</b>                        |               |
| Full-time equated classified positions .....                         | 2.0           |
| Division on deaf and hard of hearing—2.0 FTE positions .....         | \$ 250,000    |
| GROSS APPROPRIATION .....  | \$ 250,000    |
| Appropriated from:   |               |
| State general fund/general purpose .....                             | \$ 250,000    |
| <b>Sec. 104. EXECUTIVE OFFICE</b>                                    |               |
| <b>(1) APPROPRIATION SUMMARY</b>                                     |               |
| Full-time equated unclassified positions.....                        | 10.0          |
| Full-time equated classified positions .....                         | 74.2          |
| GROSS APPROPRIATION .....  | \$ 5,636,300  |
| Interdepartmental grant revenues:                                    |               |
| Total interdepartmental grants and intradepartmental transfers ..... | 0             |
| ADJUSTED GROSS APPROPRIATION .....                                   | \$ 5,636,300  |
| 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 .....                             | \$ 5,636,300  |



For Fiscal Year  
Ending Sept. 30,  
2017

|  |                |
|--|----------------|
| <b>(2) EXECUTIVE OFFICE OPERATIONS</b>                               |                |
| Full-time equated unclassified positions.....                        | 10.0           |
| Full-time equated classified positions .....                         | 74.2           |
| Governor.....  | \$ 159,300     |
| Lieutenant governor.....   | 111,600        |
| Executive office—74.2 FTE positions.....                             | 4,108,100      |
| Unclassified positions—8.0 FTE positions .....                       | 1,257,300      |
| <b>GROSS APPROPRIATION</b> .....                                     | \$ 5,636,300   |
| Appropriated from:   |                |
| State general fund/general purpose .....                             | \$ 5,636,300   |
| <b>Sec. 105. LEGISLATURE</b>   |                |
| <b>(1) APPROPRIATION SUMMARY</b>                                     |                |
| <b>GROSS APPROPRIATION</b> .....                                     | \$ 165,555,500 |
| Interdepartmental grant revenues:                                    |                |
| Total interdepartmental grants and intradepartmental transfers ..... | 5,558,600      |
| <b>ADJUSTED GROSS APPROPRIATION</b> .....                            | \$ 159,996,900 |
| Federal revenues:  |                |
| Total federal revenues.....  | 0              |
| Special revenue funds:   |                |
| Total local revenues.....  | 0              |
| Total private revenues.....  | 400,000        |
| Total other state restricted revenues .....                          | 6,245,200      |
| State general fund/general purpose .....                             | \$ 153,351,700 |
| <b>(2) LEGISLATURE</b>   |                |
| Senate .....   | \$ 34,523,700  |
| Senate automated data processing.....                                | 2,500,000      |
| Senate fiscal agency .....   | 3,779,600      |
| House of representatives.....  | 53,095,900     |
| House automated data processing .....                                | 2,200,000      |
| House fiscal agency.....   | 3,779,600      |
| <b>GROSS APPROPRIATION</b> .....                                     | \$ 99,878,800  |
| Appropriated from:   |                |
| State general fund/general purpose .....                             | \$ 99,878,800  |
| <b>(3) LEGISLATIVE COUNCIL</b>                                       |                |
| Legislative council.....   | \$ 11,981,200  |
| Legislative service bureau automated data processing .....           | 1,426,600      |
| Worker’s compensation.....   | 151,400        |
| National association dues .....                                      | 454,700        |
| Legislative corrections ombudsman.....                               | 729,200        |
| Michigan veterans facility ombudsman.....                            | 150,000        |
| <b>GROSS APPROPRIATION</b> .....                                     | \$ 14,893,100  |
| Appropriated from:   |                |
| Special revenue funds:   |                |
| Private - gifts and bequests revenues .....                          | 400,000        |
| State general fund/general purpose .....                             | \$ 14,493,100  |
| <b>(4) LEGISLATIVE RETIREMENT SYSTEM</b>                             |                |
| General nonretirement expenses.....                                  | \$ 4,962,800   |
| <b>GROSS APPROPRIATION</b> .....                                     | \$ 4,962,800   |
| Appropriated from:   |                |
| Special revenue funds:   |                |
| Court fees .....   | 1,154,600      |
| State general fund/general purpose .....                             | \$ 3,808,200   |
| <b>(5) PROPERTY MANAGEMENT</b>                                       |                |
| Cora Anderson Building.....  | \$ 11,426,700  |
| Farnum Building and other properties.....                            | 2,851,800      |
| <b>GROSS APPROPRIATION</b> .....                                     | \$ 14,278,500  |

|  | For Fiscal Year<br>Ending Sept. 30,<br>2017 |
|--|---|
| Appropriated from:   |   |
| State general fund/general purpose .....                           | \$ 14,278,500                               |
| <b>(6) STATE CAPITOL HISTORIC SITE</b>                             |   |
| General operations.....  | \$ 4,269,200                                |
| Restoration, renewal, and maintenance .....                        | 3,121,200                                   |
| GROSS APPROPRIATION .....  | \$ <u>7,390,400</u>                         |
| Appropriated from:   |   |
| Special revenue funds:   |   |
| Capitol historic site fund .....                                   | 3,121,200                                   |
| State general fund/general purpose .....                           | \$ 4,269,200                                |
| <b>(7) OFFICE OF THE AUDITOR GENERAL</b>                           |   |
| Unclassified positions.....  | \$ 329,400                                  |
| Field operations .....   | 23,322,500                                  |
| GROSS APPROPRIATION .....  | \$ <u>23,651,900</u>                        |
| Appropriated from:   |   |
| Interdepartmental grant revenues:                                  |   |
| IDG from MDHHS, human services .....                               | 30,600                                      |
| IDG from MDLARA, liquor purchase revolving fund.....               | 28,700                                      |
| IDG from MDOT, comprehensive transportation fund.....              | 39,000                                      |
| IDG from MDOT, Michigan transportation fund .....                  | 315,800                                     |
| IDG from MDOT, state aeronautics fund.....                         | 30,300                                      |
| IDG from MDOT, state trunkline fund .....                          | 733,500                                     |
| IDG, legislative retirement system .....                           | 29,200                                      |
| IDG, single audit act .....  | 2,913,100                                   |
| IDG, commercial mobile radio system emergency telephone fund ..... | 36,800                                      |
| IDG, contract audit administration fees .....                      | 41,400                                      |
| IDG, deferred compensation funds.....                              | 54,400                                      |
| IDG, Michigan finance authority .....                              | 330,800                                     |
| IDG, Michigan economic development corporation.....                | 96,300                                      |
| IDG, Michigan education trust fund .....                           | 70,800                                      |
| IDG, Michigan justice training commission fund .....               | 40,900                                      |
| IDG, Michigan strategic fund.....                                  | 169,100                                     |
| IDG, office of retirement services.....                            | 218,400                                     |
| IDG, other restricted funding sources .....                        | 379,500                                     |
| Special revenue funds:   |   |
| 21st century jobs trust fund.....                                  | 96,300                                      |
| Brownfield development fund .....                                  | 28,100                                      |
| Clean Michigan initiative implementation bond fund.....            | 54,500                                      |
| Game and fish protection fund.....                                 | 31,300                                      |
| MDTMB, civil service commission .....                              | 166,200                                     |
| Michigan state housing development authority fees .....            | 113,500                                     |
| Michigan veterans' trust fund.....                                 | 35,500                                      |
| Motor transport revolving fund .....                               | 7,400                                       |
| Office services revolving fund .....                               | 10,000                                      |
| State disbursement unit, office of child support.....              | 57,400                                      |
| State services fee fund.....                                       | 1,357,900                                   |
| Waterways fund .....   | 11,300                                      |
| State general fund/general purpose .....                           | \$ 16,123,900                               |
| <b>(8) ONE-TIME BASIS ONLY APPROPRIATIONS</b>                      |   |
| Criminal justice policy commission study .....                     | \$ 500,000                                  |
| GROSS APPROPRIATION .....  | \$ <u>500,000</u>                           |
| Appropriated from:   |   |
| State general fund/general purpose .....                           | \$ 500,000                                  |
| <b>Sec. 106. DEPARTMENT OF STATE</b>                               |   |
| <b>(1) APPROPRIATION SUMMARY</b>                                   |   |
| Full-time equated unclassified positions.....                      | 6.0   |
| Full-time equated classified positions .....                       | 1,587.0                                     |
| GROSS APPROPRIATION .....  | \$ 248,015,600                              |

|  | For Fiscal Year<br>Ending Sept. 30,<br>2017 |
|--|---|
| Interdepartmental grant revenues:  |   |
| Total interdepartmental grants and intradepartmental transfers .....                       | 20,000,000                                  |
| ADJUSTED GROSS APPROPRIATION .....   | \$ 228,015,600                              |
| Federal revenues:  |   |
| Total federal revenues.....  | 1,460,000                                   |
| Special revenue funds:   |   |
| Total local revenues.....  | 0   |
| Total private revenues.....  | 100   |
| Total other state restricted revenues .....  | 204,445,900                                 |
| State general fund/general purpose .....   | \$ 22,109,600                               |
| <b>(2) EXECUTIVE DIRECTION</b>   |   |
| 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 .....   | 628,800                                     |
| Operations—30.0 FTE positions .....  | 4,567,200                                   |
| GROSS APPROPRIATION .....  | \$ 5,308,500                                |
| Appropriated from:   |   |
| Special revenue funds:   |   |
| Auto repair facilities fees .....  | 68,700                                      |
| Children’s protection registry fund.....   | 270,700                                     |
| Driver fees .....  | 276,000                                     |
| Enhanced driver license and enhanced official state personal identification card fund..... | 216,700                                     |
| Expedient service fees.....  | 66,300                                      |
| Parking ticket court fines.....  | 9,200                                       |
| Personal identification card fees.....   | 32,300                                      |
| Reinstatement fees - operator licenses .....   | 248,900                                     |
| Transportation administration collection fund.....   | 2,499,800                                   |
| Vehicle theft prevention fees .....  | 40,400                                      |
| State general fund/general purpose .....   | \$ 1,579,500                                |
| <b>(3) DEPARTMENT SERVICES</b>   |   |
| Full-time equated classified positions .....   | 117.0                                       |
| Operations—117.0 FTE positions .....   | \$ 25,315,100                               |
| GROSS APPROPRIATION .....  | \$ 25,315,100                               |
| Appropriated from:   |   |
| Special revenue funds:   |   |
| Abandoned vehicle fees.....  | 481,100                                     |
| Driver fees .....  | 731,000                                     |
| Driver improvement course fund.....  | 308,600                                     |
| Enhanced driver license and enhanced official state personal identification card fund..... | 329,400                                     |
| Expedient service fees.....  | 273,600                                     |
| Marine safety fund .....   | 85,200                                      |
| Personal identification card fees.....   | 193,700                                     |
| Reinstatement fees - operator licenses .....   | 537,700                                     |
| Scrap tire fund.....   | 78,100                                      |
| Transportation administration collection fund.....   | 21,714,300                                  |
| State general fund/general purpose .....   | \$ 582,400                                  |
| <b>(4) LEGAL SERVICES</b>  |   |
| Full-time equated classified positions .....   | 83.0  |
| Operations—83.0 FTE positions .....  | \$ 14,501,500                               |
| GROSS APPROPRIATION .....  | \$ 14,501,500                               |
| Appropriated from:   |   |
| Special revenue funds:   |   |
| Auto repair facilities fees .....  | 3,363,800                                   |
| Driver education provider and instructor fund.....   | 25,400                                      |
| Driver fees .....  | 2,193,800                                   |
| Driver responsibility fees .....   | 1,000,000                                   |

|  | For Fiscal Year<br>Ending Sept. 30,<br>2017 |
|--|---|
| Enhanced driver license and enhanced official state personal identification card fund..... | 504,900                                     |
| Personal identification card fees.....   | 61,700                                      |
| Reinstatement fees - operator licenses .....   | 1,463,900                                   |
| Transportation administration collection fund.....   | 4,311,100                                   |
| Vehicle theft prevention fees .....  | 1,092,600                                   |
| State general fund/general purpose .....   | \$ 484,300                                  |
| <b>(5) CUSTOMER DELIVERY SERVICES</b>  |   |
| Full-time equated classified positions .....   | 1,312.0                                     |
| Branch operations—922.0 FTE positions.....   | \$ 85,709,100                               |
| Central operations—388.0 FTE positions .....   | 50,115,300                                  |
| Motorcycle safety education administration—2.0 FTE positions .....                         | 335,500                                     |
| Motorcycle safety education grants .....   | 1,800,000                                   |
| Credit and debit assessment services .....   | 6,000,000                                   |
| Organ donor program .....  | 129,100                                     |
| <b>GROSS APPROPRIATION .....</b>   | <b>\$ 144,089,000</b>                       |
| 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.....  | 204,500                                     |
| Auto repair facilities fees .....  | 910,400                                     |
| Child support clearance fees .....   | 363,600                                     |
| Credit and debit assessment service fee revenue .....                                      | 6,000,000                                   |
| Driver education provider and instructor fund .....  | 49,600                                      |
| Driver fees .....  | 25,355,100                                  |
| Driver improvement course fund.....  | 1,246,200                                   |
| Enhanced driver license and enhanced official state personal identification card fund..... | 9,021,200                                   |
| Expedient service fees .....   | 2,603,600                                   |
| Marine safety fund .....   | 1,420,400                                   |
| Michigan state police auto theft fund.....   | 123,700                                     |
| Mobile home commission fees .....  | 507,500                                     |
| Motorcycle safety fund.....  | 1,835,500                                   |
| Off-road vehicle title fees.....   | 170,400                                     |
| Parking ticket court fines.....  | 1,629,800                                   |
| Personal identification card fees.....   | 2,319,700                                   |
| Recreation passport fee revenue .....  | 1,000,000                                   |
| Reinstatement fees - operator licenses .....   | 2,358,000                                   |
| Snowmobile registration fee revenue .....  | 390,000                                     |
| Thomas Daley gift of life fund.....  | 50,000                                      |
| Transportation administration collection fund.....   | 60,920,300                                  |
| Vehicle theft prevention fees .....  | 742,200                                     |
| State general fund/general purpose .....   | \$ 3,407,200                                |
| <b>(6) ELECTION REGULATION</b>   |   |
| Full-time equated classified positions .....   | 45.0  |
| Election administration and services—45.0 FTE positions.....                               | \$ 7,169,100                                |
| County clerk education and training fund.....  | 100,000                                     |
| Fees to local units .....  | 109,800                                     |
| <b>GROSS APPROPRIATION .....</b>   | <b>\$ 7,378,900</b>                         |
| Appropriated from:   |   |
| Special revenue funds:   |   |
| Notary education and training fund.....  | 100,000                                     |
| Notary fee fund .....  | 343,500                                     |
| State general fund/general purpose .....   | \$ 6,935,400                                |

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**(7) DEPARTMENTWIDE APPROPRIATIONS**

|  |                      |
|--|----------------------|
| Building occupancy charges/rent.....   | \$ 9,792,000         |
| Worker's compensation.....   | 254,400              |
| <b>GROSS APPROPRIATION</b> .....   | <b>\$ 10,046,400</b> |
| Appropriated from:   |                      |
| Special revenue funds:   |                      |
| Auto repair facilities fees .....  | 133,200              |
| Driver fees .....  | 708,800              |
| Enhanced driver license and enhanced official state personal identification card fund..... | 326,000              |
| Parking ticket court fines.....  | 441,500              |
| Transportation administration collection fund.....   | 5,904,200            |
| State general fund/general purpose .....   | \$ 2,532,700         |

**(8) INFORMATION TECHNOLOGY**

|  |                      |
|--|----------------------|
| Information technology services and projects .....   | \$ 36,376,200        |
| <b>GROSS APPROPRIATION</b> .....   | <b>\$ 36,376,200</b> |
| Appropriated from:   |                      |
| Special revenue funds:   |                      |
| Administrative order processing fee.....   | 11,700               |
| Auto repair facilities fees .....  | 129,300              |
| Driver fees .....  | 787,400              |
| Enhanced driver license and enhanced official state personal identification card fund..... | 327,500              |
| Expedient service fees.....  | 1,085,100            |
| Parking ticket court fines.....  | 89,000               |
| Personal identification card fees.....   | 173,300              |
| Reinstatement fees - operator licenses .....   | 592,300              |
| Transportation administration collection fund.....   | 31,411,500           |
| Vehicle theft prevention fees .....  | 181,000              |
| State general fund/general purpose .....   | \$ 1,588,100         |

**(9) ONE-TIME BASIS ONLY APPROPRIATIONS**

|  |                     |
|--|---------------------|
| Election administration and services ..... | \$ 5,000,000        |
| <b>GROSS APPROPRIATION</b> .....           | <b>\$ 5,000,000</b> |
| Appropriated from:                         |                     |
| State general fund/general purpose .....   | \$ 5,000,000        |

**Sec. 107. DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET**

**(1) APPROPRIATION SUMMARY**

|  |         |                       |
|--|---------|-----------------------|
| Full-time equated unclassified positions.....                        | 6.0     |                       |
| Full-time equated classified positions .....                         | 2,877.0 |                       |
| <b>GROSS APPROPRIATION</b> .....                                     |         | \$ 1,301,191,700      |
| Interdepartmental grant revenues:                                    |         |                       |
| Total interdepartmental grants and intradepartmental transfers ..... |         | 694,054,100           |
| <b>ADJUSTED GROSS APPROPRIATION</b> .....                            |         | <b>\$ 607,137,600</b> |
| Federal revenues:  |         |                       |
| Total federal revenues.....  |         | 4,958,200             |
| Special revenue funds:   |         |                       |
| Total local revenues.....  |         | 2,320,000             |
| Total private revenues.....  |         | 0                     |
| Total other state restricted revenues .....                          |         | 114,340,800           |
| State general fund/general purpose .....                             |         | \$ 485,518,600        |

**(2) EXECUTIVE DIRECTION**

|  |      |                     |
|--|------|---------------------|
| Full-time equated unclassified positions.....  | 6.0  |                     |
| Full-time equated classified positions .....   | 12.0 |                     |
| Unclassified positions—6.0 FTE positions ..... |      | \$ 1,001,400        |
| Executive operations—12.0 FTE positions .....  |      | 2,376,000           |
| <b>GROSS APPROPRIATION</b> .....               |      | <b>\$ 3,377,400</b> |

Appropriated from:

|  |           |
|--|-----------|
| Interdepartmental grant revenues:                    |           |
| IDG from building occupancy and parking charges..... | 249,700   |
| IDG from technology user fees .....                  | 2,074,400 |



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|  |                |
|--|----------------|
| Special revenue funds:   |                |
| Special revenue, internal service, and pension trust funds.....                      | 289,200        |
| State general fund/general purpose .....   | \$ 764,100     |
| <b>(3) DEPARTMENT SERVICES</b>   |                |
| Full-time equated classified positions .....   | 730.5          |
| Administrative services—123.5 FTE positions .....                                    | \$ 15,974,800  |
| Budget and financial management—160.0 FTE positions .....                            | 23,073,200     |
| Office of the state employer—23.0 FTE positions.....                                 | 3,417,300      |
| Design and construction services—40.0 FTE positions.....                             | 6,477,000      |
| Business support services—97.0 FTE positions.....                                    | 11,469,600     |
| Building operation services—210.0 FTE positions.....                                 | 92,416,200     |
| Building occupancy charges, rent, and utilities.....                                 | 7,494,200      |
| Motor vehicle fleet—35.0 FTE positions.....  | 74,260,100     |
| Information technology services and projects.....                                    | 32,630,500     |
| Bureau of labor market information and strategies—42.0 FTE positions.....            | 5,475,100      |
| GROSS APPROPRIATION .....  | \$ 272,688,000 |
| Appropriated from:   |                |
| Interdepartmental grant revenues:  |                |
| IDG from accounting service centers user charges.....                                | 2,698,000      |
| IDG from building occupancy and parking charges.....                                 | 94,647,900     |
| IDG from MDHHS, community health.....  | 484,500        |
| IDG from MDHHS, human services .....   | 215,400        |
| IDG from MDLARA .....  | 100,000        |
| IDG from motor transport fund.....   | 74,260,100     |
| IDG from technology user fees .....  | 7,658,600      |
| IDG from user fees.....  | 6,754,000      |
| Federal revenues:  |                |
| Federal funds .....  | 4,958,200      |
| Special revenue funds:   |                |
| Local - MPSCS subscriber and maintenance fees.....                                   | 61,700         |
| Local revenues.....  | 35,000         |
| Deferred compensation.....   | 2,600          |
| Health management funds .....  | 2,257,200      |
| MAIN user charges .....  | 4,337,600      |
| Other agency charges .....   | 1,178,700      |
| Pension trust funds .....  | 10,082,000     |
| Special revenue, internal service, and pension trust funds.....                      | 17,168,300     |
| State restricted indirect funds.....   | 3,392,200      |
| State general fund/general purpose .....   | \$ 42,396,000  |
| <b>(4) TECHNOLOGY SERVICES</b>   |                |
| Full-time equated classified positions .....   | 1,487.5        |
| Education services—29.0 FTE positions.....   | \$ 4,106,500   |
| Health and human services—617.5 FTE positions .....                                  | 291,972,300    |
| Public protection—154.5 FTE positions .....  | 55,832,600     |
| Resources services—146.5 FTE positions.....  | 20,283,500     |
| Transportation services—89.5 FTE positions.....                                      | 31,739,300     |
| General services—331.5 FTE positions .....   | 98,027,300     |
| Enterprisewide information technology investment projects.....                       | 9,500,000      |
| General government and public safety information technology investment projects..... | 18,000,000     |
| MAIN system replacement information technology investment project .....              | 35,500,000     |
| Cyber security information technology investment project.....                        | 2,000,000      |
| Homeland security initiative/cyber security—13.0 FTE positions.....                  | 13,118,200     |
| Michigan public safety communication system—100.0 FTE positions .....                | 40,094,800     |
| Enterprise identity management—6.0 FTE positions.....                                | 6,700,000      |
| GROSS APPROPRIATION .....  | \$ 626,874,500 |

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|  |                |
|--|----------------|
| Appropriated from:   |                |
| Interdepartmental grant revenues:  |                |
| IDG from technology user fees .....  | 501,961,500    |
| Special revenue funds:   |                |
| Local - MPSCS subscriber and maintenance fees .....  | 2,223,300      |
| State general fund/general purpose .....   | \$ 122,689,700 |
| <b>(5) STATEWIDE APPROPRIATIONS</b>  |                |
| Professional development fund - NERE .....   | \$ 250,000     |
| Professional development fund - UAW .....  | 700,000        |
| GROSS APPROPRIATION .....  | \$ 950,000     |
| Appropriated from:   |                |
| Interdepartmental grant revenues:  |                |
| IDG from employer contributions .....  | 950,000        |
| State general fund/general purpose .....   | \$ 0           |
| <b>(6) SPECIAL PROGRAMS</b>  |                |
| Full-time equated classified positions .....   | 197.0          |
| Building occupancy charges - property management services for executive/legislative building occupancy ..... | \$ 1,154,500   |
| Retirement services—167.0 FTE positions .....  | 28,724,900     |
| Office of children’s ombudsman—14.0 FTE positions .....  | 1,801,600      |
| Office of urban initiatives—5.0 FTE positions .....  | 1,012,200      |
| School reform office operations—11.0 FTE positions .....   | 2,318,300      |
| Public private partnership .....   | 1,500,000      |
| Regional prosperity grants .....   | 2,500,000      |
| GROSS APPROPRIATION .....  | \$ 39,011,500  |
| Appropriated from:   |                |
| Special revenue funds:   |                |
| Deferred compensation .....  | 2,800,000      |
| Pension trust funds .....  | 20,548,100     |
| Public private partnership investment fund .....   | 1,500,000      |
| State general fund/general purpose .....   | \$ 14,163,400  |
| <b>(7) STATE BUILDING AUTHORITY RENT</b>   |                |
| State building authority rent - state agencies .....   | \$ 49,665,800  |
| State building authority rent - department of corrections .....  | 21,029,900     |
| State building authority rent - universities .....   | 144,995,300    |
| State building authority rent - community colleges .....   | 30,879,600     |
| GROSS APPROPRIATION .....  | \$ 246,570,600 |
| Appropriated from:   |                |
| State general fund/general purpose .....   | \$ 246,570,600 |
| <b>(8) CIVIL SERVICE COMMISSION</b>  |                |
| Full-time equated classified positions .....   | 450.0          |
| Agency services—74.0 FTE positions .....   | \$ 13,103,100  |
| Executive direction—40.0 FTE positions .....   | 8,894,300      |
| Employee benefits—16.0 FTE positions .....   | 5,704,000      |
| Human resources operations—320.0 FTE positions .....   | 38,463,100     |
| Information technology services and projects .....   | 3,354,300      |
| GROSS APPROPRIATION .....  | \$ 69,518,800  |
| Appropriated from:   |                |
| Special revenue funds:   |                |
| State restricted funds 1% .....  | 30,702,500     |
| State restricted indirect funds .....  | 8,592,200      |
| State sponsored group insurance .....  | 8,640,200      |
| State general fund/general purpose .....   | \$ 21,583,900  |
| <b>(9) CAPITAL OUTLAY</b>  |                |
| Major special maintenance, remodeling, and addition for state agencies .....                                 | \$ 2,000,000   |
| Enterprisewide special maintenance for state facilities .....  | 26,000,000     |
| GROSS APPROPRIATION .....  | \$ 28,000,000  |

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|  |                  |
|--|------------------|
| Appropriated from:   |                  |
| Interdepartmental grant revenues:  |                  |
| IDG from building occupancy charges.....   | 2,000,000        |
| State general fund/general purpose .....   | \$ 26,000,000    |
| <b>(10) ONE-TIME BASIS ONLY APPROPRIATIONS</b>   |                  |
| Information technology investment fund one-time augmentation .....                           | \$ 4,500,000     |
| Enterprisewide special maintenance for state facilities .....                                | 1,600,900        |
| Office of retirement services information technology modernization and enterprise mandates.. | 2,850,000        |
| Legal services .....   | 5,000,000        |
| Special projects.....  | 250,000          |
| GROSS APPROPRIATION .....  | \$ 14,200,900    |
| Appropriated from:   |                  |
| Special revenue funds:   |                  |
| Pension trust funds .....  | 2,850,000        |
| State general fund/general purpose .....   | \$ 11,350,900    |
| <b>Sec. 108. DEPARTMENT OF TREASURY</b>  |                  |
| <b>(1) APPROPRIATION SUMMARY</b>   |                  |
| Full-time equated unclassified positions.....  | 10.0             |
| Full-time equated classified positions .....   | 1,906.5          |
| GROSS APPROPRIATION .....  | \$ 1,885,142,900 |
| Interdepartmental grant revenues:  |                  |
| Total interdepartmental grants and intradepartmental transfers .....                         | 11,262,300       |
| ADJUSTED GROSS APPROPRIATION .....   | \$ 1,873,880,600 |
| Federal revenues:  |                  |
| Total federal revenues.....  | 39,920,800       |
| Special revenue funds:   |                  |
| Total local revenues .....   | 9,201,000        |
| Total private revenues.....  | 26,700           |
| Total other state restricted revenues .....  | 1,589,286,300    |
| State general fund/general purpose .....   | \$ 235,445,800   |
| <b>(2) EXECUTIVE DIRECTION</b>   |                  |
| Full-time equated unclassified positions.....  | 10.0             |
| Full-time equated classified positions .....   | 52.0             |
| Unclassified positions—10.0 FTE positions .....  | \$ 995,500       |
| Executive direction and operations—52.0 FTE positions .....                                  | 9,328,400        |
| GROSS APPROPRIATION .....  | \$ 10,323,900    |
| 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:   |                  |
| Local - city income tax fund.....  | 101,900          |
| Delinquent tax collection revenue .....  | 2,159,800        |
| State lottery fund.....  | 288,700          |
| State services fee fund.....   | 328,200          |
| State general fund/general purpose .....   | \$ 7,380,300     |
| <b>(3) DEPARTMENTWIDE APPROPRIATIONS</b>   |                  |
| Rent and building occupancy charges - property management services .....                     | \$ 6,047,400     |
| Worker's compensation insurance premium .....  | 36,400           |
| GROSS APPROPRIATION .....  | \$ 6,083,800     |
| Appropriated from:   |                  |
| Special revenue funds:   |                  |
| Delinquent tax collection revenue .....  | 2,890,600        |
| State general fund/general purpose .....   | \$ 3,193,200     |
| <b>(4) LOCAL GOVERNMENT PROGRAMS</b>   |                  |
| Full-time equated classified positions .....   | 111.0            |
| Supervision of the general property tax law—86.0 FTE positions.....                          | \$ 14,590,200    |

|   | For Fiscal Year<br>Ending Sept. 30,<br>2017 |
|---|---|
| Property tax assessor training—4.0 FTE positions .....        | 1,040,400                                   |
| Local finance—21.0 FTE positions .....                        | 2,607,000                                   |
| GROSS APPROPRIATION .....                                     | \$ 18,237,600                               |
| Appropriated from:  |   |
| Special revenue funds:  |   |
| Local - assessor training fees .....                          | 1,040,400                                   |
| Local - audit charges .....                                   | 825,800                                     |
| Local - equalization study chargebacks .....                  | 40,000                                      |
| Local - revenue from local government .....                   | 100,000                                     |
| Land reutilization fund .....                                 | 2,044,000                                   |
| Municipal finance fees .....                                  | 544,900                                     |
| Delinquent tax collection revenue .....                       | 1,514,700                                   |
| State general fund/general purpose .....                      | \$ 12,127,800                               |
| <b>(5) TAX PROGRAMS</b>                                       |   |
| Full-time equated classified positions .....                  | 774.0                                       |
| Tax compliance—340.0 FTE positions .....                      | \$ 45,075,300                               |
| Tax and economic policy—75.0 FTE positions .....              | 11,570,600                                  |
| Tax processing—331.0 FTE positions .....                      | 37,376,900                                  |
| Health insurance claims fund program—15.0 FTE positions ..... | 2,070,500                                   |
| Home heating assistance .....                                 | 3,086,200                                   |
| Bottle act implementation .....                               | 250,000                                     |
| Tobacco tax enforcement—13.0 FTE positions .....              | 1,509,100                                   |
| GROSS APPROPRIATION .....                                     | \$ 100,938,600                              |
| Appropriated from:  |   |
| Interdepartmental grant revenues:                             |   |
| IDG from MDOT, Michigan transportation fund .....             | 2,284,100                                   |
| IDG from MDOT, state aeronautics fund .....                   | 72,200                                      |
| Federal revenues:   |   |
| HHS-SSA, low-income energy assistance .....                   | 3,086,200                                   |
| Special revenue funds:  |   |
| Bottle deposit fund .....                                     | 250,000                                     |
| Delinquent tax collection revenue .....                       | 70,557,200                                  |
| Emergency 911 fund .....                                      | 158,700                                     |
| Health insurance claims fund .....                            | 2,070,500                                   |
| Tobacco tax revenue .....                                     | 4,109,300                                   |
| Waterways fund .....  | 107,100                                     |
| State general fund/general purpose .....                      | \$ 18,243,300                               |
| <b>(6) FINANCIAL AND ADMINISTRATIVE SERVICES</b>              |   |
| Full-time equated classified positions .....                  | 381.0                                       |
| Departmental services—88.0 FTE positions .....                | \$ 9,180,500                                |
| Unclaimed property—29.0 FTE positions .....                   | 4,835,300                                   |
| Office of collections—202.0 FTE positions .....               | 26,255,100                                  |
| Office of accounting services—24.0 FTE positions .....        | 2,491,400                                   |
| Office of financial services—38.0 FTE positions .....         | 4,478,500                                   |
| GROSS APPROPRIATION .....                                     | \$ 47,240,800                               |
| Appropriated from:  |   |
| Interdepartmental grant revenues:                             |   |
| IDG, levy/warrant cost assessment fees .....                  | 2,335,000                                   |
| IDG, state agency collection fees .....                       | 4,353,400                                   |
| IDG from MDHHS, title IV-D .....                              | 776,000                                     |
| IDG data/collection service fees .....                        | 336,600                                     |
| IDG from accounting service center user charges .....         | 494,500                                     |
| Special revenue funds:  |   |
| Delinquent tax collection revenue .....                       | 27,387,100                                  |
| Escheats revenue .....  | 4,835,300                                   |
| Justice system fund .....                                     | 428,100                                     |

|  | For Fiscal Year<br>Ending Sept. 30,<br>2017 |
|--|---|
| Garnishment fees .....   | 2,638,600                                   |
| State restricted indirect funds .....  | 278,600                                     |
| Treasury fees .....  | 47,200                                      |
| State general fund/general purpose .....   | \$ 3,330,400                                |
| <b>(7) FINANCIAL PROGRAMS</b>  |   |
| Full-time equated classified positions .....                                     | 210.5                                       |
| Investments—82.0 FTE positions .....   | \$ 20,594,200                               |
| Common cash and debt management—21.5 FTE positions .....                         | 1,666,200                                   |
| Student financial assistance programs—25.5 FTE positions .....                   | 2,683,300                                   |
| Michigan finance authority - bond finance—72.5 FTE positions .....               | 38,856,600                                  |
| John R. Justice grant program .....  | 288,100                                     |
| Dual enrollment payments .....   | 1,507,600                                   |
| Financial independence team—9.0 FTE positions .....                              | 3,729,500                                   |
| GROSS APPROPRIATION .....  | \$ 69,325,500                               |
| Appropriated from:   |   |
| Interdepartmental grant revenues:  |   |
| IDG, fiscal agent service fees .....   | 210,500                                     |
| Federal revenues:  |   |
| DED-OPSE, federal lenders allowance .....  | 10,686,100                                  |
| DED-OPSE, higher education act of 1965, insured loans .....                      | 25,169,600                                  |
| Federal - John R. Justice grant .....  | 288,100                                     |
| Special revenue funds:   |   |
| Defined contribution administrative fee revenue .....                            | 100,000                                     |
| Michigan finance authority bond and loan program revenue .....                   | 3,000,900                                   |
| Michigan merit award trust fund .....  | 1,163,800                                   |
| Retirement funds .....   | 19,016,000                                  |
| School bond fees .....   | 854,300                                     |
| Treasury fees .....  | 1,694,600                                   |
| State general fund/general purpose .....   | \$ 7,141,600                                |
| <b>(8) DEBT SERVICE</b>  |   |
| Quality of life bond .....   | \$ 28,687,000                               |
| Clean Michigan initiative .....  | 89,477,000                                  |
| Great Lakes water quality bond .....   | 18,873,000                                  |
| GROSS APPROPRIATION .....  | \$ 137,037,000                              |
| Appropriated from:   |   |
| State general fund/general purpose .....   | \$ 137,037,000                              |
| <b>(9) GRANTS</b>  |   |
| Convention facility development distribution .....                               | \$ 90,950,000                               |
| Senior citizen cooperative housing tax exemption program .....                   | 10,520,000                                  |
| Emergency 911 payments .....   | 27,000,000                                  |
| Health and safety fund grants .....  | 9,000,000                                   |
| Beat the streets .....   | 100,000                                     |
| Gianna house .....   | 100,000                                     |
| Student loan delinquency counseling pilot program .....                          | 345,600                                     |
| Lenawee intermediate school district plasma cutting machine matching grant ..... | 76,000                                      |
| GROSS APPROPRIATION .....  | \$ 138,091,600                              |
| 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 .....   | \$ 11,141,600                               |
| <b>(10) BUREAU OF STATE LOTTERY</b>  |   |
| Full-time equated classified positions .....                                     | 183.0                                       |
| Lottery operations—183.0 FTE positions .....                                     | \$ 24,760,300                               |
| Lottery information technology services and projects .....                       | 5,239,600                                   |
| GROSS APPROPRIATION .....  | \$ 29,999,900                               |



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|  |                  |
|--|------------------|
| Appropriated from:   |                  |
| Special revenue funds:   |                  |
| State lottery fund.....  | 29,999,900       |
| State general fund/general purpose .....                         | \$ 0             |
| <b>(11) CASINO GAMING</b>  |                  |
| Full-time equated classified positions .....                     | 142.0            |
| Michigan gaming control board .....                              | \$ 50,000        |
| Casino gaming control operations—132.0 FTE positions.....        | 26,196,700       |
| Casino gaming information technology services and projects ..... | 2,012,700        |
| Racing commission—10.0 FTE positions .....                       | 2,462,600        |
| GROSS APPROPRIATION .....  | \$ 30,722,000    |
| Appropriated from:   |                  |
| Special revenue funds:   |                  |
| Casino gambling agreements.....                                  | 942,700          |
| Equine development fund.....                                     | 2,085,300        |
| Laboratory fees.....   | 700,000          |
| State services fee fund.....                                     | 26,994,000       |
| State general fund/general purpose .....                         | \$ 0             |
| <b>(12) PAYMENTS IN LIEU OF TAXES</b>                            |                  |
| Commercial forest reserve.....                                   | \$ 3,368,100     |
| Purchased lands .....  | 8,425,100        |
| Swamp and tax reverted lands.....                                | 15,605,600       |
| GROSS APPROPRIATION .....  | \$ 27,398,800    |
| Appropriated from:   |                  |
| Special revenue funds:   |                  |
| Private funds.....   | 26,700           |
| Game and fish protection fund.....                               | 2,919,700        |
| Michigan natural resources trust fund.....                       | 2,004,600        |
| Michigan state waterways fund.....                               | 253,200          |
| State general fund/general purpose .....                         | \$ 22,194,600    |
| <b>(13) REVENUE SHARING</b>                                      |                  |
| Constitutional state general revenue sharing grants .....        | \$ 757,875,200   |
| County revenue sharing payments.....                             | 174,234,000      |
| County incentive program .....                                   | 43,033,500       |
| City, village, and township revenue sharing.....                 | 243,040,000      |
| Financially distressed cities, villages, or townships.....       | 5,000,000        |
| GROSS APPROPRIATION .....  | \$ 1,223,182,700 |
| Appropriated from:   |                  |
| Special revenue funds:   |                  |
| Sales tax .....  | 1,223,182,700    |
| State general fund/general purpose .....                         | \$ 0             |
| <b>(14) STATE BUILDING AUTHORITY</b>                             |                  |
| Full-time equated classified positions .....                     | 4.0              |
| State building authority—4.0 FTE positions.....                  | \$ 725,200       |
| GROSS APPROPRIATION .....  | \$ 725,200       |
| Appropriated from:   |                  |
| Special revenue funds:   |                  |
| State building authority revenue.....                            | 725,200          |
| State general fund/general purpose .....                         | \$ 0             |
| <b>(15) CITY INCOME TAX ADMINISTRATION PROGRAM</b>               |                  |
| Full-time equated classified positions .....                     | 49.0             |
| City income tax administration program—49.0 FTE positions.....   | \$ 5,879,100     |
| GROSS APPROPRIATION .....  | \$ 5,879,100     |
| Appropriated from:   |                  |
| Special revenue funds:   |                  |
| Local - city income tax fund.....                                | 5,879,100        |
| State general fund/general purpose .....                         | \$ 0             |

For Fiscal Year  
Ending Sept. 30,  
2017

|   |                  |
|---|------------------|
| <b>(16) INFORMATION TECHNOLOGY</b>                                    |                  |
| Treasury operations information technology services and projects..... | \$ 30,813,800    |
| <b>GROSS APPROPRIATION</b> .....                                      | \$ 30,813,800    |
| Appropriated from:  |                  |
| Interdepartmental grant revenues:                                     |                  |
| IDG from MDOT, Michigan transportation fund .....                     | 400,000          |
| Federal revenues:   |                  |
| DED-OPSE, federal lender allowance.....                               | 625,800          |
| Special revenue funds:  |                  |
| Local - city income tax fund.....                                     | 1,213,800        |
| Delinquent tax collection revenue .....                               | 17,365,400       |
| Retirement funds .....  | 766,300          |
| Tobacco tax revenue .....   | 129,000          |
| State general fund/general purpose .....                              | \$ 10,313,500    |
| <b>(17) ONE-TIME BASIS ONLY APPROPRIATIONS</b>                        |                  |
| City, village, and township revenue sharing.....                      | \$ 5,800,000     |
| Free individual tax e-file .....                                      | 2,842,500        |
| Urban search and rescue.....  | 500,000          |
| Drinking water declaration of emergency .....                         | 100              |
| <b>GROSS APPROPRIATION</b> .....                                      | \$ 9,142,600     |
| Appropriated from:  |                  |
| Special revenue funds:  |                  |
| Sales tax .....   | 5,800,000        |
| Drinking water declaration of emergency reserve fund .....            | 100              |
| State general fund/general purpose .....                              | \$ 3,342,500     |
| <b>Sec. 109. DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT</b>        |                  |
| <b>(1) APPROPRIATION SUMMARY</b>                                      |                  |
| Full-time equated unclassified positions.....                         | 6.0              |
| Full-time equated classified positions .....                          | 1,609.0          |
| <b>GROSS APPROPRIATION</b> .....                                      | \$ 1,145,994,300 |
| Interdepartmental grant revenues:                                     |                  |
| Total interdepartmental grants and intradepartmental transfers .....  | 0                |
| <b>ADJUSTED GROSS APPROPRIATION</b> .....                             | \$ 1,145,994,300 |
| Federal revenues:   |                  |
| Total federal revenues.....   | 768,144,800      |
| Special revenue funds:  |                  |
| Total local revenues.....   | 500,000          |
| Total private revenues.....   | 5,619,000        |
| Total other state restricted revenues .....                           | 192,341,600      |
| State general fund/general purpose .....                              | \$ 179,388,900   |
| <b>(2) DEPARTMENTAL ADMINISTRATION</b>                                |                  |
| Full-time equated unclassified positions.....                         | 6.0              |
| Full-time equated classified positions .....                          | 1.0              |
| Unclassified positions—6.0 FTE positions .....                        | \$ 897,400       |
| Executive direction and operations—1.0 FTE position.....              | 812,900          |
| <b>GROSS APPROPRIATION</b> .....                                      | \$ 1,710,300     |
| Appropriated from:  |                  |
| Federal revenues:   |                  |
| DOL-ETA, unemployment insurance .....                                 | 931,600          |
| DOL, federal funds.....   | 247,600          |
| Special revenue funds:  |                  |
| Michigan state housing development authority fees and charges .....   | 400,800          |
| State general fund/general purpose .....                              | \$ 130,300       |
| <b>(3) MICHIGAN STRATEGIC FUND</b>                                    |                  |
| Full-time equated classified positions .....                          | 194.0            |
| Administrative services—34.0 FTE positions .....                      | \$ 5,743,600     |
| Job creation services—160.0 FTE positions .....                       | 22,198,400       |

|  | For Fiscal Year<br>Ending Sept. 30,<br>2017 |
|--|---|
| Pure Michigan .....  | 34,000,000                                  |
| Entrepreneurship ecosystem .....                                     | 19,400,000                                  |
| Business attraction and community revitalization .....               | 101,500,000                                 |
| Community development block grants .....                             | 47,000,000                                  |
| Arts and cultural program .....                                      | 10,150,000                                  |
| Community college skilled trades equipment program debt service..... | 4,600,000                                   |
| Facility for rare isotope beams.....                                 | 7,300,000                                   |
| <b>GROSS APPROPRIATION</b> .....                                     | <b>\$ 251,892,000</b>                       |
| Appropriated from:   |   |
| Federal revenues:  |   |
| DOL, federal funds.....  | 2,326,300                                   |
| DOL-ETA, unemployment insurance .....                                | 287,000                                     |
| HUD-CPD community development block grant.....                       | 49,773,300                                  |
| NFAH-NEA, promotion of the arts, partnership agreements .....        | 1,050,000                                   |
| Special revenue funds:   |   |
| Private - special project advances .....                             | 250,000                                     |
| Private - Michigan council for the arts fund.....                    | 100,000                                     |
| Industry support fees .....  | 5,500                                       |
| 21st century jobs trust fund.....                                    | 75,000,000                                  |
| Michigan film promotion fund .....                                   | 400,000                                     |
| Michigan state housing development authority fees and charges .....  | 4,609,000                                   |
| State general fund/general purpose .....                             | <b>\$ 118,090,900</b>                       |
| <b>(4) TALENT INVESTMENT AGENCY</b>                                  |   |
| Full-time equated classified positions .....                         | 1,092.0                                     |
| Executive direction—7.0 FTE positions.....                           | <b>\$ 1,175,600</b>                         |
| Workforce program administration—225.0 FTE positions .....           | 33,169,900                                  |
| Workforce development programs.....                                  | 387,022,900                                 |
| Skilled trades training program.....                                 | 30,900,000                                  |
| Community ventures—7.0 FTE positions .....                           | 9,800,000                                   |
| Unemployment insurance agency—853.0 FTE positions.....               | 139,065,500                                 |
| Information technology services and projects - TIA.....              | 22,501,000                                  |
| <b>GROSS APPROPRIATION</b> .....                                     | <b>\$ 623,634,900</b>                       |
| Appropriated from:   |   |
| Federal revenues:  |   |
| DAG, employment and training.....                                    | 3,499,400                                   |
| DED-OESE, GEAR-UP.....   | 4,730,700                                   |
| DED-OVAE, adult education.....                                       | 20,000,000                                  |
| DED-OVAE, basic grants to states.....                                | 19,000,000                                  |
| DOL, federal funds.....  | 109,353,800                                 |
| DOL-ETA, workforce investment act.....                               | 173,988,600                                 |
| DOL-ETA, unemployment insurance .....                                | 139,457,500                                 |
| Federal funds.....   | 5,940,200                                   |
| Social security act, temporary assistance to needy families .....    | 64,898,800                                  |
| Special revenue funds:   |   |
| Local revenues.....  | 500,000                                     |
| Private funds.....   | 5,269,000                                   |
| Contingent fund, penalty and interest account.....                   | 48,635,300                                  |
| Defaulted loan collection fees .....                                 | 152,500                                     |
| State general fund/general purpose .....                             | <b>\$ 28,209,100</b>                        |
| <b>(5) LAND BANK FAST TRACK AUTHORITY</b>                            |   |
| Full-time equated classified positions .....                         | 6.0   |
| Land bank fast track authority—6.0 FTE positions .....               | <b>\$ 5,256,400</b>                         |
| <b>GROSS APPROPRIATION</b> .....                                     | <b>\$ 5,256,400</b>                         |
| Appropriated from:   |   |
| Federal revenues:  |   |
| Federal revenues.....  | 1,000,000                                   |

|   | For Fiscal Year<br>Ending Sept. 30,<br>2017 |
|---|---|
| Special revenue funds:  |   |
| Land bank fast track fund .....                                     | 297,800                                     |
| State general fund/general purpose .....                            | \$ 3,958,600                                |
| <b>(6) MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY</b>             |   |
| Full-time equated classified positions ..... 316.0                  |   |
| Payments on behalf of tenants.....                                  | \$ 166,860,000                              |
| Housing and rental assistance—316.0 FTE positions .....             | 51,248,200                                  |
| Lighthouse preservation program .....                               | 307,500                                     |
| Rent and administrative support.....                                | 3,721,000                                   |
| Information technology services and projects - MSHDA .....          | 3,585,500                                   |
| GROSS APPROPRIATION .....   | \$ 225,722,200                              |
| Appropriated from:  |   |
| Federal funds:  |   |
| HUD, lower income housing assistance .....                          | 166,860,000                                 |
| Special revenue funds:  |   |
| Michigan state housing development authority fees and charges ..... | 58,554,700                                  |
| Michigan lighthouse preservation program .....                      | 307,500                                     |
| State general fund/general purpose .....                            | \$ 0  |
| <b>(7) ONE-TIME BASIS ONLY APPROPRIATIONS</b>                       |   |
| MSF, business attraction and community revitalization.....          | \$ 13,999,900                               |
| Special grants .....  | 12,000,000                                  |
| Statewide data system integration .....                             | 8,778,500                                   |
| Sustainable employment pilot program .....                          | 100   |
| Protect and grow.....   | 3,000,000                                   |
| GROSS APPROPRIATION .....   | \$ 37,778,500                               |
| Appropriated from:  |   |
| Federal revenues:   |   |
| Federal funds .....   | 4,800,000                                   |
| Special revenue funds:  |   |
| Contingent fund, penalty and interest account.....                  | 3,978,500                                   |
| State general fund/general purpose .....                            | \$ 29,000,000                               |

PART 2  
PROVISIONS CONCERNING APPROPRIATIONS  
FOR FISCAL YEAR 2016-2017

**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 2016-2017 is \$3,264,303,300.00 and state spending from state resources to be paid to local units of government for fiscal year 2016-2017 is \$1,427,689,500.00. 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 .....                             | 1,101,500        |
| Subtotal.....  | \$ 1,211,300     |
| DEPARTMENT OF TREASURY                                     |                  |
| Senior citizen cooperative housing tax exemption .....     | \$ 10,520,000    |
| Health and safety fund grants.....                         | 9,000,000        |
| Constitutional state general revenue sharing grants .....  | 757,875,200      |
| City, village, and township revenue sharing.....           | 248,840,000      |
| Convention facility development fund distribution .....    | 90,950,000       |
| Emergency 9-1-1 payments .....                             | 23,800,000       |
| Financially distressed cities, villages, or townships..... | 5,000,000        |
| County incentive program .....                             | 43,033,500       |
| County revenue sharing payments.....                       | 174,234,000      |
| Airport parking distribution pursuant to section 909 ..... | 24,601,900       |
| Payments in lieu of taxes .....                            | 27,398,800       |
| Subtotal.....  | \$ 1,415,253,400 |

DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT

|                               |                      |
|-------------------------------|----------------------|
| Welfare-to-work programs..... | \$ 11,224,800        |
| Subtotal.....                 | \$ <u>11,224,800</u> |
| TOTAL GENERAL GOVERNMENT..... | \$ 1,427,689,500     |

(2) Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state sources for fiscal year 2016-2017 is estimated at \$30,991,536,400.00 in the 2016-2017 appropriations acts and total state spending from state sources paid to local units of government for fiscal year 2016-2017 is estimated at \$17,174,886,500.00. The state-local proportion is estimated at 55.4% of total state spending from state resources.

(3) If payments to local units of government and state spending from state sources for fiscal year 2016-2017 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 2016-2017 to the senate and house of representatives standing committees on appropriations within 30 days after the final book-closing for fiscal year 2016-2017.

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) "ATM" means automated teller machine.
- (b) "COBRA" means the consolidated omnibus budget reconciliation act of 1985, Public Law 99-272, 100 Stat 82.
- (c) "DAG" means the United States Department of Agriculture.
- (d) "DED" means the United States Department of Education.
- (e) "DED-OESE" means the DED Office of Elementary and Secondary Education.
- (f) "DED-OPSE" means the DED Office of Postsecondary Education.
- (g) "DED-OVAE" means the DED Office of Vocational and Adult Education.
- (h) "DOE-OEERE" means the United States Department of Energy, Office of Energy Efficiency and Renewable Energy.
- (i) "DOL" means the United States Department of Labor.
- (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) "FTE" means full-time equated.
- (m) "Fund" means the Michigan strategic fund.
- (n) "GEAR-UP" means gaining early awareness and readiness for undergraduate programs.
- (o) "GED" means a general educational development certificate.
- (p) "GF/GP" means general fund/general purpose.
- (q) "HHS" means the United States Department of Health and Human Services.
- (r) "HHS-OS" means the HHS Office of the Secretary.
- (s) "HHS-SSA" means the HHS Social Security Administration.
- (t) "HUD" means the United States Department of Housing and Urban Development.
- (u) "HUD-CPD" means the United States Department of Housing and Urban Development - Community Planning and Development.
- (v) "IDG" means interdepartmental grant.
- (w) "JCOS" means the joint capital outlay subcommittee.
- (x) "MAIN" means the Michigan administrative information network.
- (y) "MCL" means the Michigan Compiled Laws.
- (z) "MDE" means the Michigan department of education.
- (aa) "MDLARA" means the Michigan department of licensing and regulatory affairs.
- (bb) "MDEQ" means the Michigan department of environmental quality.
- (cc) "MDHHS" means the Michigan department of health and human services.
- (dd) "MDMVA" means the Michigan department of military and veterans affairs.
- (ee) "MDOT" means the Michigan department of transportation.
- (ff) "MDSP" means the Michigan department of state police.
- (gg) "MDTMB" means the Michigan department of technology, management, and budget.
- (hh) "MEDC" means the Michigan economic development corporation, which is the public body corporate created under section 28 of article VII of the state constitution of 1963 and the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, by contractual interlocal agreement effective April 5, 1999, between local participating economic development corporations formed under the economic development corporations act, 1974 PA 338, MCL 125.1601 to 125.1636, and the Michigan strategic fund.
- (ii) "MFA" means the Michigan finance authority.
- (jj) "MPE" means the Michigan public employees.
- (kk) "MSF" means the Michigan strategic fund.
- (ll) "MSHDA" means the Michigan state housing development authority.



- (mm) “NERE” means nonexclusively represented employees.
- (nn) “NFAH-NEA” means the National Foundation of the Arts and the Humanities - National Endowment for the Arts.
- (oo) “PA” means public act.
- (pp) “PATH” means Partnership. Accountability. Training. Hope.
- (qq) “RFP” means a request for a proposal.
- (rr) “SEIU” means Service Employees International Union.
- (ss) “WDA” means the workforce development agency.
- (tt) “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. 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:

|  | 2015      | 2016      | 2017      |
|--|-----------|-----------|-----------|
| Michigan personal income (millions).....   | \$421,044 | \$436,623 | \$453,651 |
| less: transfer payments.....   | 91,527    | 96,012    | 101,044   |
| Subtotal .....   | \$329,517 | \$340,611 | \$352,647 |
| Divided by: Detroit consumer price index for 12 months ending June 30 ..   | 2.195     | 2.191     | 2.223     |
| Equals: real adjusted Michigan personal income.....  | \$150,122 | \$155,487 | \$158,618 |
| Percentage change .....  | N/A       | 3.6%      | 2.0%      |
| Growth rate in excess of 2%? .....   | N/A       | 1.6%      | 0.0%      |
| Equals: countercyclical budget and economic stabilization fund<br>pay-in calculation for the fiscal year ending September 30, 2017<br>(millions).....  | N/A       | \$155.7   | N/A       |
| Growth rate less than 0%? .....  | N/A       | NO        | NO        |
| Equals: countercyclical budget and economic stabilization fund<br>pay-out calculation for the fiscal year ending September 30, 2017<br>(millions)..... | N/A       | N/A       | \$0.0     |

(2) Notwithstanding subsection (1), there is appropriated for the fiscal year ending September 30, 2017, from GF/GP revenue for deposit into the countercyclical budget and economic stabilization fund the sum of \$0.00.

(3) In addition to the appropriation to the countercyclical budget and economic stabilization fund in subsection (2), there is appropriated to the countercyclical budget and economic stabilization fund for the fiscal year ending September 30, 2017, 25% of fiscal year 2016-2017 general fund/general purpose unassigned fund balance recorded as part of the state book closing process for the 2016-2017 fiscal year.

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 GF/GP 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 or private grant 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 outside legal services 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, 2016 and September 30, 2017.

Sec. 228. Not later than November 30, the state budget office shall prepare and transmit a report that provides for estimates of the total GF/GP appropriation lapses at the close of the prior fiscal year. This report shall summarize the projected year-end GF/GP 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. 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. 233. In addition to the GF/GP 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 GF/GP 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. By April 1, the state budget director shall submit a report to the senate and house appropriations committees and the senate and house fiscal agencies. The report shall recommend a contingency plan for each federal funding source included in the state budget of \$10,000,000.00 or more in the event that the federal government reduces funding to the state through that source by 10% or greater.

#### **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 health and 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 \$1,000,000.00 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 \$1,000,000.00.

Sec. 309. From the prisoner reimbursement funds appropriated in part 1, the department may spend up to \$625,200.00 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 health and 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. 313. From the funds appropriated in part 1 for attorney general operations, the department shall allocate \$600,000.00 for the investigation and prosecution of mortgage fraud.

Sec. 314. From the lawsuit settlement proceeds fund appropriated in part 1, the department may spend the funds for the costs of all associated expenses related to the declaration of emergency due to drinking water contamination up to \$2,600,000.00.

Sec. 314a. (1) From the funds appropriated in part 1 for attorney general operations, the department of attorney general shall allocate \$700,000.00 for investigations, crime victim rights, prosecutions, and appeals for retroactive juvenile life without parole cases.

(2) The attorney general's office shall submit a detailed expenditure report to the house and senate appropriations subcommittees on general government and the judiciary, the senate and house fiscal agencies, and the state budget director by September 30 detailing how the funds provided in subsection (1) were expended.

Sec. 315. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2017 are \$18,361,000.00. From this amount, total agency appropriations for pension-related legacy costs are estimated at \$10,096,700.00. Total agency appropriations for retiree health care legacy costs are estimated at \$8,264,300.00.

Sec. 316. (1) From the funds appropriated in part 1 for sexual assault law enforcement efforts, the department shall use the funds for testing of backlogged sexual assault kits across the state. The funding provided in part 1 shall be distributed in the following order of priority:

- (a) To eliminate all county sexual assault kit backlogs outside of Wayne County.
- (b) To assist local prosecutors with investigations and prosecutions of viable cases.
- (c) To provide victim services.

(2) The department of attorney general shall provide a detailed work and spending plan outlining anticipated litigation action and expenditures resulting from findings of the sexual assault kit testing. 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.

(3) The department of attorney general shall provide a report by January 30 providing updated information related to the work and spending plan listed in subsection (2) and provide an update on expenditures made in relation to assisting local prosecutions and investigations and providing victim services. The report shall be distributed to the state budget office and 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. 317. (1) The department of attorney general shall report all legal costs and associated expenses related to the declaration of emergency due to drinking water contamination, and the investigations and any resulting prosecutions, for publication in the Flint water emergency-financial and activities tracking and reporting document that is posted by the state budget director on the public website, [michigan.gov/flintwater](http://michigan.gov/flintwater). The tracking and reporting documents shall include the budget line item source for each expenditure.

(2) At the conclusion of all attorney general investigations related to the declaration of emergency due to drinking water contamination, all materials related to any investigations shall be preserved pursuant to applicable document retention policies.

#### **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, 2017 are \$3,062,000.00. From this amount, total agency appropriations for pension-related legacy costs are estimated at \$1,697,800.00. Total agency appropriations for retiree health care legacy costs are estimated at \$1,364,200.00.

#### **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. From the appropriation contained in part 1 for national association dues, the first \$34,800.00 shall be paid to the National Conference of Commissioners of Uniform State Laws. The remaining funds shall be distributed accordingly 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 are appropriated upon receipt and 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 \$2,000,000.00, and the tentative completion date is September 30, 2020.

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 in accordance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a, 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 \$2,000,000.00, and the tentative completion date is September 30, 2020.

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. 610. (1) From the one-time funds appropriated in part 1 for the criminal justice policy commission study, the criminal justice policy commission shall spend up to \$500,000.00 for a study to determine what the additional estimated annual costs to counties would be if 17-year-olds were redirected from the adult court and correctional systems into the family court and juvenile justice systems. The study shall also determine the estimated savings to the state corrections system, as well as any other financial or policy costs and benefits, from such a redirection.

(2) The unexpended funds appropriated in part 1 for the criminal justice policy commission study 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 determine what additional estimated annual costs to counties would be if 17-year-olds were redirected from the adult court and correctional systems into the family court and juvenile justice systems and the estimated savings to the state corrections system, as well as any other financial or policy costs and benefits, from such a redirection.

(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 \$500,000.00.

(d) The tentative completion date is April 1, 2018.

Sec. 615. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2017 are \$21,279,600.00. From this amount, total agency appropriations for pension-related legacy costs are estimated at \$11,998,700.00. Total agency appropriations for retiree health care legacy costs are estimated at \$9,280,900.00.

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 2016-2017 fiscal year.

Sec. 619. The funds appropriated in part 1 for the Michigan veterans facility ombudsman shall be used to create a veterans facility ombudsman to address complaints made at the veterans' homes of this state.

#### **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.

#### **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 \$11.00 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. The department of state shall provide quarterly reports to the legislature and the senate and house fiscal agencies. The report shall be provided within 15 days of the close of the quarter and shall include the number of records sold and the revenues collected.

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 of state 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. 722. (1) From the increased funds appropriated in part 1 for information technology services and projects, the department of state shall establish a legacy modernization project beginning in the current fiscal year. The purpose of this program expansion is modernization of the entire system and removal of existing programs from the legacy mainframes.

(2) The department of state shall provide a report on the status of the legacy modernization project that includes, but is not limited to, itemization of all expenditures made on behalf of the project, anticipated completion date of the project, time frame of each phase of the project, the cost of the project, the number of employees assigned to implement each phase of the project, the contracts entered into for the project, anticipated overall cost of the project, and any other information the department considers 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, and the state budget director by January 1.

Sec. 723. From the increased funds appropriated in part 1 for elections administration and services, the department of state shall establish funding available for the replacement of voting machines. The purpose of this program expansion is replacement of existing voting machines in the local jurisdictions.

Sec. 725. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2017 are \$31,874,100.00. From this amount, total agency appropriations for pension-related legacy costs are estimated at \$17,673,400.00. Total agency appropriations for retiree health care legacy costs are estimated at \$14,200,700.00.



**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, the judicial branch, or private tenants.

(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. 809. On a quarterly basis, the department of technology, management, and budget shall notify 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 house and senate fiscal agencies, and the state budget director on any revisions that increase or decrease current contracts by more than \$500,000.00 for computer software development, hardware acquisition, or quality assurance.

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, the senate and house fiscal agencies, and the state budget director 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) 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, and the state budget director 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, the senate and house fiscal agencies, and the state budget director 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. 814a. The funds appropriated in part 1 for information technology investment projects shall be used for the modernization of state information technology systems, improvement of the state's cyber security framework, and to achieve efficiencies.

Sec. 816. An RFP issued for the purpose of privatization shall include all factors used in evaluating and determining price.

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. 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 the 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 and be made available electronically.

Sec. 822b. (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. 822c. 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. 822d. By December 31, 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 2016-2017. The report shall also identify changes from fees and rates charged in fiscal year 2015-2016 and include an explanation of the factors that justify each fee and rate increase.

Sec. 822e. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2017 are \$78,962,000.00. From this amount, total agency appropriations for pension-related legacy costs are estimated at \$43,795,600.00. Total agency appropriations for retiree health care legacy costs are estimated at \$35,166,400.00.

Sec. 822f. (1) The funds appropriated in part 1 for the regional prosperity initiative are to be used as competitive 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. As used in this section:

(a) "Eligible regional planning organization" means any of the following:

(i) An existing regional planning commission created pursuant to 1945 PA 281, MCL 125.11 to 125.25.

(ii) An existing regional economic development commission created pursuant to 1966 PA 46, MCL 125.1231 to 125.1237.

(iii) An existing metropolitan area council formed pursuant to the metropolitan councils act, 1989 PA 292, MCL 124.651 to 124.729.

(iv) A Michigan metropolitan planning organization established pursuant to the moving ahead for progress in the 21st century act, Public Law 112-141.

(b) "Freedom of information act" means the freedom of information act, 5 USC 552.

(c) "Open meetings act" means the open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

(d) "Regional prosperity board" means a regional body that has a singular governing board with representation from private, public, and nonprofit entities engaged in joint decision-making practices for the purpose of creating or maintaining a phase three: regional prosperity plan.

(e) "Regional prosperity collaborative" means any committee developed by a regional planning organization or a metropolitan planning organization that serves to bring organizational representation together from private, public, and nonprofit entities within a region for the purpose of creating or maintaining a phase one: regional prosperity plan.

(f) "Regional prosperity council" means 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 or maintaining a phase two: regional prosperity plan.

(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 regional prosperity collaborative has created a phase one: regional prosperity plan, as follows:

(i) The regional prosperity collaborative must include regional representatives from adult education, workforce development, community development, economic development, transportation, and higher education organizations.

(ii) The plan is required, at a minimum, to include a 5-year plan focused on economic growth and vitality for the region, as well as a performance dashboard and measurable annual goals to support the 5-year plan.

(iii) The 5-year plan shall address regional strategies related to adult education, workforce development, economic development, transportation, higher education, and business development.

(iv) The regional prosperity collaborative shall adopt the plan by a minimum 2/3 majority vote of its members.

(b) The regional prosperity collaborative adheres to accountability and transparency measures required in the open meetings act and the freedom of information act.

(c) The regional prosperity collaborative convenes monthly meetings, open to the public, to consider and discuss issues leading to a common vision of economic prosperity for the region, including, but not limited to, community development, economic development, talent, and infrastructure opportunities.

(d) The regional prosperity collaborative makes available on the grant recipient's publicly accessible Internet site pertinent documents, including, but not limited to, monthly meeting agendas, minutes of monthly meetings, voting records, and the regional prosperity plan and performance dashboard.

(e) The regional prosperity collaborative keeps 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 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 organizations or programs 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 the grant recipient's publicly accessible Internet site.

(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) A regional prosperity council has been formed and includes regional representatives from adult education, workforce development, community development, economic development, transportation, and higher education organizations.

(b) An eligible regional prosperity council will demonstrate shared administrative services between 2 public regional entities included in subdivision (a). In addition, the council must have and maintain an executive governing entity, as demonstrated by a formal local agreement or agreements.

(c) The regional prosperity council has created a phase two: regional prosperity plan, as follows:

(i) The regional prosperity council shall identify opportunities for shared administrative services and decision-making among the private, public, and nonprofit entities within the region and shall continue collaboration with regional prosperity council members, including, but not limited to, representatives from adult education providers, workforce development agencies, community development agencies, economic development agencies, transportation service providers, and higher education institutions.

(ii) The plan is required to include, but is not limited to, all of the following:

(A) A status report of the approved 5-year plan.

(B) The addition of a 10-year plan for the region which builds upon prior work and is focused on economic growth and vitality in the region.

(C) A prioritized list of regional projects.

(D) A performance dashboard with measurable annual goals.

(iii) The regional prosperity council shall adopt the plan by a minimum 2/3 vote of its members.

(d) The regional prosperity council adheres to accountability and transparency measures required in the open meetings act and the freedom of information act.

(e) The regional prosperity council convenes monthly meetings, open to the public, to consider and discuss issues leading to a common vision of economic prosperity for the region, including, but not limited to, community development, economic development, talent, and infrastructure opportunities.

(f) The regional prosperity council makes available on the grant recipient's publicly accessible Internet site pertinent documents, including, but not limited to, monthly meeting agendas, minutes of monthly meetings, voting records, and the regional prosperity plan and performance dashboard.

(g) The regional prosperity council keeps 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 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 organizations or programs 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 regional prosperity board has been formed and, at a minimum, must demonstrate the consolidation of a regional metropolitan planning organization, where one exists, state designated regional planning agency boards, workforce development boards, and federally designated regional economic development districts within a region.

(b) The regional prosperity board has created a phase three: regional prosperity plan, as follows:

(i) The regional prosperity board shall create a regional services recommendations report prioritizing the list of state-funded services and programs provided to the region, and recommendations for state-regional partnerships to support the adopted regional prosperity plan.

(ii) The plan is required to include a status report of the approved 10-year plan for the creation of an updated regional prosperity plan.

(iii) The regional prosperity board shall adopt the plan by a minimum 2/3 vote of its members.

(c) The regional prosperity board adheres to accountability and transparency measures required in the open meetings act and the freedom of information act.



(d) The regional prosperity board convenes monthly meetings, open to the public, to consider and discuss issues leading to a common vision of economic prosperity for the region, including, but not limited to, community development, economic development, talent, and infrastructure opportunities.

(e) The regional prosperity board makes available on the grant recipient's publicly accessible Internet site pertinent documents, including, but not limited to, monthly meeting agendas, minutes of monthly meetings, voting records, and the regional prosperity plan and performance dashboard.

(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 implement the prioritized 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 to submit joint applications. In the instance of a joint application, 1 regional planning organization shall 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 December 1, 2016. The department shall notify regional planning organizations of grant application status by January 1, 2017. 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, 2021.

Sec. 822g. The department of technology, management, and budget shall report by April 1 to the senate and house appropriations subcommittees on general government and the senate and house fiscal agencies on legal service fund expenditures. The report shall itemize expenditures by case, purpose, and department involved.

Sec. 822h. (1) The department of technology, management, and budget shall report by April 15 to the senate and house appropriations subcommittees on general government and the senate and house fiscal agencies on the expenditures for the office of urban initiatives. The report shall provide information detailing the economic impact and job growth initiatives for each urban and metropolitan area receiving funds under part 1. The report shall also provide information detailing the initiatives undertaken in each urban or metropolitan area receiving funds under part 1, including, but not limited to, all of the following:

(a) Transportation and infrastructure.

(b) Public services.

(c) Land use and sustainability.

(d) Housing.

(e) Workforce and economic development.

(2) Any unencumbered and unexpended funds appropriated to the office of urban initiatives in the previous fiscal year shall lapse to the general fund on October 1.

Sec. 822i. (1) From the funds appropriated in part 1, the department shall assure all of the following:

(a) That public schools that are placed in the state school reform/redesign school district or under a chief executive officer under section 1280c of the revised school code, 1976 PA 451, MCL 380.1280c, 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.

Sec. 822j. From the funds appropriated in part 1 for the office of good government, the department of technology, management, and budget shall expand the scope of the office of good government. The purpose of this program expansion is to broaden the office's support of transformative good government initiatives related to employee engagement and process improvement.

Sec. 822k. The department shall work with the department of health and human services to conduct an evaluation of all state-owned lands and buildings at the Hawthorn center psychiatric hospital facility for children and adolescents and develop a recommendation for the future use of the facility considering the needs of the department of health and human



services, its patients, and the overall infrastructure plans of state government. A copy of the evaluation shall be delivered to the senate and house appropriations committees, the senate and house fiscal agencies, and the state budget director by March 1.

Sec. 822l. From the funds appropriated in part 1 for the school reform office, the school reform office shall conduct 1 public hearing in the school district of priority schools that the school reform office has determined require an intervention authorized by section 1280c(6) or (7) of the revised school code, 1976 PA 451, MCL 380.1280c. The school reform office shall give notice to the district prior to the public hearing. The public hearing shall include an outline of the plan for academic improvement of the schools and a projected time frame of the school reform office's involvement with the schools.

Sec. 822m. From the funds appropriated in part 1, the department shall establish a system that collaborates with other departments to keep track of the performance of vendors in fulfilling contract obligations. The performance of these vendors shall be recorded and used as a factor to determine future contracts awarded in the procurement process.

Sec. 822n. From the funds appropriated in part 1, beginning on October 1, the department of technology, management, and budget shall ensure that all new requests for proposals that are publicly displayed on the webpage include the proposal's corresponding department and agency for the purpose of searching for requests for proposals by department and agency.

Sec. 822o. From the funds appropriated in part 1 for the school reform office, the school reform office shall make an effort to coordinate with the department of education to streamline state services and resources, reduce duplication, and increase efficiency.

#### **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) or (2) 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 and the state budget director 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 and deposit the fees in the Michigan public safety communications systems fees fund.

(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, 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. From the increased funds appropriated in part 1 for the information technology investment fund, the department of technology, management, and budget shall provide for the modernization of state information technology systems, and integrate state system interfaces to improve customer service.

Sec. 837. From the funds appropriated in part 1 for cyber security improvements, the department shall increase cyber security information technology investment projects in the current fiscal year. The purpose of this program expansion will be to provide cyber security enhancements for network security improvements, development of a comprehensive security framework and asset security program, implementation of an enterprise-wide data loss prevention process and governance, risk and compliance program, and development of security dashboards and security reporting processes.

Sec. 838. From the increased funds appropriated in part 1 for enterprise identity management, the department shall expand the enterprise identity management program in the current fiscal year. The purpose of this program expansion is to provide an enterprise-wide single sign-on and identity management tool to establish, manage, and authenticate user identities for state information technology systems.

Sec. 839. From the funds appropriated in part 1 for office of retirement services ongoing support of technology, the department shall expand the office of retirement services' information technology capability in the current fiscal year. The purpose of this new program or program expansion is to provide a 90% customer contact satisfaction level.

#### **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 867:

- (a) "Board" means the state administrative board.
- (b) "Community college" means a community college organized under the community college act of 1966, 1966 PA 331, MCL 389.1 to 389.195, or under part 25 of the revised school code, 1976 PA 451, MCL 380.1601 to 380.1607, and 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. 867. 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. If the net proceeds from the sale of the Farnum Building are less than the \$7,000,000.00 authorized for senate relocation costs in section 896 of article VIII of 2014 PA 252, an amount equal to the difference between the net sale proceeds and \$7,000,000.00 shall be appropriated by the legislature to the department.

#### **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.

#### **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. If the amounts of common cash interest earnings are insufficient to cover these costs, then miscellaneous revenues shall be used to fund the remaining balance of 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. However, the charge shall not be more than the actual cost for performing the audit. 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 2015. 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. 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 \$288,100.00.

(d) The tentative completion date is September 30, 2017.

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 previous 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. 936. (1) From the funds appropriated in part 1 for the student loan delinquency counseling pilot program, the department shall request competitive proposals from service providers interested in piloting student loan delinquency counseling services for Michigan student loan borrowers. The competitive proposal for the pilot shall include all of the following:

(a) Provide 1-on-1 student loan counseling assistance and financial educational services for interested individuals who are delinquent on their student loan payments. This counseling shall ensure that more individuals know about their student loan payment options and that borrowers have access to budgeting assistance and comprehensive debt management programs.

(b) Require that borrowers voluntarily opt into student loan delinquency counseling.

(c) Promote service through statement inserts, electronic mails, or mailings, or through participating loan servicers or colleges and universities.

(d) Pilot the services for no more than 1 year.

(e) Provide the department with the information necessary for reporting requirements to use for evaluation of the program.

(f) Be able to begin the pilot by January 2, 2017.

(2) The department shall release the RFP by October 3 with a due date of November 4. During this time, the department shall have a question-and-answer event with prospective providers 2 weeks before proposals are due. The department shall select and notify the awarded vendor no later than 1 month after the RFP due date. The department shall ensure that the pilot begins by January 2.

(3) The department of treasury shall issue a status report using information provided by the vendor that includes the following:

(a) Number of borrowers counseled.

(b) Number of student loans and amount of balances owed by counseled borrowers.

(c) Number and dollar amount of delinquent student loans brought current.

(d) Number and dollar amount of delinquent student loans defaulted.

(e) Number and dollar amount of student loans enrolled in a repayment program.

(f) Number and dollar amount of student loans in deferment or forbearance.

(g) At selected time frames after the initial counseling session, the difference between current student loan balances and the balances at the time of initial counseling.

(h) Number and dollar amount of defaulted student loans rehabilitated.

(i) Borrower's credit score at the time of counseling.

(j) Borrower's credit score at selected time frames after initial counseling session.

(k) Results from customer surveys regarding the participant's perceived value and usefulness of the services.

(4) The department of treasury will evaluate the proposals by using the following criteria:

(a) 20% based on demonstrated experience in providing student loan delinquency counseling.

(b) 25% based on demonstrated experience in providing debt management and debt counseling.

(c) 10% based on demonstrated experience in providing budgeting and financial information.

(d) 10% based on responses to questionnaire.

(e) 20% based on an implementation plan of the pilot program.

(f) 15% based on the proposed staffing and budget for the pilot program.

Sec. 937. From the funds appropriated in part 1, the department of treasury shall submit a report to the state budget director and the senate and house standing committees on appropriations not later than March 31 regarding the performance of the Michigan accounts receivable collections system. The report shall include, but is not limited to:

(a) Information regarding the effectiveness of the department's current collection strategies, including use of vendors or contractors.

(b) The amount of delinquent accounts and collection referrals to vendors and contractors.

(c) The liquidation rates for declining delinquent accounts.



(d) The profile of uncollected delinquent accounts, including specific uncollected amounts by category.

(e) The department's strategy to manage delinquent accounts once those accounts exceed the vendor's or contractor's contracted collectible period.

(f) A summary of the strategies used in other states, including, but not limited to, secondary placement services, and assessing the benefits of those strategies.

Sec. 938. (1) From the funds appropriated in part 1 for unclassified salaries, the department of treasury shall ensure that the state capitol historic site fund receive, in addition to the amounts described in section 12 of the tobacco products tax act, 1993 PA 327, MCL 205.432, any amounts remaining in the restoration, renewal, and maintenance line item in part 1.

(2) In the event that Detroit CPI results in decreased statutory payments to the state capitol historic fund, the department of treasury shall not take punitive measures or decrease payments to the fund and shall ensure full payment from the amounts available in the restoration, renewal, and maintenance line item in part 1.

Sec. 941. (1) The department of treasury, in conjunction with the Michigan strategic 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 November 1 on the annual cost of the Michigan economic growth authority tax credits. The report shall include for each year the board-approved credit amount, adjusted for credit amendments where applicable, and the actual and projected value of tax credits for each year from 1995 to the expiration of the credit program. For years for which credit claims are complete, the report shall include the total of actual certificated credit amounts. For years for which claims are still pending or not yet submitted, the report shall include a combination of actual credits where available and projected credits. Credit projections shall be based on updated estimates of employees, wages, and benefits for eligible companies.

(2) In addition to the report under subsection (1), the department of treasury, in conjunction with the Michigan strategic 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 November 1 on the annual cost of all other certificated credits by program, for each year until the credits expire or can no longer be collected. The report shall include estimates on the brownfield redevelopment credit, film credits, MEGA photovoltaic technology credit, MEGA polycrystalline silicon manufacturing credit, MEGA vehicle battery credit, and other certificated credits.

Sec. 944. If the department of treasury hires a pension plan consultant using any of the funds appropriated in part 1, the department shall retain any report provided to the department by that consultant and shall make that report available upon request 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 appraisal quality assurance project manager of the department of treasury shall conduct a review of local unit assessment administration practices, procedures, and records, also known as the audit of minimal assessing requirements, 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 financial responsibility section to coordinate and streamline efforts in identifying and addressing fiscal emergencies in school districts and intermediate school districts.

Sec. 948. Total authorized appropriations from all department of treasury sources under part 1 for legacy costs for the fiscal year ending September 30, 2017 are \$49,651,800.00. From this amount, total agency appropriations for pension-related legacy costs are estimated at \$27,530,500.00. Total agency appropriations for retiree health care legacy costs are estimated at \$22,121,300.00.

Sec. 949. (1) From the funds appropriated in part 1, the department of treasury may contract with private agencies to prevent the disbursement of fraudulent tax refunds. In addition to the amounts appropriated in part 1 to the department of treasury, there are appropriated amounts necessary to pay contract costs or fund operations designed to reduce fraudulent income tax refund payments not to exceed \$1,600,000.00 of the refunds identified as potentially fraudulent and for which payment of the refund is denied. The appropriation to fund fraud prevention efforts 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 number of refund claims denied due to the fraud prevention operations, the amount of refunds denied, the costs of the fraud prevention operations, and other pertinent information relating to determining whether this authority should be continued.

Sec. 949d. (1) From the funds appropriated in part 1 for financial review commission, the department shall continue financial review commission efforts in the current fiscal year. The purpose of the funding is to provide ongoing costs associated with the operation of the commission.

(2) The department shall identify specific outcomes and performance measures for this initiative, including, but not limited to, the department's ability to perform a critical fiscal review to ensure the city of Detroit does not reenter distress following its exit from bankruptcy and to ensure that the community district does not enter distress and maintains a balanced budget.



Sec. 949e. From the funds appropriated in part 1 for the state essential services assessment program, the department of treasury shall administer the state essential services assessment program. The program will provide the department the ability to collect the state essential services assessment which is a phased-in replacement of locally collected personal property taxes on eligible manufacturing personal property.

Sec. 949f. Revenue from the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, related to counties with a 2000 population of more than 2,000,000 is appropriated and shall be distributed under section 12(4)(d) of the tobacco products tax act, 1993 PA 327, MCL 205.432.

Sec. 949g. From the one-time funds appropriated in part 1 for urban search and rescue task force, \$500,000.00 shall be expended to support the urban search and rescue task force. In distributing funds under this section, the department of treasury 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 949g of article VIII of 2015 PA 84 discretely presented.

(b) Detail on the proposed expenditure of the funds distributed under this section.

(c) A final year-end report providing information on all revenue received by source and expenditures by categories, with the funds distributed under this section discretely presented.

### **REVENUE SHARING**

Sec. 950. The funds appropriated in part 1 for constitutional revenue sharing shall be distributed by the department of treasury 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 is eligible to receive 100% of its eligible payment under section 952 of article VIII of 2015 PA 84. 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 eligible payment under section 952 of article VIII of 2015 PA 84 for the combined single entity, the amount each of the merging local units was eligible to receive under section 952 of article VIII of 2015 PA 84 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 eligible payment under section 952 of article VIII of 2015 PA 84.

(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 20% of 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(14) 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 until maturity; 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. Each eligible city, village, township, or county shall include in any mailing of general information to its citizens the Internet website address location for its citizen's guide, performance dashboard, debt service report, and projected budget report or the physical location where these documents are available for public viewing in the city, village, township, or county clerk's office. 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. Payments under subsection (1) shall be issued to cities, villages, and townships until the specified due date for subsection (3). 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) Payments under subsection (2) shall be issued to counties until the specified due date for subsection (3). 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 city, village, township, or county does not provide the required certification, citizen's guide, performance dashboard, debt service report, and projected budget report by the first day of a payment month, the city, village, township, or 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 of treasury so that each eligible county receives a payment equal to 100.976% of the amount determined pursuant to the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921, less the amount for which the county is eligible under section 952(2). 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.

(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. Grants are to be used 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 or replace critical infrastructure and equipment owned or maintained by the city, village, or township; to reduce debt obligations; or for costs associated with a transition to shared services with another jurisdiction. 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 31. The report shall include a list by grant recipient of the date each grant was approved, the amount of the grant, 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 \$5,000,000.00.

(d) The tentative completion date is September 30, 2021.

**BUREAU OF STATE 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 MDHHS bridge cards cannot be used to purchase lottery tickets.

Sec. 964. For the bureau of the state lottery, there is appropriated 1% of the lottery's prior fiscal year's gross sales or \$25,000,000.00, whichever is less, for promotion and advertising.

**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, 2017 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, the state budget office, 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.

#### **DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT**

Sec. 980. (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 \$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 \$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 \$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.

Sec. 981. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2017 are \$35,083,100.00. From this amount, total agency appropriations for pension-related legacy costs are estimated at \$19,452,700.00. Total agency appropriations for retiree health care legacy costs are estimated at \$15,630,400.00.

#### **MICHIGAN STRATEGIC FUND - HOUSING AND COMMUNITY DEVELOPMENT**

Sec. 990. 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. 994. 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. 995. 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.

#### **MICHIGAN STRATEGIC FUND**

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 March 15.

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 or Pure Michigan programs. The report shall include the number of commercials produced, the types of media purchased, and the target of tourism promotion 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) Community development block grants.
- (d) Strategic fund administration.
- (e) Renaissance zones.
- (f) 21st century investment program.
- (g) Michigan business development program.
- (h) Community revitalization program.
- (i) Core community fund.
- (j) 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, 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 and community revitalization program. The report shall include, but is not limited to, all of the following for all appropriated funds that are available during the fiscal year:

- (a) Total verified jobs created, as required by statute, 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 March 15. The report for each program in subsection (1)(a) through (j) shall include details on all revenue sources, actual expenditures, and number of FTEs for that program for the previous fiscal year. For any programs operated under the Michigan strategic fund act, the requirements in subsections (1), (2)(a), and (2)(b) may be met if the report required under section 9 of the Michigan strategic fund act, 1984 PA 270, MCL 125.2009, is provided by March 15.

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 March 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 unencumbered 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. 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 department 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 department shall report the amount and source of the funds to the senate and house appropriation subcommittees 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. 1032. (1) The department shall report to the subcommittees, the state budget director, 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 shall provide the department of talent and economic development 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.

(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.

(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 and loan 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. As a condition of receiving funds in part 1, not later than March 15, the department of talent and economic development shall provide a report on the activities of the Michigan film and digital media office for the immediately preceding fiscal year. The report shall be submitted to the chairpersons of the senate and house of representatives subcommittees on general government, the senate and house fiscal agencies, and the state budget office. The report shall include, but not be limited to, a listing of all projects the Michigan film and digital media office provided assistance on, a listing of the services provided for each project, and an estimate of investment leveraged.

Sec. 1034. Each business incubator or accelerator that received an award from the fund 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.

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 business attraction and community revitalization 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.

(2) Funds transferred to the 21st century jobs trust 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. 1038. (1) From the funds appropriated in part 1, the department shall work with Michigan State University to gather information and create an annual progress report on the construction of the Facility for Rare Isotope Beams. The report shall include, but is not limited to, the following information:

(a) If construction is ahead of the scheduled timeline made with the United States Department of Energy at the end of the previous fiscal year and the number of weeks.

(b) If the cost of construction is under or over the amount projected for the previous fiscal year and the amount.

(c) The number of Michigan companies that have been contracted for the project, the total amount of those contracts, and number of permanent and temporary employees employed in the previous fiscal year.

(2) The department shall report to the state budget director, appropriations subcommittees, senate and house appropriation subcommittees on general government, and senate and house fiscal agencies by March 15. If information is not provided by Michigan State University by March 15, the department shall provide notice of steps taken to get the required information and when it will be available.

Sec. 1040. As a condition of receiving funds in part 1, the department of talent and economic development 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, 2013 PA 59, and 2014 PA 252, 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. (1) The fund, in conjunction with the department of treasury, 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 November 1 on the annual cost of the Michigan economic growth authority tax credits. The report shall include for each year the board-approved credit amount, adjusted for credit amendments where applicable, and the actual and projected value of tax credits for each year from 1995 to the expiration of the credit program. For years for which credit claims are complete, the report shall include the total of actual certificated credit amounts. For years for which claims are still pending or not yet submitted, the report shall include a combination of actual credits where available and projected credits. Credit projections shall be based on updated estimates of employees, wages, and benefits for eligible companies.

(2) In addition to the report under subsection (1), the fund, in conjunction with the department of treasury, 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 November 1 on the annual cost of all other certificated credits by program, for each year until the credits expire or can no longer be collected. The report shall include estimates on the brownfield redevelopment credit, film credits, MEGA photovoltaic technology credit, MEGA polycrystalline silicon manufacturing credit, MEGA vehicle battery credit, and other certificated credits.

Sec. 1046. (1) From the one-time funds appropriated in part 1 for special grants, \$275,000.00 shall be awarded to a charitable nonprofit community health care center located in a city with a population greater than 600,000 according to the most recent federal decennial census.

(2) From the one-time funds appropriated in part 1 for special grants, \$50,000.00 shall be awarded to a nonprofit community development corporation in a city with a population greater than 600,000 according to the most recent federal decennial census.

(3) From the one-time funds appropriated in part 1 for special grants, \$30,000.00 shall be awarded for a greenhouse renovation at a high school located in a county with a population greater than 1,700,000 and in a city with a population of between 62,000 and 64,000 according to the most recent federal decennial census.

(4) From the one-time funds appropriated in part 1 for special grants, \$95,000.00 shall be awarded for repairs at a park located in a county with a population greater than 1,700,000 and in a city with a population of between 62,000 and 64,000 according to the most recent federal decennial census.

(5) From the one-time funds appropriated in part 1 for special grants, \$100,000.00 shall be awarded for upgrading computer hardware at a school located in a county with a population greater than 1,700,000 and in a charter township with a population of between 48,000 and 49,000 according to the most recent federal decennial census.

(6) From the one-time funds appropriated in part 1 for special grants, \$100,000.00 shall be awarded for a recreation complex located in a county with a population greater than 1,700,000 and in a city with a population between 17,000 and 18,000 according to the most recent federal decennial census.

(7) From the one-time funds appropriated in part 1 for special grants, \$100,000.00 shall be awarded to a justice center located in a city with a population greater than 600,000 according to the most recent federal decennial census.

(8) From the one-time funds appropriated in part 1 for special grants, \$75,000.00 shall be awarded to a women's shelter located in a city with a population greater than 600,000 according to the most recent federal decennial census.

(9) From the one-time funds appropriated in part 1 for special grants, \$950,000.00 shall be awarded as a grant to a financially distressed city that has a level 3, high-priority capital improvement that has a cost estimate above \$10,000,000.00, has local matching dollars, and has previously applied to the financially distressed cities, villages, and townships fund, but has not been awarded any previous grants.

(10) From the one-time funds appropriated in part 1 for special grants, \$800,000.00 shall be awarded as a parking redevelopment grant to a state park that is less than 50 acres and is connected to a multi-city trolley system.

(11) From the one-time funds appropriated in part 1 for special grants, \$250,000.00 shall be awarded for capital repayments on a water tower that has deteriorated lead paint inside of the well, operates a wellhead protection plan, is over 30 years old, and has \$100,000.00 in matching funds located in a county with a population between 135,000 and 137,000 and in a village with a population between 900 and 1,100 according to the most recent federal decennial census.

(12) From the one-time funds appropriated in part 1 for special grants, \$500,000.00 shall be awarded to support capital improvements to an African American museum in a city with a population greater than 600,000 according to the most recent federal decennial census.

(13) From the one-time funds appropriated in part 1 for special grants, \$2,500,000.00 shall be awarded to support a youth fair in a county with a population between 600,000 and 610,000 according to the most recent federal decennial census.

(14) From the one-time funds appropriated in part 1 for special grants, \$2,500,000.00 shall be awarded for park improvements at a park located in a county with a population between 600,000 and 610,000 and in a charter township with a population between 5,900 and 6,100 according to the most recent federal decennial census.

(15) From the one-time funds appropriated in part 1 for special grants, \$100,000.00 shall be awarded for a recreation complex located in a county with a population greater than 1,700,000 and in a city with a population of between 84,000 and 85,000 according to the most recent federal decennial census.

(16) From the one-time funds appropriated in part 1 for special grants, \$25,000.00 shall be awarded to a community center in a city with a population greater than 600,000 according to the most recent federal decennial census.

(17) From the one-time funds appropriated in part 1 for special grants, \$100,000.00 shall be awarded to a multidisciplinary, nonprofit architecture and urban design firm in a city with a population greater than 600,000 according to the most recent federal decennial census.

(18) From the one-time funds appropriated in part 1 for special grants, \$1,000,000.00 shall be awarded to an independent biomedical research and science education organization in a county with a population between 600,000 and 610,000 and a city with a population between 187,000 and 189,000 according to the most recent federal decennial census to be used for matching federal funds, private and nonprofit grants, and private contributions.

(19) From the funds appropriated in part 1 for special grants, \$200,000.00 shall be awarded to support a farmer's market in a county with a population between 172,000 and 173,000 and a city with a population between 38,000 and 40,000 according to the most recent federal decennial census.

(20) From the funds appropriated in part 1 for special grants, \$250,000.00 shall be awarded to a consortium that develops unmanned aerial systems technology and has a teaming agreement or partnership with a Federal Aviation Administration designated testing site. The consortium must also be working with a community college that has received a skilled trades equipment fund grant and is using a portion of the grant to purchase equipment for unmanned aerial systems technology for education.

(21) From the one-time funds appropriated in part 1 for special grants, \$2,000,000.00 shall be awarded to Kalamazoo Valley Community College to support the healthy living campus.

#### **TALENT INVESTMENT AGENCY**

Sec. 1060. The talent investment agency 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. 1061. From the funds appropriated in part 1 for workforce programs subgrantees, the talent investment agency may allocate funding for grants to nonprofit organizations that offer programs pursuant to the workforce investment act of 1998, 29 USC 2801 to 2945, or the workforce innovation and opportunity act, 29 USC 3101 to 3361, eligible youth focusing on pre-apprenticeship and apprenticeship activities, 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 talent investment agency shall develop other appropriate eligibility requirements to ensure compliance with applicable federal rules and regulations.

Sec. 1062. The talent investment agency 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 of 1998, 29 USC 2801 to 2945, workforce innovation and opportunity act, 29 USC 3101 to 3361, or trade adjustment assistance funds available from prior fiscal years are appropriated for the purposes originally intended.

(2) The talent investment agency shall report by February 15 to the subcommittees, the fiscal agencies, and the state budget office on the amount by fiscal year of federal workforce investment act of 1998, 29 USC 2801 to 2945, workforce innovation and opportunity act, 29 USC 3101 to 3361, funds appropriated under this section.

Sec. 1065. The talent investment agency shall publish data and reports quarterly on the agency website concerning the status of the career technology and 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.

(h) The department of talent and economic development shall expand workforce training and reemployment services to better connect workers to in-demand jobs and identify specific outcomes with performance metrics for this initiative, including, but not limited to, new apprenticeships, jobs created, jobs retained, training completed, and employment retention rate at 6 months, and hourly wage at 6 months.



Sec. 1066. As a condition of receiving funds in part 1 for the skilled trades training program, the talent investment agency shall administer the program as follows:

(a) The talent investment agency shall work cooperatively with grantees to maximize the amount of funds from part 1 that are available for direct training.

(b) The talent investment agency, workforce development partners, including regional Michigan Works! agencies, and employers shall collaborate and work cooperatively to prioritize and streamline the expenditure of the funds appropriated in part 1. The talent investment agency 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 talent investment agency shall ensure that grants are utilized for individual skill enhancement for employees of Michigan businesses including the development of additional opportunities for apprenticeship programs and more advance-tech training programs. Funds shall not be distributed to program and process centered training organization employers.

(d) The talent investment agency 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 talent investment agency website and distributed to workforce development partners, including local Michigan Works! agencies, by October 1. Periodic assessments of employer and employee needs shall be evaluated on a regional basis, and the talent investment agency shall identify solutions and goals to be implemented to satisfy those needs. The talent investment agency 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 government, 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. Revenue received by the talent investment agency for the skilled trades training program may be expended for the purpose of those programs.

(e) Up to \$5,000,000.00 of the funds may be expended to match federal funds. The intent of these funds will involve improving and increasing the skill level of employees in skilled trades in the automotive industry and the manufacturing processes within the changing manufacturing environment.

Sec. 1068. (1) Of the funds appropriated in part 1 for the workforce training programs, the talent investment agency shall provide a report by March 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 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.

(l) The actual revenues received by the fund source and fund appropriated for each discrete workforce development program area.

(2) Data collection for the report shall be for the prior state fiscal year.

Sec. 1076. The unemployment insurance agency shall provide the senate and house appropriations subcommittees on general government, senate and house fiscal agencies, and the 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. 1077. The department of talent and economic development shall report quarterly to the members of the house and senate committees on appropriations, the senate and house 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 Michigan web account manager system or any application developed for that purpose. The department of talent and economic development shall implement improvements to the Internet Michigan web account manager system that promote greater ease of access and security with a goal of reaching 75% of users certifying by using the Internet Michigan web account manager system or another system that reduces staff face time and Michigan automated response voice interactive network telephone system usage.



Sec. 1078. (1) From the funds appropriated in part 1 for the unemployment insurance agency, the department of talent and economic development shall maintain customer service standards for employers and claimants making use of the various means by which they can access the system.

(2) The department of talent and economic development shall identify specific outcomes and performance metrics for this initiative, including, but not limited to, the following:

- (a) Unemployment benefit fund balance.
- (b) Process improvement - fiscal integrity.
- (c) Process improvement - determination timeliness.
- (d) Process improvement - determination quality.

Sec. 1079. (1) The talent investment agency shall extend the interagency agreement with the department of health and human services for the duration of the current fiscal year, which concerns TANF funding to provide job readiness and welfare-to-work programming. The interagency agreement shall include specific outcome and performance reporting requirements as described in this section. TANF funding provided to the talent investment agency in the current fiscal year is contingent on compliance with the data and reporting requirements described in this section. The interagency agreement shall require the talent investment agency to provide all of the following items for the previous year to the senate and house appropriations committees by January 1 of the current fiscal 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 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.

(2) Not later than March 15 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 following matters itemized by Michigan Works! agency: the number of referrals to Michigan Works! job readiness programs, the number of referrals to Michigan Works! job readiness programs who became a participant in the Michigan Works! job readiness programs, the number of participants who obtained employment, and the cost per participant case.

Sec. 1080. (1) From the funds appropriated in part 1 for community ventures, the department of talent and economic development may expend not more than \$2,000,000.00 of the funds as matching funds upon the commitment of matching dollars from private sources. For every \$1.00 the department of talent and economic development elects to receive from a private source for the purposes of a community ventures program match, the department of talent and economic development shall expend \$1.00 from the appropriation in part 1 up to \$2,000,000.00. Funds received from private sources for a community ventures program match are appropriated upon receipt and shall be expended for the purposes of the community ventures program.

(2) The department shall identify specific outcomes and performance measures for this initiative, including, but not limited to, the following:

- (a) The number of commitments from private sources, including the dollar amount committed and source.
- (b) Additional participants served with challenge funds.
- (c) Jobs created and the average wage.

Sec. 1081. (1) From the funds appropriated in part 1 for statewide system for data integration, the department shall establish new information technology systems to integrate data for talent and pipeline development to track and report workforce development activities and provide for sustained and expanded longitudinal data analysis between state departments.

(2) The department shall identify specific outcomes and performance metrics for this initiative, including, but not limited to, the following:

- (a) Job placements and retention at 6 months.
- (b) Apprenticeships completed.
- (c) Average wage.

Sec. 1083. From the one-time funds appropriated in part 1 for the sustainable employment pilot program, the department of talent and economic development shall create or contract with another entity to provide a pilot program that focuses on moving individuals off of government assistance programs and measuring the corresponding savings to the state of Michigan. The pilot program shall work with local community and workforce development agencies and focus on long-term results.

**STATE BUILDING AUTHORITY**

Sec. 1100. (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 of treasury 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 immediately preceding fiscal year. 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 2016-2017

|  | Fund | Beginning Available Balance | Estimated Revenue | Ending Balance |
|--|------|-----------------------------|-------------------|----------------|
| <b>OPERATING FUNDS</b>                                 |      |                             |                   |                |
| General fund/general purpose.....                      | 0110 | 136.6                       | 9,840.5           | 0.3            |
| General fund/special purpose.....                      |      | 875.0                       | 28,609.1          | 664.2          |
| Special Revenue Funds:                                 |      |                             |                   |                |
| Countercyclical budget and economic stabilization..... | 0111 | 611.0                       | 17.9              | 628.9          |
| Game and fish protection .....                         | 0112 | 3.5                         | 82.9              | 3.7            |
| Michigan employment security act administration.....   | 0113 | 0.0                         | 42.1              | 0.0            |
| State aeronautics .....                                | 0114 | 2.7                         | 17.6              | 0.0            |
| Michigan veterans’ benefit trust .....                 | 0115 | 0.0                         | 3.7               | 0.0            |
| State trunkline .....                                  | 0116 | 0.0                         | 1,001.5           | 0.0            |
| Michigan state waterways.....                          | 0117 | 8.2                         | 30.8              | 6.5            |
| Blue Water Bridge.....                                 | 0118 | 18.9                        | 23.6              | 0.0            |
| Michigan transportation.....                           | 0119 | 0.0                         | 2,514.9           | 0.0            |

|  |      |                  |                   |                  |
|--|------|------------------|-------------------|------------------|
| Comprehensive transportation .....       | 0120 | 3.8              | 316.7             | 0.0              |
| School aid.....                          | 0122 | 104.0            | 12,445.8          | 0.0              |
| 21st century jobs fund.....              | 0383 | 81.6             | 75.0              | 65.9             |
| Detroit public schools trust.....        | NEW  | 0.0              | 72.0              | 0.0              |
| Game and fish protection trust.....      | 0124 | 0.0              | 15.9              | 0.0              |
| State park improvement .....             | 0125 | 12.6             | 57.5              | 7.9              |
| Forest development .....                 | 0126 | 12.7             | 40.9              | 8.2              |
| Michigan natural resources trust.....    | 0129 | 13.4             | 32.9              | 30.6             |
| Michigan state parks endowment.....      | 0130 | 0.5              | 40.9              | 0.5              |
| Safety education and training.....       | 0131 | 5.2              | 9.6               | 4.5              |
| Bottle deposit .....                     | 0136 | 5.7              | 14.9              | 2.6              |
| State construction code .....            | 0138 | 7.2              | 8.4               | 7.4              |
| Children's trust.....                    | 0139 | 1.8              | 1.2               | 1.2              |
| State casino gaming .....                | 0140 | 1.7              | 0.3               | 2.0              |
| Michigan nongame fish and wildlife ..... | 0143 | 0.4              | 0.5               | 0.3              |
| Michigan merit award trust.....          | 0154 | 48.7             | 28.6              | 0.0              |
| Outdoor recreation legacy .....          | 0162 | 1.1              | 3.0               | 1.1              |
| Off-road vehicle account.....            | 0163 | 5.7              | 7.2               | 5.4              |
| Snowmobile account .....                 | 0164 | 5.6              | 11.6              | 5.5              |
| Silicosis dust disease and logging.....  | 0870 | 1.4              | 0.9               | 1.2              |
| Utility consumer representation.....     | 0893 | 1.6              | 1.2               | 1.5              |
| <b>TOTALS.....</b>                       |      | <b>\$1,936.9</b> | <b>\$55,369.6</b> | <b>\$1,449.4</b> |

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

A bill to make appropriations 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, the department of talent and economic development, and certain state purposes related thereto for the fiscal year ending September 30, 2017; to provide for the expenditure of the appropriations; to provide for the disposition of fees and other income received by the state agencies; and to declare the effect of this act.

Laura Cox  
Earl Poleski  
Conferees for the House

Jim Stamas  
Mike Nofs  
Conferees for the Senate

**First Conference Report**

The Committee of Conference on the matters of difference between the two Houses concerning  
**House Bill No. 5306, entitled**

A bill to make appropriations for the department of insurance and financial services for the fiscal year ending September 30, 2017; and to provide for the expenditure of the appropriations.

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 appropriations for the department of insurance and financial services for the fiscal year ending September 30, 2017; and to provide for the expenditure of the appropriations.

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

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of insurance and financial services for the fiscal year ending September 30, 2017, from the following funds:

**DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES**

**APPROPRIATION SUMMARY**

|   |       |           |                   |
|---|-------|-----------|-------------------|
| Full-time equated unclassified positions..... | 6.0   |           |                   |
| Full-time equated classified positions .....  | 336.5 |           |                   |
| <b>GROSS APPROPRIATION.....</b>               |       | <b>\$</b> | <b>66,257,200</b> |

|  | For Fiscal Year<br>Ending Sept. 30,<br>2017 |
|--|---|
| Interdepartmental grant revenues:  |   |
| Total interdepartmental grants and intradepartmental transfers .....         | 707,600                                     |
| ADJUSTED GROSS APPROPRIATION .....   | \$ 65,549,600                               |
| Federal revenues:  |   |
| Total federal revenues.....  | 2,000,000                                   |
| Special revenue funds:   |   |
| Total local revenues.....  | 0   |
| Total private revenues.....  | 0   |
| Total other state restricted revenues.....                                   | 63,399,600                                  |
| State general fund/general purpose .....                                     | \$ 150,000                                  |
| State general fund/general purpose schedule:                                 |   |
| Ongoing state general fund/general purpose.....                              | 150,000                                     |
| One-time state general fund/general purpose.....                             | 0   |
| <b>Sec. 102. DEPARTMENT SERVICES</b>   |   |
| Full-time equated unclassified positions.....                                | 6.0   |
| Full-time equated classified positions .....                                 | 22.5  |
| Unclassified salaries—6.0 FTE positions.....                                 | \$ 746,500                                  |
| Executive director programs—3.5 FTE positions .....                          | 1,059,200                                   |
| Department services—19.0 FTE positions .....                                 | 3,730,700                                   |
| Property management.....   | 1,175,700                                   |
| Worker's compensation.....   | 5,200                                       |
| Administrative hearings.....   | 182,500                                     |
| Information technology services and projects.....                            | 2,216,100                                   |
| GROSS APPROPRIATION .....  | \$ 9,115,900                                |
| Appropriated from:   |   |
| Special revenue funds:   |   |
| Bank fees.....   | 801,600                                     |
| Captive insurance regulatory and supervision fund .....                      | 3,900                                       |
| Consumer finance fees .....  | 355,800                                     |
| Credit union fees .....  | 1,056,800                                   |
| Deferred presentment service transaction fees.....                           | 469,900                                     |
| Insurance bureau fund .....  | 2,829,300                                   |
| Insurance continuing education fund.....                                     | 90,500                                      |
| Insurance licensing and regulation fees.....                                 | 2,537,300                                   |
| MBLSLA fund.....   | 819,600                                     |
| Multiple employer welfare arrangement .....                                  | 1,200                                       |
| State general fund/general purpose .....                                     | \$ 150,000                                  |
| <b>Sec. 103. INSURANCE AND FINANCIAL SERVICES REGULATION</b>                 |   |
| Full-time equated classified positions .....                                 | 314.0                                       |
| Insurance evaluation—54.0 FTE positions.....                                 | \$ 12,908,900                               |
| Insurance rates and forms—30.0 FTE positions .....                           | 5,942,500                                   |
| Financial institutions evaluation—132.0 FTE positions.....                   | 24,212,800                                  |
| Regulatory compliance, market conduct, and licensing—34.0 FTE positions..... | 5,482,000                                   |
| Consumer services and protection—64.0 FTE positions .....                    | 8,595,100                                   |
| GROSS APPROPRIATION .....  | \$ 57,141,300                               |
| Appropriated from:   |   |
| Interdepartmental grant revenues:  |   |
| IDG - LARA, for debt management .....  | 707,600                                     |
| Federal revenues:  |   |
| Federal revenues.....  | 2,000,000                                   |
| Special revenue funds:   |   |
| Bank fees.....   | 6,018,100                                   |
| Captive insurance regulatory and supervision fund .....                      | 282,900                                     |
| Consumer finance fees .....  | 3,061,000                                   |
| Credit union fees .....  | 7,968,800                                   |
| Deferred presentment service transaction fees.....                           | 3,293,200                                   |
| Insurance bureau fund .....  | 20,988,400                                  |
| Insurance continuing education fund.....                                     | 995,000                                     |

|  | For Fiscal Year<br>Ending Sept. 30,<br>2017 |
|--|---|
| Insurance licensing and regulation fees..... | 6,004,500                                   |
| MBLSLA fund.....                             | 5,540,100                                   |
| Multiple employer welfare arrangement .....  | 281,700                                     |
| State general fund/general purpose .....     | \$ 0  |

PART 2  
PROVISIONS CONCERNING APPROPRIATIONS  
FOR FISCAL YEAR 2016-2017

**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 2016-2017 is \$63,549,600.00 and state spending from state resources to be paid to local units of government for fiscal year 2016-2017 is \$0.

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) "FTE" means full-time equated.
- (e) "IDG" means interdepartmental grant.
- (f) "LARA" means the department of licensing and regulatory affairs.
- (g) "MBLSLA fund" means the restricted account established under section 8 of the mortgage brokers, lenders, and servicers licensing act, 1987 PA 173, MCL 445.1658.
- (h) "Subcommittees" means the subcommittees of the house of representatives and senate appropriations committees with jurisdiction over the budget for the department.

Sec. 204. 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. 205. 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. 206. 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. 207. (1) Out-of-state travel shall be limited to situations in which 1 or more of the following conditions apply:

- (a) The travel is required by legal mandate or court order or for law enforcement purposes.
- (b) The travel is necessary to protect the health or safety of Michigan citizens or visitors or to assist other states in similar circumstances.
- (c) The travel is necessary to produce budgetary savings or to increase state revenues, including protecting existing federal funds or securing additional federal funds.
- (d) The travel is necessary to comply with federal requirements.
- (e) The travel is necessary to secure specialized training for staff that is not available within this state.
- (f) The travel is financed entirely by federal or nonstate funds.

(2) The department shall not approve the travel of more than 1 departmental employee to a specific professional development conference or training seminar that is located outside of this state unless a professional development conference or training seminar is funded by a federal or private funding source and requires more than 1 person from a department to attend, or the conference or training seminar includes multiple issues in which 1 employee from the department does not have expertise.

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

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



- (b) The destination of each travel occurrence.
- (c) The dates of each travel occurrence.
- (d) A brief statement of the reason for each travel occurrence.
- (e) The transportation and related costs of each travel occurrence, including the proportion funded with state general fund/general purpose revenues, the proportion funded with state restricted revenues, the proportion funded with federal revenues, and the proportion funded with other revenues.
- (f) A total of all out-of-state travel funded for the immediately preceding fiscal year.

Sec. 208. 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. 209. 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 must 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 appropriations committees and the fiscal agencies.

Sec. 210. (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.

(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.

(3) Funds appropriated under this section 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. 211. 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. 212. 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 of representatives 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 immediately preceding and current fiscal years.

Sec. 213. 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. 214. Total authorized appropriations from all sources in part 1 for legacy costs for the fiscal year ending September 30, 2017 are \$10,214,700.00. From this amount, total agency appropriations for pension-related legacy costs are estimated at \$5,663,800.00. Total agency appropriations for retiree health care legacy costs are estimated at \$4,550,900.00.

Sec. 215. Unless prohibited by law, the department may accept credit card or other electronic means of payment for licenses, fees, or permits.

Sec. 216. In addition to the metrics required under section 447 of the management and budget act, 1984 PA 431, MCL 18.1447, for each new program or program enhancement for which funds in excess of \$500,000.00 are appropriated in part 1, the department shall provide not later than November 1 a list of program-specific metrics intended to measure its performance based on a return on taxpayer investment. The department shall deliver the program-specific metrics to members of the senate and house of representatives subcommittees that have subject matter jurisdiction for this budget, fiscal agencies, and the state budget director. The department shall provide an update on its progress in tracking program-specific metrics and the status of program success at an appropriations subcommittee meeting called for by the subcommittee chair.

Sec. 217. 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. 218. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 219. The department shall not develop or produce any television or radio productions.

Sec. 220. The department, in conjunction with the department of health and human services, shall maintain 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, if there are changes from the previous fiscal year, 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 group's administrative costs.

Sec. 221. 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 under section 105d(9) of the social welfare act, 1939 PA 280, MCL 400.105d.

**INSURANCE AND FINANCIAL SERVICES REGULATION**

Sec. 301. The department shall provide a report to the legislature based on the annual rate filings from health insurance issuers that includes all of the following:

- (a) The number that are approved by the department.
- (b) The number that are denied by the department.
- (c) The percentage of rate filings processed within the applicable statutory time frames.
- (d) The average number of calendar days to process rate filings.
- (e) An estimated percentage of this state’s population that is without any form of health insurance coverage for more than 6 months in any given calendar year.

Sec. 302. In addition to the funds appropriated in part 1, the funds collected by the department in connection with a conservatorship under 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 under 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.

Sec. 303. The department may make available to interested entities customized listings of nonconfidential information in its possession. The department may establish and collect a reasonable charge to provide this service. The revenue from this service is appropriated when received and 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 lapse to the appropriate restricted fund.

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

A bill to make appropriations for the department of insurance and financial services for the fiscal year ending September 30, 2017; and to provide for the expenditure of the appropriations.

Chris Afendoulis  
Michael D. McCready  
Pam Faris  
Conferees for the House

Marty Knollenberg  
Jim Marleau  
Conferees for the Senate

**First Conference Report**

The Committee of Conference on the matters of difference between the two Houses concerning **House Bill No. 5329, entitled**

A bill to make appropriations for the state transportation department for the fiscal year ending September 30, 2017; and to provide for the expenditure of the appropriations.

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 appropriations for the state transportation department for the fiscal year ending September 30, 2017; and to provide for the expenditure of the appropriations.

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

**PART 1**

**LINE-ITEM APPROPRIATIONS**

Sec. 101. There is appropriated for the state transportation department for the fiscal year ending September 30, 2017, from the following funds:

**STATE TRANSPORTATION DEPARTMENT  
APPROPRIATION SUMMARY**

|  |         |                         |
|--|---------|-------------------------|
| Full-time equated unclassified positions.....                        | 6.0     |                         |
| Full-time equated classified positions .....                         | 2,912.3 |                         |
| <b>GROSS APPROPRIATION .....</b>                                     |         | <b>\$ 4,114,503,600</b> |
| Total interdepartmental grants and intradepartmental transfers ..... |         | 4,013,400               |
| <b>ADJUSTED GROSS APPROPRIATION .....</b>                            |         | <b>\$ 4,110,490,200</b> |

For Fiscal Year  
Ending Sept. 30,  
2017

|   |                |
|---|----------------|
| Federal revenues:   |                |
| Federal aid - transportation programs .....                                 | 1,314,744,000  |
| Total federal revenues.....   | 1,314,744,000  |
| Special revenue funds:  |                |
| Local revenues.....   | 50,418,500     |
| Private revenues.....   | 100,000        |
| Total local and private revenues.....                                       | 50,518,500     |
| Blue Water Bridge fund.....   | 42,450,200     |
| Comprehensive transportation fund.....                                      | 320,500,700    |
| Economic development fund.....  | 36,475,000     |
| IRS debt service rebate .....   | 7,011,800      |
| Intercity bus equipment fund.....   | 100,000        |
| Local bridge fund.....  | 29,875,100     |
| Michigan transportation fund .....  | 1,333,620,100  |
| Qualified airport fund.....   | 8,775,000      |
| Rail freight fund.....  | 6,000,000      |
| State aeronautics fund .....  | 20,238,200     |
| State trunkline fund.....   | 931,681,600    |
| Total other state restricted revenues .....                                 | 2,736,727,700  |
| State general fund/general purpose .....                                    | \$ 8,500,000   |
| State general fund/general purpose schedule:                                |                |
| Ongoing state general fund/general purpose .....                            | 0              |
| One-time state general fund/general purpose .....                           | 8,500,000      |
| <b>Sec. 102. DEBT SERVICE</b>   |                |
| State trunkline .....   | \$ 194,076,400 |
| Economic development.....   | 11,612,200     |
| Local bridge fund.....  | 2,406,500      |
| Blue Water Bridge fund.....   | 6,963,900      |
| Airport safety and protection plan.....                                     | 4,616,400      |
| Comprehensive transportation .....  | 18,249,900     |
| GROSS APPROPRIATION .....   | \$ 237,925,300 |
| Appropriated from:  |                |
| Federal revenues:   |                |
| Federal aid - transportation programs .....                                 | 45,767,900     |
| Special revenue funds:  |                |
| Blue Water Bridge fund.....   | 6,963,900      |
| Comprehensive transportation fund.....                                      | 18,249,900     |
| Economic development fund.....  | 11,612,200     |
| IRS debt service rebate .....   | 7,011,800      |
| Local bridge fund.....  | 2,406,500      |
| State aeronautics fund .....  | 4,616,400      |
| State trunkline fund.....   | 141,296,700    |
| State general fund/general purpose .....                                    | \$ 0           |
| <b>Sec. 103. COLLECTION, ENFORCEMENT, AND OTHER AGENCY SUPPORT SERVICES</b> |                |
| MTF grant to department of environmental quality.....                       | \$ 1,335,100   |
| MTF grant to department of state for collection of revenue and fees .....   | 20,000,000     |
| MTF grant to department of treasury.....                                    | 2,684,100      |
| MTF grant to legislative auditor general.....                               | 315,800        |
| STF grant to department of attorney general .....                           | 2,429,200      |
| STF grant to civil service commission.....                                  | 5,847,000      |
| STF grant to department of technology, management, and budget.....          | 1,226,000      |
| STF grant to department of state police.....                                | 11,627,600     |
| STF grant to department of treasury .....                                   | 157,900        |
| STF grant to legislative auditor general .....                              | 733,500        |
| SAF grant to department of attorney general.....                            | 177,600        |

|   | For Fiscal Year<br>Ending Sept. 30,<br>2017 |
|---|---|
| SAF grant to civil service commission .....                           | 150,000                                     |
| SAF grant to department of technology, management, and budget .....   | 33,500                                      |
| SAF grant to department of treasury.....                              | 73,900                                      |
| SAF grant to legislative auditor general.....                         | 30,300                                      |
| CTF grant to department of attorney general.....                      | 204,500                                     |
| CTF grant to civil service commission .....                           | 200,000                                     |
| CTF grant to department of technology, management, and budget .....   | 42,200                                      |
| CTF grant to department of treasury.....                              | 13,500                                      |
| CTF grant to legislative auditor general.....                         | 39,000                                      |
| GROSS APPROPRIATION .....   | \$ 47,320,700                               |
| Appropriated from:  |   |
| Special revenue funds:  |   |
| Comprehensive transportation fund.....                                | 499,200                                     |
| Michigan transportation fund .....                                    | 24,335,000                                  |
| State aeronautics fund .....  | 465,300                                     |
| State trunkline fund.....   | 22,021,200                                  |
| State general fund/general purpose .....                              | \$ 0  |
| <b>Sec. 104. EXECUTIVE DIRECTION</b>                                  |   |
| Full-time equated unclassified positions.....                         | 6.0   |
| Full-time equated classified positions .....                          | 29.3  |
| Unclassified salaries .....   | \$ 754,000                                  |
| Asset management council.....   | 1,626,400                                   |
| Commission audit—29.3 FTE positions.....                              | 3,335,900                                   |
| GROSS APPROPRIATION .....   | \$ 5,716,300                                |
| Appropriated from:  |   |
| Special revenue funds:  |   |
| Michigan transportation fund .....                                    | 1,626,400                                   |
| State trunkline fund.....   | 4,089,900                                   |
| State general fund/general purpose .....                              | \$ 0  |
| <b>Sec. 105. BUSINESS SUPPORT</b>                                     |   |
| Full-time equated classified positions .....                          | 54.0  |
| Business support services—44.0 FTE positions.....                     | \$ 6,756,100                                |
| Economic development and enhancement programs—10.0 FTE positions..... | 1,633,200                                   |
| Property management.....  | 7,112,200                                   |
| Worker's compensation.....  | 1,711,200                                   |
| GROSS APPROPRIATION .....   | \$ 17,212,700                               |
| Appropriated from:  |   |
| Special revenue funds:  |   |
| Comprehensive transportation fund.....                                | 1,835,100                                   |
| Economic development fund .....                                       | 378,100                                     |
| Michigan transportation fund .....                                    | 801,100                                     |
| State aeronautics fund .....  | 752,100                                     |
| State trunkline fund.....   | 13,446,300                                  |
| State general fund/general purpose .....                              | \$ 0  |
| <b>Sec. 106. INFORMATION TECHNOLOGY</b>                               |   |
| Information technology services and projects.....                     | \$ 32,364,500                               |
| GROSS APPROPRIATION .....   | \$ 32,364,500                               |
| Appropriated from:  |   |
| Federal revenues:   |   |
| Federal aid - transportation programs .....                           | 520,500                                     |
| Special revenue funds:  |   |
| Blue Water Bridge fund.....   | 55,100                                      |
| Comprehensive transportation fund.....                                | 224,400                                     |
| Economic development fund .....                                       | 37,200                                      |
| Michigan transportation fund .....                                    | 293,300                                     |
| State aeronautics fund .....  | 175,100                                     |

|   | For Fiscal Year<br>Ending Sept. 30,<br>2017 |
|---|---|
| State trunkline fund .....  | 31,058,900                                  |
| State general fund/general purpose .....  | \$ 0  |
| <b>Sec. 107. FINANCE, CONTRACTS, AND SUPPORT SERVICES</b>                         |   |
| Full-time equated classified positions .....                                      | 186.0                                       |
| Finance, contracts, and support services—186.0 FTE positions .....                | \$ 21,791,700                               |
| <b>GROSS APPROPRIATION</b> .....  | <u>\$ 21,791,700</u>                        |
| Appropriated from:  |   |
| Interdepartmental grant revenues:   |   |
| IDG for accounting service center user charges .....                              | 4,013,400                                   |
| Special revenue funds:  |   |
| Michigan transportation fund .....  | 1,621,700                                   |
| State trunkline fund .....  | 16,156,600                                  |
| State general fund/general purpose .....  | \$ 0  |
| <b>Sec. 108. TRANSPORTATION PLANNING</b>  |   |
| Full-time equated classified positions .....                                      | 140.0                                       |
| Planning services—140.0 FTE positions.....  | \$ 38,481,100                               |
| Grants to regional planning councils.....   | 488,800                                     |
| <b>GROSS APPROPRIATION</b> .....  | <u>\$ 38,969,900</u>                        |
| Appropriated from:  |   |
| Federal revenues:   |   |
| Federal aid - transportation programs .....                                       | 19,250,000                                  |
| Special revenue funds:  |   |
| Comprehensive transportation fund.....  | 610,500                                     |
| Michigan transportation fund .....  | 9,571,400                                   |
| State aeronautics fund .....  | 15,000                                      |
| State trunkline fund .....  | 9,523,000                                   |
| State general fund/general purpose .....  | \$ 0  |
| <b>Sec. 109. DESIGN AND ENGINEERING SERVICES</b>                                  |   |
| Full-time equated classified positions .....                                      | 1,539.3                                     |
| Program development, delivery, and systems operations—1,539.3 FTE positions ..... | \$ 166,199,900                              |
| Welcome center operations—50.0 FTE positions .....                                | 4,532,800                                   |
| <b>GROSS APPROPRIATION</b> .....  | <u>\$ 170,732,700</u>                       |
| Appropriated from:  |   |
| Federal revenues:   |   |
| Federal aid - transportation programs .....                                       | 23,529,800                                  |
| Special revenue funds:  |   |
| Michigan transportation fund .....  | 12,246,000                                  |
| State trunkline fund .....  | 134,956,900                                 |
| State general fund/general purpose .....  | \$ 0  |
| <b>Sec. 110. HIGHWAY MAINTENANCE</b>  |   |
| Full-time equated classified positions .....                                      | 743.7                                       |
| State trunkline operations—743.7 FTE positions.....                               | \$ 303,948,000                              |
| <b>GROSS APPROPRIATION</b> .....  | <u>\$ 303,948,000</u>                       |
| Appropriated from:  |   |
| Special revenue funds:  |   |
| State trunkline fund .....  | 303,948,000                                 |
| State general fund/general purpose .....  | \$ 0  |
| <b>Sec. 111. ROAD AND BRIDGE PROGRAMS</b>   |   |
| State trunkline federal aid and road and bridge construction .....                | \$ 1,068,176,900                            |
| Local federal aid and road and bridge construction.....                           | 272,511,000                                 |
| Grants to local programs .....  | 33,000,000                                  |
| Rail grade crossing .....   | 3,000,000                                   |
| Rail grade crossing - surface improvements .....                                  | 3,000,000                                   |
| Local bridge program .....  | 27,468,600                                  |
| County road commissions .....   | 797,470,600                                 |
| Cities and villages .....   | 444,625,500                                 |
| <b>GROSS APPROPRIATION</b> .....  | <u>\$ 2,649,252,600</u>                     |



For Fiscal Year  
Ending Sept. 30,  
2017

|  |                |
|--|----------------|
| Appropriated from:   |                |
| Federal revenues:  |                |
| Federal aid - transportation programs .....                | 1,030,225,800  |
| Special revenue funds:                                     |                |
| Local funds .....  | 30,000,000     |
| Blue Water Bridge fund.....                                | 28,998,100     |
| Local bridge fund .....                                    | 27,468,600     |
| Michigan transportation fund .....                         | 1,281,096,100  |
| State trunkline fund .....                                 | 251,464,000    |
| State general fund/general purpose .....                   | \$ 0           |
| <b>Sec. 112. BLUE WATER BRIDGE</b>                         |                |
| Full-time equated classified positions .....               | 41.0           |
| Blue Water Bridge operations—41.0 FTE positions .....      | \$ 6,433,100   |
| GROSS APPROPRIATION .....                                  | \$ 6,433,100   |
| Appropriated from:   |                |
| Special revenue funds:                                     |                |
| Blue Water Bridge fund.....                                | 6,433,100      |
| State general fund/general purpose .....                   | \$ 0           |
| <b>Sec. 113. TRANSPORTATION ECONOMIC DEVELOPMENT</b>       |                |
| Forest roads .....   | \$ 5,000,000   |
| Rural county urban system.....                             | 2,500,000      |
| Target industries/economic redevelopment.....              | 623,700        |
| Urban county congestion.....                               | 8,161,900      |
| Rural county primary.....                                  | 8,161,900      |
| GROSS APPROPRIATION .....                                  | \$ 24,447,500  |
| Appropriated from:   |                |
| Special revenue funds:                                     |                |
| Economic development fund .....                            | 24,447,500     |
| State general fund/general purpose .....                   | \$ 0           |
| <b>Sec. 114. AERONAUTICS SERVICES</b>                      |                |
| Full-time equated classified positions .....               | 54.0           |
| Aviation services—54.0 FTE positions .....                 | \$ 7,648,800   |
| Air service program.....                                   | 250,000        |
| GROSS APPROPRIATION .....                                  | \$ 7,898,800   |
| Appropriated from:   |                |
| Special revenue funds:                                     |                |
| State aeronautics fund .....                               | 7,898,800      |
| State general fund/general purpose .....                   | \$ 0           |
| <b>Sec. 115. PUBLIC TRANSPORTATION SERVICES</b>            |                |
| Full-time equated classified positions .....               | 36.0           |
| Passenger transportation services—36.0 FTE positions ..... | \$ 5,740,500   |
| GROSS APPROPRIATION .....                                  | \$ 5,740,500   |
| Appropriated from:   |                |
| Federal revenues:  |                |
| Federal aid - transportation programs .....                | 972,100        |
| Special revenue funds:                                     |                |
| Comprehensive transportation fund.....                     | 4,768,400      |
| State general fund/general purpose .....                   | \$ 0           |
| <b>Sec. 116. BUS TRANSIT DIVISION: STATUTORY OPERATING</b> |                |
| Local bus operating .....                                  | \$ 186,250,000 |
| Nonurban operating/capital .....                           | 26,027,900     |
| GROSS APPROPRIATION .....                                  | \$ 212,277,900 |
| Appropriated from:   |                |
| Federal revenues:  |                |
| Federal aid - transportation programs .....                | 24,027,900     |

|  | For Fiscal Year<br>Ending Sept. 30,<br>2017 |
|--|---|
| Special revenue funds:                                   |   |
| Local funds .....  | 2,000,000                                   |
| Comprehensive transportation fund .....                  | 186,250,000                                 |
| State general fund/general purpose .....                 | \$ 0  |
| <b>Sec. 117. INTERCITY PASSENGER</b>                     |   |
| Full-time equated classified positions ..... 39.0        |   |
| Office of rail—39.0 FTE positions.....                   | \$ 6,427,700                                |
| Freight property management.....                         | 1,000,000                                   |
| Detroit/Wayne County Port Authority.....                 | 468,200                                     |
| Intercity services.....                                  | 6,250,000                                   |
| Rail operations and infrastructure .....                 | 118,894,800                                 |
| Marine passenger service .....                           | 400,000                                     |
| Terminal development .....                               | 300,000                                     |
| GROSS APPROPRIATION .....                                | \$ 133,740,700                              |
| Appropriated from:                                       |   |
| Federal revenues:  |   |
| Federal aid - transportation programs .....              | 64,600,000                                  |
| Special revenue funds:                                   |   |
| Local funds .....  | 150,000                                     |
| Private funds.....                                       | 100,000                                     |
| Comprehensive transportation fund.....                   | 60,043,000                                  |
| Intercity bus equipment fund.....                        | 100,000                                     |
| Michigan transportation fund .....                       | 2,029,100                                   |
| Rail freight fund.....                                   | 6,000,000                                   |
| State trunkline fund.....                                | 718,600                                     |
| State general fund/general purpose .....                 | \$ 0  |
| <b>Sec. 118. PUBLIC TRANSPORTATION DEVELOPMENT</b>       |   |
| Specialized services.....                                | \$ 17,938,900                               |
| Municipal credit program.....                            | 2,000,000                                   |
| Transit capital .....                                    | 53,907,100                                  |
| Van pooling .....  | 195,000                                     |
| Service initiatives .....                                | 2,889,200                                   |
| Transportation to work .....                             | 3,700,000                                   |
| GROSS APPROPRIATION .....                                | \$ 80,630,200                               |
| Appropriated from:                                       |   |
| Federal revenues:  |   |
| Federal aid - transportation programs .....              | 26,850,000                                  |
| Special revenue funds:                                   |   |
| Local funds .....  | 5,760,000                                   |
| Comprehensive transportation fund.....                   | 48,020,200                                  |
| State general fund/general purpose .....                 | \$ 0  |
| <b>Sec. 119. CAPITAL OUTLAY</b>                          |   |
| <b>(1) BUILDINGS AND FACILITIES</b>                      |   |
| Special maintenance, remodeling, and additions.....      | \$ 3,001,500                                |
| GROSS APPROPRIATION .....                                | \$ 3,001,500                                |
| Appropriated from:                                       |   |
| State trunkline fund .....                               | 3,001,500                                   |
| State general fund/general purpose .....                 | \$ 0  |
| <b>(2) AIRPORT IMPROVEMENT PROGRAMS</b>                  |   |
| Airport safety, protection and improvement program ..... | \$ 97,824,000                               |
| Detroit Metropolitan Wayne County Airport .....          | 8,775,000                                   |
| GROSS APPROPRIATION .....                                | \$ 106,599,000                              |
| Appropriated from:                                       |   |
| Federal revenues:  |   |
| Federal aid - transportation programs .....              | 79,000,000                                  |

|   | For Fiscal Year<br>Ending Sept. 30,<br>2017 |
|---|---|
| Special revenue funds:                              |   |
| Local funds .....                                   | 12,508,500                                  |
| State aeronautics fund .....                        | 6,315,500                                   |
| Qualified airport fund.....                         | 8,775,000                                   |
| State general fund/general purpose .....            | \$ 0  |
| <b>Sec. 120. ONE-TIME BASIS ONLY APPROPRIATIONS</b> |   |
| Special grants .....                                | \$ 8,500,000                                |
| <b>GROSS APPROPRIATION .....</b>                    | <b>\$ 8,500,000</b>                         |
| Appropriated from:                                  |   |
| State general fund/general purpose - one-time.....  | \$ 8,500,000                                |

PART 2  
PROVISIONS CONCERNING APPROPRIATIONS  
FOR FISCAL YEAR 2016-2017

**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 2016-2017 is \$2,745,227,700.00 and state spending from state resources to be paid to local units of government for fiscal year 2016-2017 is \$1,590,461,200.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

**STATE TRANSPORTATION DEPARTMENT**

|   |                  |
|---|------------------|
| Grants to regional planning councils.....                 | \$ 488,800       |
| Grants to local programs .....                            | 33,000,000       |
| Rail grade crossing .....                                 | 3,000,000        |
| Rail grade crossing - surface improvements .....          | 3,000,000        |
| Local bridge program .....                                | 27,468,600       |
| Grants to county road commissions .....                   | 797,470,600      |
| Grants to cities and villages .....                       | 444,625,500      |
| Economic development fund .....                           | 23,823,800       |
| Air service program.....                                  | 250,000          |
| Local bus operating .....                                 | 186,250,000      |
| Detroit/Wayne County Port Authority.....                  | 468,200          |
| Marine passenger service .....                            | 400,000          |
| Terminal development .....                                | 300,000          |
| Specialized services.....                                 | 3,853,900        |
| Municipal credit program.....                             | 2,000,000        |
| Transit capital .....                                     | 37,357,100       |
| Service initiatives .....                                 | 914,200          |
| Transportation to work .....                              | 3,700,000        |
| Airport safety, protection, and improvement program ..... | 6,315,500        |
| Detroit metropolitan Wayne County airport .....           | 8,775,000        |
| Special grants .....                                      | 7,000,000        |
| Total payments to local units of government .....         | \$ 1,590,461,200 |

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) "CTF" means comprehensive transportation fund.
- (b) "Department" means the state transportation department.
- (c) "Director" means the director of the 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) "IDG" means interdepartmental grant.
- (h) "IRS" means the Internal Revenue Service.
- (i) "MTF" means Michigan transportation fund.
- (j) "SAF" means state aeronautics fund.
- (k) "STF" means state trunkline fund.

Sec. 204. 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. 205. 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. 206. 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. 207. 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. 208. 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. 209. 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. 210. (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. 211. 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. 212. 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 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, 2016 and September 30, 2017.

Sec. 213. 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. 214. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2017 are \$70,450,500.00. From this amount, total agency appropriations for pension-related legacy costs are estimated at \$39,063,000.00. Total agency appropriations for retiree health care legacy costs are estimated at \$31,387,500.00.

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. 216. In addition to the metrics required under section 447 of the management and budget act, 1984 PA 431, MCL 18.1447, for each new program or program enhancement for which funds in excess of \$500,000.00 are appropriated in part 1, the department shall provide not later than November 1 of each year a list of program-specific metrics intended to measure its performance based on a return on taxpayer investment. The department shall deliver the program-specific metrics to members of the senate and house subcommittees that have subject matter jurisdiction for this budget, fiscal agencies, and the state budget director. The department shall provide an update on its progress in tracking program-specific metrics and the status of program success at an appropriations subcommittee meeting called for by the subcommittee chair.

Sec. 217. The department shall provide notice to the speaker of the house, the house minority leader, the senate majority leader, the senate minority leader, the house and senate standing committees on transportation, the appropriate house and senate appropriations subcommittees on transportation, and the house and senate fiscal agencies on proposed federal rule changes related to the department that would require amendments to the laws of this state. The notice shall be given within 30 business days of the proposed federal rule being posted to the federal register and shall include a description of the proposed federal rule, the publication date, the date when public comment closes, the document citation, and a description of the statutory changes needed when the rule is finalized.

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.

#### **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. 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.



(3) The auditor general shall use a risk-based approach in developing an audit program for the use of transportation funds.

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. 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. 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, 2016. The report shall include all of the following:

(a) The balance in the state infrastructure bank at September 30, 2016, 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. 376. The department shall not spend funds appropriated in part 1 for the purpose of examining the potential association between commercial signs, outdoor advertising signs, billboards, digital billboards, or commercial electronic variable message signs and motor vehicle activity or motor vehicle driver behavior.

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 of each year 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, 2016. 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, 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, 2017.

(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. The department shall submit a report regarding the status of a reciprocal agreement to the senate and house appropriations subcommittees on transportation and the house and senate fiscal agencies no later than February 1, 2017.

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, 2016 and shall cover the fiscal year ending September 30, 2016.

(2) The initial report shall include, at a minimum, all of the following:

(a) Department costs incurred in the fiscal year ending September 30, 2016, 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, 2016, 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, 2017, June 1, 2017, and September 1, 2017 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 health and human services. 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 stoplight 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, 2017.

Sec. 394. The department and local road agencies shall make the preservation of their existing road networks a funding priority.

Sec. 395. From the funds appropriated in part 1 for state trunkline federal aid road and bridge construction, the department may expend up to \$10,000,000.00 on highway maintenance activities to support safety-related, high-priority, and other deferred routine maintenance needs on Michigan's state trunkline network.

Sec. 396. In soliciting proposals for contractual services, other than construction contracts, the department shall obtain assurance that the respondents have the financial capability, equipment, work force, and prior work experience sufficient to perform the proposed services.

#### **FEDERAL**

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 100 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 479.42, 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.

Sec. 505. If roads innovation funds are not released by a 1-time concurrent resolution pursuant to section 1j(5) of 1951 PA 51, MCL 247.651j, on or before October 1, 2016, the department shall prepare a report that specifies the portions of total Michigan transportation fund distributions to be withheld from the state trunkline fund and each local road agency. The department shall present the report to the state budget director, the senate and house appropriations subcommittees on transportation, the senate and house standing committees on transportation, and the senate and house fiscal agencies on or before November 1, 2016.

#### **STATE TRUNKLINE FUND**

Sec. 601. (1) The department shall work with the road construction industry and engineering consulting community to develop a warranty program for capital road and bridge construction, reconstruction, and rehabilitation projects. In developing the warranty program, the department shall consider all of the following:

(a) Scope of warranties, including warranties on materials and workmanship, pavement or bridge performance criteria, and the application of warranties to design/build projects.

(b) Length of warranty.

(c) Costs and benefits associated with scope of warranty and various warranty provisions, including length of warranty.

(d) Any other relevant factors that might determine the use of warranties, scope of warranty, or length of warranty.

(e) Use of warranties on local agency projects administered by the department.

(f) Other measures used to identify premature failure of road pavement or bridge elements and the related cause of those failures.

(2) The department shall report on March 1 of each year to the house of representatives and senate appropriations subcommittees on transportation and the house and senate fiscal agencies on provisions of the department's warrant program described under subsection (1). The department shall timely inspect warrantied projects prior to the expiration of any associated warranty.

(3) The department shall report to the legislature all of the following with regard to road and bridge construction projects:

(a) An update on procedures involving the attorney general's office regarding nonresponsive contractors that had received notice but failed to fulfill the terms of a warranty.

(b) An update on any upgrades and improvements to the statewide warranty administrative database.

(c) The number of active road and bridge construction warranties.

(d) The number of road and bridge project warranties that required corrective action, and the date or dates of any corrective action.

(e) The number of warrantied projects that required corrective action but expired prior to the contractor receiving notice and the total cost of each of those projects.

(f) The number of instances where a contractor was notified of the need for corrective action more than 60 days after the associated warranty period.

(g) The number of unresolved corrective actions outstanding beyond 15 months, and the department's findings and any changes to existing policies and procedures as required in subsection (5).

(4) The report required under subsection (3) is due on March 1 of each calendar year, shall reflect the prior 12-month period, and shall be transmitted to the house of representatives and senate appropriations subcommittees on transportation, the state budget director, and the house and senate fiscal agencies.

(5) The department shall maintain documentation to support initial acceptance of warrantied projects, interim and final inspections, and notifications to contractors that the warranty period had expired. The department also shall review and evaluate consultant evaluation requirements or recommendations and update existing policies and procedures accordingly.

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, the fund source of any incentives, 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 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 of each year.

#### **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 and 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 and facility 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 and 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 and 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. 704. From the funds appropriated in part 1, the department shall prepare and transmit a report that provides detail regarding the department's expenditures for programs funded under the appropriation in part 1 for rail operations and infrastructure. The report shall include a breakdown of the appropriation by program, year-to-date expenditures under



each program itemized by project, and an estimate of future expenditures under each program itemized by project for the remainder of the fiscal year. The initial report shall be submitted to the senate and house appropriations subcommittees on transportation, and the senate and house fiscal agencies, on or before October 30, 2016. The department also shall update and resubmit the report on or before February 1 of each year.

Sec. 705. It is the intent of the legislature that the department will provide assistance, whether administrative or otherwise, to the city of Woodhaven so that the city may meet funding needs for a rail and street separation project.

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 June 30 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 of each year.

(2) The report shall include all of the following:

- (a) Passenger counts for the preceding fiscal year for each Amtrak service route 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. 735. For the fiscal year ending September 30, 2017, the appropriation to a street railway pursuant to section 10e(22) of 1951 PA 51, MCL 247.660e, is \$0.

#### **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.

Sec. 803. Not later than December 1, 2016, the department, in cooperation with the department of technology, management, and budget, shall release a request for proposal seeking competitive bids for the award of a contract for third party management and sale of the department's aging aircraft. Third party management shall include, but not be limited to: aircraft transportation services, aircraft, aircraft personnel including pilots and technicians, aircraft maintenance, aircraft facilities, and aircraft fuel.

#### **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. 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 BASIS ONLY APPROPRIATION**

Sec. 1001. The funds appropriated in part 1 for special grants shall be used to fund the following road improvement projects:

- (a) Berrien County: US-31 right-of-way acquisition.
- (b) Lenawee County: upgrading Weston Road and Rodesiler Highway to provide an all-season truck route between M-52 and US-223.
- (c) Macomb County: M-53 at 33 Mile Road access.



PART 2A  
PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS  
FOR FISCAL YEAR 2017-2018

**GENERAL SECTIONS**

Sec. 1201. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, 2018 for the line items listed in part 1. The fiscal year 2017-2018 appropriations are anticipated to be the same as those for fiscal year 2016-2017, 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 2017 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 appropriations for the state transportation department for the fiscal year ending September 30, 2017; and to provide for the expenditure of the appropriations.

Edward J. Canfield  
Roger Victory  
Brian Banks  
Conferees for the House

Goeff Hansen  
Marty Knollenberg  
Coleman Young II  
Conferees for the Senate

**Messages from the Governor**

The following message from the Governor was received June 3, 2016 and read:

**EXECUTIVE ORDER  
No. 2016 – 12**

**AMENDMENT OF EXECUTIVE ORDER No. 2016-10**

WHEREAS, Section 1 of Article V of the Michigan Constitution of 1963 vests the executive power of the state of Michigan in the Governor; and

WHEREAS, under Section 4 of 1982 PA 191, MCL 10.84, during a declared State of Energy Emergency the Governor may by executive order suspend a statute, order, rule of a state agency, or specific provision of a statute, order, or rule if strict compliance with the statute, order, rule, or a specific provision of the statute, order, or rule will prevent, hinder, or delay necessary action in coping with an energy emergency; and

WHEREAS, in EO 2016-10, a State of Energy Emergency was declared; and long wait times at terminals and difficulties locating supply persist; and

WHEREAS, the West Shore pipeline, which transports refined petroleum products from Milwaukee to Green Bay, Wisconsin, continues to be out of service without a known in-service date. This shutdown continues to impact regional supply, notably the Upper Peninsula of Michigan and Cheboygan County, which receive products from Wisconsin terminals via truck and barge, respectively. The loss of supply from the pipeline continues to result in longer driving distances, wait times, and working hours for gasoline and other motor fuels transporters, causing drivers to reach maximum weekly driving and on-duty limits more quickly than normal; and,

WHEREAS, production of gasoline and diesel fuel has restarted at the Marathon Refinery following a temporary shut-down, however, it is expected to take approximately a week for inventories to rebuild to levels necessary to supply all customers that typically depend on the refinery for supply; and

WHEREAS, appropriate measures must be taken in Michigan to ensure that fuel supplies will remain sufficient and to assure the health, safety, and welfare of Michigan residents and visitors;

NOW, THEREFORE, I, Richard D. Snyder, Governor of the state of Michigan, by virtue of the power and authority vested in the Governor by the Michigan Constitution of 1963 and Michigan law, order the following:

1. Executive Order 2016-10 is amended to extend the duration of the energy emergency. This order applies to the entire state of Michigan through June 13, 2016, and for the Upper Peninsula of Michigan and Cheboygan County through June 22, 2016. This Order is effective upon filing and remains in effect until it is rescinded or 11:59:59 p.m. EDT, June 22 2016, whichever first occurs.

2. Copies of this amendment as well as Executive Order 2016-10 should be carried by all drivers relying on this order.  
Given under my hand and the Great Seal of the State of Michigan this 3rd day of June in the Year of Our Lord, Two Thousand and Sixteen

[SEAL]

RICHARD D. SNYDER  
GOVERNOR  
BY THE GOVERNOR:  
RUTH A. JOHNSON  
SECRETARY OF STATE

The message was referred to the Clerk.

### Introduction of Bills

Rep. Lucido introduced

**House Bill No. 5722, entitled**

A bill to amend 1966 PA 189, entitled "An act to provide procedures for making complaints for, obtaining, executing and returning search warrants; and to repeal certain acts and parts of acts," by amending section 3 (MCL 780.653), as amended by 2014 PA 383.

The bill was read a first time by its title and referred to the Committee on Criminal Justice.

Reps. Vaupel, Jenkins, Canfield, Graves and Cole introduced

**House Bill No. 5723, entitled**

A bill to amend 1954 PA 116, entitled "Michigan election law," by amending sections 283, 560a, 570, 685, 696, and 719 (MCL 168.283, 168.560a, 168.570, 168.685, 168.696, and 168.719), section 283 as amended by 2004 PA 92, section 570 as amended by 1985 PA 160, section 685 as amended by 2002 PA 399, and section 696 as amended by 2002 PA 163; and to repeal acts and parts of acts.

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

Reps. Canfield, Jenkins, Vaupel, Graves and Cole introduced

**House Bill No. 5724, entitled**

A bill to amend 1976 PA 388, entitled "Michigan campaign finance act," by amending section 20 (MCL 169.220), as amended by 1982 PA 167.

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

Reps. Iden, LaVoy, Crawford, Lucido, Hughes, Barrett, Kesto and Cole introduced

**House Bill No. 5725, entitled**

A bill to amend 1893 PA 206, entitled "The general property tax act," by amending section 7b (MCL 211.7b), as amended by 2013 PA 161.

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

Reps. Hoadley, Liberati, Wittenberg, Geiss, Chang, Garrett, Banks, Plawecki, Guerra, Zemke, Singh, Gay-Dagnogo, Irwin, Hovey-Wright, Townsend, Heise, Howell, Inman, Crawford, Price, Lucido, Moss, Sarah Roberts and Howrylak introduced

**House Bill No. 5726, entitled**

A bill to amend 1931 PA 328, entitled "The Michigan penal code," by amending section 224 (MCL 750.224), as amended by 2006 PA 401.

The bill was read a first time by its title and referred to the Committee on Criminal Justice.

### Announcements by the Clerk

June 2, 2016

Received from the Auditor General a copy of the:

- Performance audit report on the Office of Business Development, Michigan Department of Transportation, June 2016.

Gary L. Randall  
Clerk of the House

Rep. Liberati moved that the House adjourn.  
The motion prevailed, the time being 2:35 p.m.

Associate Speaker Pro Tempore Franz declared the House adjourned until Wednesday, June 8, at 10:00 a.m.

GARY L. RANDALL  
Clerk of the House of Representatives