STATE OF MICHIGAN

GENERAL APPROPRIATION BILLS ENACTED FOR 2009-2010 FISCAL YEAR

and Related Materials

November 2009

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Compiled by the
LEGISLATIVE SERVICE BUREAU

November 2009

PREFACE

This booklet includes the general appropriation bills for the 2009-2010 fiscal year passed by the Michigan Legislature and enacted into law during the 2009 session. It also includes supplemental appropriation bills for the 2008-2009 fiscal year.

Readers are advised that the Governor vetoed items in a number of the appropriation bills compiled herein. Each of the Governor's veto messages appears following the act to which it applies.

The appropriation bills are arranged according to the listing on the following pages.

CONTENTS

I. General Appropriation Bills Enacted for 2009-2010 Fiscal Year

II. Supplemental Appropriation Bills Enacted for 2008-2009 Fiscal Year

GENERAL APPROPRIATION BILLS ENACTED FOR 2008 – 2009 FISCAL YEAR (in order of presentation)

INTERIM BUDGET (October 1, 2009 to October 31, 2009)
(SB 831 – Act 104 of 2009)

AGRICULTURE
(SB 237 – Act 119 of 2009)*

COMMUNITY COLLEGES
(HB 4435 – Act 111 of 2009)

COMMUNITY HEALTH
(HB 4436 – Act 131 of 2009)*

CORRECTIONS
(HB 4437 – Act 114 of 2009)*

EDUCATION
(HB 4438 – Act 115 of 2009)

ENERGY, LABOR, AND ECONOMIC GROWTH
(SB 243 – Act 130 of 2009)*

ENVIRONMENTAL QUALITY AND NATURAL RESOURCES
(HB 4446 – Act 118 of 2009)*

GENERAL GOVERNMENT
(SB 245 – Act 128 of 2009)*

HIGHER EDUCATION
(HB 4441 – Act 132 of 2009)

HUMAN SERVICES
(SB 248 – Act 129 of 2009)*

JUDICIAL BRANCH
(SB 249 – Act 113 of 2009)

* *See Governor's veto message following text of act.*

MILITARY AND VETERANS AFFAIRS
(SB 250 – Act 112 of 2009)

SCHOOL AID
(HB 4447 – Act 121 of 2009)*

STATE POLICE
(SB 253 – Act 113 of 2009)

TRANSPORTATION
(SB 254 – Act 116 of 2009)*

* *See Governor's veto message following text of act.*

SUPPLEMENTAL APPROPRIATION BILLS ENACTED DURING 2008 - 2009 REGULAR SESSION

ENVIRONMENTAL QUALITY AND NATURAL RESOURCES, AND MILITARY AND VETERANS AFFAIRS
(SB 322 – Act 23 of 2009)

MULTIDEPARTMENT
(SB 608 – Act 145 of 2009)

MULTIDEPARTMENT
(HB 4258 – Act 7 of 2009

MULTIDEPARTMENT
(HB 4311 – Act 140 of 2009)

MULTIDEPARTMENT
(HB 4582 – Act 3 of 2009)

SCHOOL AID
(HB 4721 – Act 73 of 2009)

* *See Governor's veto message following text of act.*

GENERAL APPROPRIATION BILLS

2009-2010 FISCAL YEAR

INTERIM BUDGET

Act No. 104
Public Acts of 2009
Approved by the Governor
October 1, 2009

Filed with the Secretary of State
October 1, 2009

EFFECTIVE DATE: October 1, 2009

STATE OF MICHIGAN

95TH LEGISLATURE

REGULAR SESSION OF 2009

Introduced by Senator Jelinek

ENROLLED SENATE BILL No. 831

AN ACT to make interim general appropriations for various state departments and agencies, capital outlay, the legislative branch, the judicial branch, and certain other purposes for the period of October 1, 2009 to October 31, 2009; to provide for the expenditure of the appropriations; to provide for the disposition of fees and other income received by various state departments and agencies; to provide for the appointment of special committees; and to declare the effect of this act.

The People of the State of Michigan enact:

PART 1

Sec. 1. (1) To eliminate any possible disturbance of normal state fiscal operations which will occur if the 2009-2010 appropriations bills are not enacted into law by October 1, 2009 and to provide for the uninterrupted continuous operations of state government, there is appropriated for the various state departments and agencies, capital outlay, the legislative branch, the judicial branch, and certain other purposes, for the period from October 1, 2009 to October 31, 2009, the amounts authorized in this act.

(2) The expenditure of the interim appropriations authorized under this act shall be predicated on activities, programs, or projects for which appropriations were authorized for the fiscal year ending September 30, 2009:

APPROPRIATION SUMMARY

Full-time equated unclassified positions	177.5	
Full-time equated classified positions	55,775.8	
Full-time equated exempted positions	491.0	
GROSS APPROPRIATION		$ 2,890,060,700
Total interdepartmental grants and intradepartmental transfers		65,063,500
ADJUSTED GROSS APPROPRIATION		$ 2,824,997,200
Total federal revenues		1,382,265,300
Total local revenues		33,459,500
Total private revenues		8,234,100
Total other state restricted revenues		712,283,900
State general fund/general purpose		$ 688,754,400

		For the Period of Oct. 1, 2009 to Oct. 31, 2009
Sec. 102. DEPARTMENT OF AGRICULTURE		
Full-time equated unclassified positions 6.0		
Full-time equated classified positions 594.5		
Operations, grants, and services	$	8,381,600
GROSS APPROPRIATION	$	8,381,600
Appropriated from:		
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		794,900
Federal revenues:		
Total federal revenues		1,445,500
Special revenue funds:		
Total private revenues		19,800
Total other state restricted revenues		3,572,400
State general fund/general purpose	$	2,549,000
Sec. 103. DEPARTMENT OF ATTORNEY GENERAL		
Full-time equated unclassified positions 6.0		
Full-time equated classified positions 537.0		
Operations, grants, and services	$	6,086,400
GROSS APPROPRIATION	$	6,086,400
Appropriated from:		
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		2,002,100
Federal revenues:		
Total federal revenues		703,000
Special revenue funds:		
Total other state restricted revenues		982,500
State general fund/general purpose	$	2,398,800
Sec. 104. DEPARTMENT OF CIVIL RIGHTS		
Full-time equated unclassified positions 5.0		
Full-time equated classified positions 125.0		
Operations, grants, and services	$	1,108,700
GROSS APPROPRIATION	$	1,108,700
Appropriated from:		
Federal revenues:		
Total federal revenues		184,700
State general fund/general purpose	$	924,000
Sec. 105. COMMUNITY COLLEGES		
Operations, grants, and services	$	24,946,700
GROSS APPROPRIATION	$	24,946,700
Appropriated from:		
State general fund/general purpose	$	24,946,700
Sec. 106. DEPARTMENT OF COMMUNITY HEALTH		
Full-time equated unclassified positions 6.0		
Full-time equated classified positions 4,602.7		
Average population 970.4		
Operations, grants, and services	$	1,052,014,600
GROSS APPROPRIATION	$	1,052,014,600
Appropriated from:		
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		3,359,200
Federal revenues:		
Total federal revenues		700,100,000
Special revenue funds:		
Total local revenues		20,086,900

		For the Period of Oct. 1, 2009 to Oct. 31, 2009
Total private revenues	$	5,993,000
Total other state restricted revenues		136,336,700
State general fund/general purpose	$	186,138,800

Sec. 107. DEPARTMENT OF CORRECTIONS

Full-time equated unclassified positions 21.0		
Full-time equated classified positions 17,087.0		
Operations, grants, and services	$	158,436,300
GROSS APPROPRIATION	$	158,436,300
Appropriated from:		
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		106,400
Federal revenues:		
Total federal revenues		1,222,100
Special revenue funds:		
Total local revenues		35,900
Total other state restricted revenues		4,538,600
State general fund/general purpose	$	152,533,300

Sec. 108. DEPARTMENT OF EDUCATION

Full-time equated unclassified positions 6.0		
Full-time equated classified positions 543.5		
Operations, grants, and services	$	9,795,000
GROSS APPROPRIATION	$	9,795,000
Appropriated from:		
Federal revenues:		
Total federal revenues		6,765,900
Special revenue funds:		
Total local revenues		573,400
Total private revenues		257,300
Total other state restricted revenues		579,300
State general fund/general purpose	$	1,619,100

Sec. 109. DEPARTMENT OF ENERGY, LABOR, AND ECONOMIC GROWTH

Full-time equated unclassified positions 58.5		
Full-time equated classified positions 4,359.0		
Operations, grants, and services	$	115,686,000
GROSS APPROPRIATION	$	115,686,000
Appropriated from:		
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		2,548,000
Federal revenues:		
Total federal revenues		73,523,300
Special revenue funds:		
Total local revenues		1,324,100
Total private revenues		442,900
Total other state restricted revenues		33,373,500
State general fund/general purpose	$	4,474,200

Sec. 110. DEPARTMENT OF ENVIRONMENTAL QUALITY

Full-time equated unclassified positions 6.0		
Full-time equated classified positions 1,518.7		
Operations, grants, and services	$	28,781,000
GROSS APPROPRIATION	$	28,781,000
Appropriated from:		
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		1,570,300

		For the Period of Oct. 1, 2009 to Oct. 31, 2009
Federal revenues:		
Total federal revenues	$	10,819,400
Special revenue funds:		
Total private revenues		46,300
Total other state restricted revenues		14,099,100
State general fund/general purpose	$	2,245,900

Sec. 111. EXECUTIVE OFFICE

Full-time equated unclassified positions 10.0		
Full-time equated classified positions 74.2		
Operations, grants, and services	$	402,000
GROSS APPROPRIATION	$	402,000
Appropriated from:		
State general fund/general purpose	$	402,000

Sec. 112. HIGHER EDUCATION

Full-time equated classified positions 1.0		
Operations, grants, and services	$	141,442,100
GROSS APPROPRIATION	$	141,442,100
Appropriated from:		
Federal revenues:		
Total federal revenues		672,700
Special revenue funds:		
Total other state restricted revenues		15,127,300
State general fund/general purpose	$	125,642,100

Sec. 113. DEPARTMENT OF HUMAN SERVICES

Full-time equated unclassified positions 6.0		
Full-time equated classified positions 10,395.8		
Operations, grants, and services	$	437,351,700
GROSS APPROPRIATION	$	437,351,700
Appropriated from:		
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		201,400
Federal revenues:		
Total federal revenues		357,821,100
Special revenue funds:		
Total local revenues		3,839,500
Total private revenues		844,800
Total other state restricted revenues		5,255,800
State general fund/general purpose	$	69,389,100

Sec. 114. DEPARTMENT OF INFORMATION TECHNOLOGY

Full-time equated unclassified positions 3.0		
Full-time equated classified positions 1,659.0		
Operations, grants, and services	$	35,016,900
GROSS APPROPRIATION	$	35,016,900
Appropriated from:		
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		35,016,900
State general fund/general purpose	$	0

Sec. 115. JUDICIARY

Full-time equated exempted positions 491.0		
Operations, grants, and services	$	21,309,800
GROSS APPROPRIATION	$	21,309,800

		For the Period of Oct. 1, 2009 to Oct. 31, 2009
Appropriated from:		
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers	$	214,500
Federal revenues:		
Total federal revenues		427,200
Special revenue funds:		
Total local revenues		507,800
Total private revenues		70,200
Total other state restricted revenues		7,329,000
State general fund/general purpose	$	12,761,100

Sec. 116. LEGISLATURE

Senate	$	2,223,900
Senate automated data processing		191,100
Senate fiscal agency		241,300
House of representatives		3,524,400
House automated data processing		151,800
House fiscal agency		241,300
Legislative council		761,300
Legislative service bureau automated data processing		103,000
Legislative corrections ombudsman		30,800
General nonretirement expenses		377,800
Capitol building		210,100
Cora Anderson building		618,500
Farnum building and other properties		151,200
GROSS APPROPRIATION	$	8,826,500
Appropriated from:		
Special revenue funds:		
Total private revenues		33,300
Total other state restricted revenues		92,500
State general fund/general purpose	$	8,700,700

Sec. 117. LEGISLATIVE AUDITOR GENERAL

Operations, grants, and services	$	1,214,900
GROSS APPROPRIATION	$	1,214,900
Appropriated from:		
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		150,100
Special revenue funds:		
Total other state restricted revenues		128,300
State general fund/general purpose	$	936,500

Sec. 118. DEPARTMENT OF MANAGEMENT AND BUDGET

Full-time equated unclassified positions 7.0		
Full-time equated classified positions 1,441.0		
Operations, grants, and services	$	24,564,500
State building authority rent		37,176,700
GROSS APPROPRIATION	$	61,741,200
Appropriated from:		
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		13,928,900
Federal revenues:		
Total federal revenues		946,100
Special revenue funds:		
Total local revenues		164,600
Total private revenues		12,500
Total other state restricted revenues		6,743,400
State general fund/general purpose	$	39,945,700

		For the Period of Oct. 1, 2009 to Oct. 31, 2009
Sec. 119. MICHIGAN STRATEGIC FUND		
Full-time equated classified positions 158.0		
Operations, grants, and services	$	12,427,000
GROSS APPROPRIATION	$	12,427,000
Appropriated from:		
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		6,700
Federal revenues:		
Total federal revenues		5,536,500
Special revenue funds:		
Total local revenues		59,600
Total other state restricted revenues		4,562,900
State general fund/general purpose	$	2,261,300
Sec. 120. DEPARTMENT OF MILITARY AND VETERANS AFFAIRS		
Full-time equated unclassified positions 7.0		
Full-time equated classified positions 985.0		
Operations, grants, and services	$	16,759,300
GROSS APPROPRIATION	$	16,759,300
Appropriated from:		
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		140,100
Federal revenues:		
Total federal revenues		10,877,800
Special revenue funds:		
Total local revenues		106,400
Total private revenues		122,000
Total other state restricted revenues		2,477,500
State general fund/general purpose	$	3,035,500
Sec. 121. DEPARTMENT OF NATURAL RESOURCES		
Full-time equated unclassified positions 6.0		
Full-time equated classified positions 2,268.9		
Operations, grants, and services	$	25,251,900
GROSS APPROPRIATION	$	25,251,900
Appropriated from:		
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		306,000
Federal revenues:		
Total federal revenues		4,518,300
Special revenue funds:		
Total private revenues		369,900
Total other state restricted revenues		18,664,000
State general fund/general purpose	$	1,393,700
Sec. 122. DEPARTMENT OF STATE		
Full-time equated unclassified positions 6.0		
Full-time equated classified positions 1,809.0		
Operations, grants, and services	$	17,670,100
GROSS APPROPRIATION	$	17,670,100
Appropriated from:		
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		1,666,700
Federal revenues:		
Total federal revenues		639,500
Special revenue funds:		
Total private revenues		100
Total other state restricted revenues		13,425,800
State general fund/general purpose	$	1,938,000

		For the Period of Oct. 1, 2009 to, Oct. 31, 2009
Sec. 123. DEPARTMENT OF STATE POLICE		
Full-time equated unclassified positions 3.0		
Full-time equated classified positions 2,924.0		
Operations, grants, and services	$	42,959,900
GROSS APPROPRIATION	$	42,959,900
Appropriated from:		
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		2,158,300
Federal revenues:		
Total federal revenues		7,967,600
Special revenue funds:		
Total local revenues		700,500
Total private revenues		22,000
Total other state restricted revenues		9,839,900
State general fund/general purpose	$	22,271,600
Sec. 124. STATE TRANSPORTATION DEPARTMENT		
Full-time equated unclassified positions 6.0		
Full-time equated classified positions 3,008.0		
Operations, grants, and services	$	359,003,900
Debt service		72,640,100
GROSS APPROPRIATION	$	431,644,000
Appropriated from:		
Federal revenues:		
Total federal revenues		195,032,800
Special revenue funds:		
Total local revenues		5,968,700
Total other state restricted revenues		230,642,500
State general fund/general purpose	$	0
Sec. 125. DEPARTMENT OF TREASURY		
Full-time equated unclassified positions 9.0		
Full-time equated classified positions 1,684.5		
Operations, grants, and services	$	29,224,700
Debt service		21,322,000
Constitutional state general revenue sharing grants		124,000,000
Statutory state general revenue sharing grants		56,260,400
GROSS APPROPRIATION	$	230,807,100
Appropriated from:		
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		893,000
Federal revenues:		
Total federal revenues		3,061,800
Special revenue funds:		
Total local revenues		92,100
Total other state restricted revenues		204,512,900
State general fund/general purpose	$	22,247,300

PART 2

Sec. 201. (1) Upon enactment of the respective full fiscal year appropriation acts for the fiscal year ending September 30, 2010, authority for interim appropriations authorized by this act for a department or other purpose shall terminate.

(2) All obligations incurred and expenditures made under this act shall become the obligations and expenditures authorized under the appropriate line items in the respective full fiscal year appropriation act.

Sec. 203. Upon enactment of the appropriations in this act, the state budget director shall authorize allotments of the appropriations in this act for each department and agency. These allotments shall be based on the continuation of activities, programs, or projects for which appropriations were authorized for the fiscal year ending September 30, 2009.

DEPARTMENT OF ATTORNEY GENERAL

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.

DEPARTMENT OF CIVIL RIGHTS

Sec. 350. (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.

(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.

DEPARTMENT OF COMMUNITY HEALTH

Sec. 375. A county required under the provisions of the mental health code, 1974 PA 258, MCL 330.1001 to 330.2106, to provide matching funds to a CMHSP for mental health services rendered to residents in its jurisdiction shall pay the matching funds in equal installments on not less than a quarterly basis throughout the fiscal year, with the first payment being made by October 1, 2009.

Sec. 376. The department may make available to interested entities customized listings of nonconfidential information in its possession, such as names and addresses of licensees. The department may establish and collect a reasonable charge to provide this service. The revenue received from this service shall be used to offset expenses to provide the service. Any balance of this revenue collected and unexpended at the end of the fiscal year shall revert to the appropriate restricted fund.

Sec. 377. If a county that has participated in a district health department or an associated arrangement with other local health departments takes action to cease to participate in such an arrangement after October 1, 2009, the department shall have the authority to assess a penalty from the local health department's operational accounts in an amount equal to no more than 5% of the local health department's local public health operations funding. This penalty shall only be assessed to the local county that requests the dissolution of the health department.

Sec. 378. (1) Funds appropriated in part 1 for local public health operations shall be prospectively allocated to local health departments to support immunizations, infectious disease control, sexually transmitted disease control and prevention, hearing screening, vision services, food protection, public water supply, private groundwater supply, and

on-site sewage management. Food protection shall be provided in consultation with the Michigan department of agriculture. Public water supply, private groundwater supply, and on-site sewage management shall be provided in consultation with the Michigan department of environmental quality.

(2) Local public health departments will be held to contractual standards for the services in subsection (1).

(3) Distributions in subsection (1) shall be made only to counties that maintain local spending in fiscal year 2009-2010 of at least the amount expended in fiscal year 1992-1993 for the services described in subsection (1).

(4) By April 1, 2010, the department shall make available upon request a report to the senate or house of representatives appropriations subcommittee on community health, the senate or house fiscal agency, or the state budget director on the planned allocation of the funds appropriated for local public health operations.

Sec. 379. The area agencies and local providers may receive and expend fees for the provision of day care, care management, respite care, and certain eligible home- and community-based services. The fees shall be based on a sliding scale, taking client income into consideration. The fees shall be used to expand services.

Sec. 380. (1) For care provided to medical services recipients with other third-party sources of payment, medical services reimbursement shall not exceed, in combination with such other resources, including Medicare, those amounts established for medical services-only patients. The medical services payment rate shall be accepted as payment in full. Other than an approved medical services co-payment, no portion of a provider's charge shall be billed to the recipient or any person acting on behalf of the recipient. Nothing in this section shall be considered to affect the level of payment from a third-party source other than the medical services program. The department shall require a nonenrolled provider to accept medical services payments as payment in full.

(2) Notwithstanding subsection (1), medical services reimbursement for hospital services provided to dual Medicare/medical services recipients with Medicare part B coverage only shall equal, when combined with payments for Medicare and other third-party resources, if any, those amounts established for medical services-only patients, including capital payments.

Sec. 381. (1) For fee-for-service recipients who do not reside in nursing homes, the pharmaceutical dispensing fee shall be $2.50 or the pharmacy's usual or customary cash charge, whichever is less. For nursing home residents, the pharmaceutical dispensing fee shall be $2.75 or the pharmacy's usual or customary cash charge, whichever is less.

(2) The department shall require a prescription co-payment for Medicaid recipients of $1.00 for a generic drug and $3.00 for a brand-name drug, except as prohibited by federal or state law or regulation.

Sec. 382. (1) The department shall use procedures and rebates amounts specified under section 1927 of title XIX, 42 USC 1396r-8, to secure quarterly rebates from pharmaceutical manufacturers for outpatient drugs dispensed to participants in the MIChild program, maternal outpatient medical services program, children's special health care services, and adult benefit waiver program.

(2) For products distributed by pharmaceutical manufacturers not providing quarterly rebates as listed in subsection (1), the department may require preauthorization.

Sec. 383. (1) The department shall require co-payments on dental, podiatric, chiropractic, vision, and hearing aid services provided to Medicaid recipients, except as prohibited by federal or state law or regulation.

(2) Except as otherwise prohibited by federal or state law or regulations, the department shall require Medicaid recipients to pay the following co-payments:

(a) Two dollars for a physician office visit.

(b) Six dollars for a hospital emergency room visit.

(c) Fifty dollars for the first day of an inpatient hospital stay.

(d) One dollar for an outpatient hospital visit.

Sec. 384. An institutional provider that is required to submit a cost report under the medical services program shall submit cost reports completed in full within 5 months after the end of its fiscal year.

Sec. 385. All nursing home rates, class I and class III, must have their respective fiscal year rate set 30 days prior to the beginning of their rate year. Rates may take into account the most recent cost report prepared and certified by the preparer, provider corporate owner or representative as being true and accurate, and filed timely, within 5 months of the fiscal year end in accordance with Medicaid policy. If the audited version of the last report is available, it shall be used. Any rate factors based on the filed cost report may be retroactively adjusted upon completion of the audit of that cost report.

Sec. 386. (1) As may be allowed by federal law or regulation, the department may use funds provided by a local or intermediate school district, which have been obtained from a qualifying health system, as the state match required for receiving federal Medicaid or children health insurance program funds. Any such funds received shall be used only to support new school-based or school-linked health services.

(2) A qualifying health system is defined as any health care entity licensed to provide health care services in the state of Michigan, that has entered into a contractual relationship with a local or intermediate school district to provide or manage school-based or school-linked health services.

Sec. 387. The funds appropriated in part 1 for forensic mental health services provided to the department of corrections are in accordance with the interdepartmental plan developed in cooperation with the department of corrections. The department is authorized to receive and expend funds from the department of corrections in addition to the appropriations in part 1 to fulfill the obligations outlined in the interdepartmental agreements.

Sec. 388. (1) From funds appropriated in part 1, final authorizations to CMHSPs or PIHPs shall be made upon the execution of contracts between the department and CMHSPs or PIHPs. The contracts shall contain an approved plan and budget as well as policies and procedures governing the obligations and responsibilities of both parties to the contracts. Each contract with a CMHSP or PIHP that the department is authorized to enter into under this subsection shall include a provision that the contract is not valid unless the total dollar obligation for all of the contracts between the department and the CMHSPs or PIHPs entered into under this subsection for fiscal year 2009-2010 does not exceed the amount of money appropriated in part 1 for the contracts authorized under this subsection.

(2) The department shall immediately report to the senate and house of representatives appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director if either of the following occurs:

(a) Any new contracts with CMHSPs or PIHPs that would affect rates or expenditures are enacted.

(b) Any amendments to contracts with CMHSPs or PIHPs that would affect rates or expenditures are enacted.

(3) The report required by subsection (2) shall include information about the changes and their effects on rates and expenditures.

DEPARTMENT OF CORRECTIONS

Sec. 400. 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, public work programs, and services provided to units of government. The revenues and fees collected are appropriated for all expenses associated with these services and activities.

Sec. 406. (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 felons who otherwise would have been sentenced to prison.

(2) The county jail reimbursement program shall reimburse counties for housing and custody of convicted felons 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 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.

(3) State reimbursement under this section for prisoner housing and custody expenses per diverted offender shall be $43.50 per diem for up to a 1-year total.

DEPARTMENT OF EDUCATION

Sec. 425. (1) Upon receipt of the federal drug-free grant, the department shall allocate $225,000.00 of the grant to the safe school program within the department. The safe school program shall work with local school boards, parents of enrolled students, law enforcement agencies, community leaders, and the office of drug control policy for the prevention of school violence. The safe school program shall develop and implement, and serve as coordinator of, a statewide

clearinghouse for information, program development, model programs and policies, and technical assistance on school violence prevention.

(2) To accomplish its functions under this section, the safe school program shall do all of the following:

(a) Coordinate with the office of drug control policy in the department of community health to ensure that there is a meaningful linkage between the efforts under this act to provide safe schools and the initiatives undertaken through that office, including, but not limited to, school districts' safe and drug-free school plans, and to facilitate timely applications for and distribution of available grant money.

(b) Provide through the Internet the availability to access, and provide through the Internet information regarding, the state model policy on locker searches, the state model policy on firearm safety and awareness, and any other state or local safety policies that the office considers exemplary.

(c) Advance, promote, and encourage the awareness and use of the state police antiviolence hotline.

Sec. 427. For each student enrolled at the Michigan schools for the deaf and blind, the department shall assess the intermediate school district of residence 100% of the cost of operating the student's instructional program. The amount shall exclude room and board related costs and the cost of weekend transportation between the school and the student's home.

Sec. 429. (1) The department may assess rent or lease excess property located on the campus of the Michigan schools for the deaf and blind in Flint to private or publicly funded organizations.

(2) In addition to those funds appropriated in part 1, the department may receive and expend additional funds from lease agreements at the Michigan schools for the deaf and blind Flint campus that have been negotiated with the approval of the department of management and budget. These funds are appropriated to the department for the operation, maintenance, and renovation expenses associated with the leased space.

Sec. 430. In addition to the funds appropriated in part 1, the funds collected by the department for document reproduction and services; conferences, workshops, and training classes; and the use of specialized equipment, facilities, and software are appropriated for all expenses necessary to provide the required services. These funds are available for expenditure when they are received and may be carried forward into the next succeeding fiscal year.

DEPARTMENT OF ENVIRONMENTAL QUALITY

Sec. 450. (1) The department of environmental quality is authorized to expend amounts remaining from the current and prior fiscal year appropriations to meet funding needs of legislatively approved sites for the environmental cleanup and redevelopment program and the leaking underground storage tank cleanup program.

(2) Unexpended and unencumbered amounts remaining from appropriations from the environmental protection bond fund contained in 2003 PA 173 and 2006 PA 343 are appropriated for expenditure for any site listed in this act and any site listed in the public acts referenced in this section.

(3) Unexpended and unencumbered amounts remaining from appropriations from the cleanup and redevelopment fund contained in 2003 PA 173 are appropriated for expenditure for any site listed in this act and any site listed in the public acts referenced in this section.

(4) Unexpended and unencumbered amounts remaining from appropriations from the clean Michigan initiative fund - response activities contained in 2000 PA 506, 2001 PA 120, 2003 PA 173, 2003 PA 237, 2004 PA 309, 2004 PA 350, 2005 PA 11, 2006 PA 343, and 2007 PA 121 are appropriated for expenditure for any site listed in this act and any site listed in the public acts referenced in this section.

(5) Unexpended and unencumbered amounts remaining from appropriations from the environmental protection fund contained in 2001 PA 43, 2002 PA 520, and 2003 PA 171 are appropriated for expenditure for any site listed in this act and any site listed in the public acts referenced in this section.

(6) Unexpended and unencumbered amounts remaining from appropriations from the refined petroleum fund activities contained in 2005 PA 154, 2007 PA 121, and 2008 PA 247 are appropriated for expenditure for any site listed in this act and any site listed in the public acts referenced in this section.

DEPARTMENT OF HUMAN SERVICES

Sec. 550. From the funds appropriated in part 1 for foster care, the department shall provide 50% reimbursement to Indian tribal governments for foster care expenditures for children who are under the jurisdiction of Indian tribal courts and who are not otherwise eligible for federal foster care cost sharing.

Sec. 552. Agencies receiving teenage parent counseling funds shall provide at least 10% in matching funds, through any combination of local, state, or federal funds or in-kind or other donations.

Sec. 556. Counties shall be subject to 50% charge-back for the use of alternative regional detention services, if those detention services do not fall under the basic provision of section 117e of the social welfare act, 1939 PA 280, MCL 400.117e, or if a county operates those detention services programs primarily with professional rather than volunteer staff.

Sec. 558. (1) The appropriations in part 1 assume a total federal child support incentive payment of $26,500,000.00.

(2) From the federal money received for child support incentive payments, $12,000,000.00 shall be retained by the state and expended for child support program expenses.

(3) From the federal money received for child support incentive payments, $14,500,000.00 shall be paid to the counties based on each county's performance level for each of the federal performance measures as established in the code of federal regulations, CFR 45.305.2.

(4) If the child support incentive payment to the state from the federal government is greater than $26,500,000.00, then 100% of the excess shall be retained by the state and is appropriated until the total retained by the state reaches $15,397,400.00.

(5) If the child support incentive payment to the state from the federal government is greater than the amount needed to satisfy the provisions identified in subsections (1), (2), (3), and (4), the additional funds shall be subject to appropriation by the legislature.

(6) If the child support incentive payment to the state from the federal government is less than $26,500,000.00, then the state and county share shall each be reduced by 50% of the shortfall.

Sec. 560. The department shall assess fees in the licensing and regulation of child care organizations as defined in 1973 PA 116, MCL 722.111 to 722.128, and adult foster care facilities as defined in the adult foster care facility licensing act, 1979 PA 218, MCL 400.701 to 400.737. Fees collected by the department shall be used exclusively for the purpose of licensing and regulating child care organizations and adult foster care facilities.

DEPARTMENT OF INFORMATION TECHNOLOGY

Sec. 575. (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 information technology shall assess all subscribers of the Michigan public safety communications system reasonable access and maintenance fees.

(3) All money received by the department of information technology under this section shall be expended for the support and maintenance of the Michigan public safety communications system.

(4) The department of information technology shall provide a report to the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the state budget director on April 15 and on October 15, indicating the amount of revenue collected under this section and expended for support and maintenance of the Michigan public safety communications system for the immediately preceding 6-month period. Any deposits made under this section and unencumbered funds are restricted revenues and may be carried forward into succeeding fiscal years.

JUDICIAL BRANCH

Sec. 580. (1) The direct trial court automation support program of the state court administrative office shall recover direct and overhead costs from trial courts by charging for services rendered. The fee shall cover the actual costs incurred to the direct trial court automation support program in providing the service, including development of future versions of case management systems. A report of amounts collected in excess of funds identified as user service charges in part 1 shall be submitted to the state budget director and to the house and senate appropriations subcommittees on judiciary 30 days before expenditure by the direct trial court automation support program.

(2) From funds appropriated in part 1, the direct trial court automation support program of the state court administrative office shall provide to the state budget director, the senate and house appropriations committees, and the senate and house fiscal agencies before January 1 of each year, a detailed list of user service charges collected during the immediately preceding state fiscal year.

DEPARTMENT OF ENERGY, LABOR, AND ECONOMIC GROWTH

Sec. 600. The funds collected by the office of financial and insurance services in connection with a conservatorship pursuant to section 32 of the mortgage brokers, lenders, and servicers licensing act, 1987 PA 173, MCL 445.1682, shall be appropriated for all expenses necessary to provide for the required services. Funds are available for expenditure when they are received by the department of treasury and shall not lapse to the general fund at the end of the fiscal year.

Sec. 601. 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. 602. The funds collected by the department from corporations being liquidated pursuant to the insurance code of 1956, 1956 PA 218, MCL 500.100 to 500.8302, shall be appropriated for all expenses necessary to provide for the required services. Funds are available for expenditure when they are received by the department of treasury and shall not lapse to the general fund at the end of the fiscal year.

Sec. 604. The department may make available to interested entities otherwise unavailable customized listings of nonconfidential information in its possession, such as names and addresses of licensees, and charge for this information as follows: base fee for 1 to 1,000 records at the cost to the department; 1,001 to 10,000 records at 2.5 cents per record; and 10,001 or more records at .5 cents per record. The revenue received from this service may be used to offset expenses of programs as appropriated in part 1. The balance of this revenue collected and unexpended at the end of the fiscal year shall revert to the appropriate restricted revenue account or fund or, in absence of such an account or fund, to the general fund. The department shall submit an annual report on or before December 1 of each year to the state budget office and the subcommittees that states the amount of revenue received from the sale of information.

Sec. 606. Money appropriated under this article for the bureau of fire services shall not be expended unless, in accordance with section 2c of the fire prevention code, 1941 PA 207, MCL 29.2c, inspection and plan review fees will be charged according to the following schedule:

Operation and maintenance inspection fee

Facility type	Facility size	Fee
Hospitals	Any	$8.00 per bed

Plan review and construction inspection fees for hospitals and schools

Project cost range	Fee
$101,000.00 or less	minimum fee of $155.00
$101,001.00 to $1,500,000.00	$1.60 per $1,000.00
$1,500,001.00 to $10,000,000.00	$1.30 per $1,000.00
$10,000,001.00 or more	$1.10 per $1,000.00 or a maximum fee of $60,000.00.

Sec. 608. The department shall sell documents at a price not to exceed the cost of production and distribution. Money received from the sale of these documents shall revert to the department. The funds are available for expenditure when they are received by the department of treasury and may only be used for costs directly related to the continued updating and distribution of the documents pursuant to this section. This section applies only for the following documents:

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

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

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

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

(e) Labor law books.

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

(g) Construction code manuals.

(h) Copies of transcripts from administrative law hearings.

Sec. 610. In addition to the amounts appropriated in part 1 for the administration of the land bank fast track authority, the authority may expend revenues received under the land bank fast track act, 2003 PA 258, MCL 124.751 to 124.774, for the purposes authorized by the act including, but not limited to, the acquisition, lease, management, demolition, maintenance, or rehabilitation of real or personal property, payment of debt service for notes or bonds issued by the authority, and other expenses to clear or quiet title property held by the authority.

Sec. 612. Funds collected by the department under sections 55, 57, 58, and 59 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.255, 24.257, 24.258, and 24.259, and section 203 of the legislative council act, 1986 PA 268, MCL 4.1203, are appropriated for all expenses necessary to provide for the cost of publication and distribution. The funds appropriated under this section are allotted for expenditure when they are received by the department of treasury and shall not lapse to the general fund at the end of the fiscal year.

Sec. 614. The department may carry into the succeeding fiscal year unexpended federal pass-through funds to local institutions and governments that do not require additional state matching funds. Federal pass-through funds to local institutions and governments that are received in amounts in addition to those included in part 1 and that do not require additional state matching funds are appropriated for the purposes intended.

DEPARTMENT OF MANAGEMENT AND BUDGET

Sec. 625. (1) The department of management and budget may receive and expend funds in addition to those authorized by part 1 for maintenance and operation services provided specifically to other principal executive departments or state agencies, the legislative branch, the judicial branch, or private tenants, or provided in connection with facilities transferred to the operational jurisdiction of the department of management and budget.

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

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

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

Sec. 627. (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 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 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. 631. In addition to the funds appropriated in part 1, the funds collected by the department for document and data imaging services, copies, media, and storage, as well as conferences, workshops, and training classes, 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.

CIVIL SERVICE

Sec. 635. (1) All restricted funds shall be assessed a sum not less than 1% of the total aggregate payroll paid from those funds for financing the civil service commission on the basis of actual 1% restricted sources total aggregate payroll of the classified service for fiscal year 2008 in accordance with section 5 of article XI of the state constitution of 1963. This includes, but is not limited to, restricted funds appropriated in part 1 of any appropriations act. Unexpended 1% appropriated funds shall be returned to each 1% fund source at the end of the fiscal year.

(2) The 1% appropriations in part 1 are estimates of actual 1% charges based on payroll appropriations. With the approval of the state budget director, the commission is authorized to adjust financing sources for civil service 1%

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. 637. 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.

STATE BUILDING AUTHORITY

Sec. 645. (1) Subject to section 242 of the management and budget act, 1984 PA 431, MCL 18.1242, and upon the approval of the state building authority, the department may expend from the general fund of the state during the fiscal year ending September 30, 2010 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 concurrent resolution that is effective for the fiscal year ending September 30, 2010. 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 legislative concurrent resolution and in this section, the state building authority shall credit the general fund of the state an amount equal to that expended from the general fund plus interest, if any, as defined in this section.

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

(4) In the event that a project identified in part 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 and approved by the JCOS.

Sec. 650. (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. 660. (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.

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

Sec. 675. The department may charge reasonable rental and equipment usage fees for renting an armory or using the distance-learning network. The fee shall include the cost of overtime compensation, insurance coverage, and any maintenance required.

DEPARTMENT OF NATURAL RESOURCES

Sec. 700. The department may charge both application fees and transaction fees related to the exchange or sale of state-owned land or rights in land authorized by part 21 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.2101 to 324.2162. The fees shall be set by the director at a rate which allows the department to recover its costs for providing these services.

Sec. 721. Funds collected by the department under sections 6, 7, and 7a of 1913 PA 271, MCL 399.6, 399.7, and 399.7a, are appropriated to the department for the purposes for which they were received.

Sec. 722. In addition to the funds appropriated in part 1, the funds collected by the department for document reproduction and services; conferences, admissions, workshops, and training classes; and the use of specialized equipment, facilities, exhibits, collections, and software; are appropriated for all expenses necessary to provide the required services. These funds are available for expenditure when they are received and may be carried forward into the next succeeding fiscal year.

Sec. 723. In addition to the funds appropriated in part 1, funds collected by the department under sections 6, 7, and 7a of 1913 PA 271, MCL 399.6, 399.7, and 399.7a, are appropriated to the department for the purposes for which they were received, upon receipt.

DEPARTMENT OF STATE

Sec. 725. All funds made available by section 3171 of the insurance code of 1956, 1956 PA 218, MCL 500.3171, are appropriated and made available to the department of state to be expended only for the uses and purposes for which the funds are received as provided by sections 3171 to 3177 of the insurance code of 1956, 1956 PA 218, MCL 500.3171 to 500.3177.

Sec. 730. 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 $7.00 per record sold only as authorized in section 208b of the Michigan vehicle code, 1949 PA 300, MCL 257.208b, section 7 of 1972 PA 222, MCL 28.297, and sections 80130, 80315, 81114, and 82156 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.80130, 324.80315, 324.81114, and 324.82156. The revenue received from the sale of records shall be credited to the transportation administration collection fund created under section 810b of the Michigan vehicle code, 1949 PA 300, MCL 257.810b.

Sec. 735. 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. 740. (1) Commemorative and specialty license plate fee revenue collected by the department of state and deposited into the transportation administration collection fund is authorized for expenditure up to the amount of revenue collected but not to exceed the amount appropriated to the department of state in part 1 to administer commemorative and specialty license plate programs.

(2) Commemorative and specialty license plate fee revenue collected by the department of state and deposited in the transportation administration collection fund, in addition to the amount appropriated in part 1 to the department of state, shall remain in the transportation administration collection fund and be available for future appropriation.

Sec. 745. (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, is appropriated to 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. Funds are allocated for expenditure when they are received by the department of treasury.

(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.

DEPARTMENT OF STATE POLICE

Sec. 750. (1) The state director of emergency management may expend money appropriated under this article 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.

(2) In addition to the money appropriated in this article, 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 house and senate appropriations subcommittees on state police and military and veterans affairs and the house and senate fiscal agencies within 10 days after the approval. The notification shall include the amount and source of the additional authorization, the date of its approval, and the projected use of funds to be expended under the authorization.

Sec. 751. The money appropriated in part 1 for computer services shall be funded by LEIN user fees sufficient to pay 1/3 of the service and contract maintenance costs of the LEIN system.

MICHIGAN STRATEGIC FUND

Sec. 775. Travel Michigan may establish and collect a fee to cover the cost of materials and processing of photographic prints, slides, videotapes, and travel product database information that are requested by the media and other segments of the public and private sectors. The fees collected shall be appropriated for all expenses necessary to purchase and distribute these photographic prints, slides, videotapes, and travel product database information. The funds are available for expenditure when they are received by the department of treasury.

Sec. 780. Travel Michigan may receive and expend private revenue related to the use of the "Michigan Great Lakes. Great Times." and "Pure Michigan." 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.

DEPARTMENT OF TRANSPORTATION

Sec. 800. 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 act 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 act, 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.

DEPARTMENT OF TREASURY

Sec. 825. (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. 826. (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 the contract. The appropriation to fund collection costs and fees for the collection of taxes or other accounts due this state are from the fund or account to which the revenues being collected are recorded or dedicated. However, if the taxes collected are constitutionally dedicated for a specific purpose, the appropriation of collection costs and fees are from the general purpose account of the general fund.

(2) 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 22% 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. 827. (1) There is appropriated an amount sufficient to recognize and pay expenditures for financial services provided by financial institutions as provided under section 1 of 1861 PA 111, MCL 21.181.

(2) The appropriations under subsection (1) shall be funded by restricting revenues from common cash interest earnings and investment earnings in an amount sufficient to record these expenditures.

Sec. 828. 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. 829. 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 Michigan uniform unclaimed property act. 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.

Sec. 830. 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. 831. 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. 832. The department of treasury may expend revenues received under the hospital finance authority act, 1969 PA 38, MCL 331.31 to 331.84, for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund.

The department of treasury shall maintain accounting records in sufficient detail to enable the hospital clients to be reimbursed periodically for fees that are determined by the department of treasury to be surplus to needs.

Sec. 833. The department of treasury may expend revenue received under the shared credit rating act, 1985 PA 227, MCL 141.1051 to 141.1076, for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund.

Sec. 834. The department of treasury shall establish a separate account for the funds related to the Michigan higher education facilities authority. The department of treasury may expend revenue received under the higher education facilities authority act, 1969 PA 295, MCL 390.921 to 390.934, for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund. The department of treasury shall maintain accounting records in sufficient detail to enable the educational institution clients to be reimbursed periodically for fees that are determined by the department to be surplus to needs.

Sec. 835. The department of treasury may expend revenues received under the Michigan public educational facilities authority, Executive Order No. 2002-3, 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. 836. In addition to the funds appropriated in part 1 to the bureau of state lottery, there is appropriated from lottery revenues the amount necessary for, and directly related to, implementing and operating lottery games. Appropriations under this section shall only be expended for contractually mandated payments for vendor commissions, contractually mandated payments for instant tickets intended for resale, the contractual costs of providing and maintaining the on-line system communications network, and incentive and bonus payments to lottery retailers.

Sec. 837. In addition to the funds appropriated in part 1, funds distributed by the Michigan gaming control board to the department of treasury for oversight of casino gaming are appropriated upon receipt. These funds may be used to pay for costs incurred for casino gaming oversight activities.

Sec. 838. (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) The director of the department of state police and the executive director of the Michigan gaming control board are authorized to assist the local revenue sharing boards in determining allocations to be made to local public safety organizations.

(5) The department of treasury shall submit a report by September 30 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. 839. The department of treasury may expend revenue received under the Michigan tobacco settlement finance authority act, 2005 PA 226, MCL 129.261 to 129.279, for necessary salaries and wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund.

Sec. 840. (1) The funds appropriated in part 1 for constitutional revenue sharing shall be distributed by the department to cities, villages, and townships, as required under section 10 of article IX of the state constitution of 1963. Revenue collected in accordance with section 10 of article IX of the state constitution of 1963 in excess of the amount appropriated in part 1 for constitutional revenue sharing is appropriated for distribution to cities, villages, and townships, on a population basis as required under section 10 of article IX of the state constitution of 1963.

(2) The funds appropriated in part 1 for statutory revenue sharing shall be distributed to cities, villages, and townships so that each city, village, and township shall receive 14.5% of the statutory distribution received during the 2007-2008 state fiscal year.

REVENUE STATEMENT

Sec. 850. 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 2009-2010

	Fund	Beginning Unreserved Fund Balance	Estimated Revenue	Ending Balance
OPERATING FUNDS				
General fund/general purpose	0110	199.6	7,713.0	0.0
General fund/special purpose		446.6	17,451.8	482.6
Special Revenue Funds:				
Countercyclical budget and economic stabilization	0111	2.2	0.1	2.3
Game and fish protection	0112	4.1	61.4	3.3
Michigan employment security act administration	0113	10.2	12.5	8.2
State aeronautics	0114	2.2	132.7	1.6
Michigan veterans' benefit trust	0115	0.0	2.3	0.0
State trunkline	0116	(6.2)	1,808.9	(6.9)
Michigan state waterways	0117	1.3	28.6	0.0
Blue Water Bridge	0118	6.2	15.3	6.8
Michigan transportation	0119	0.0	1,819.9	0.0
Comprehensive transportation	0120	6.3	299.7	(6.4)
School aid	0122	171.0	12,165.6	0.0
Game and fish protection trust	0124	6.0	14.3	6.0
State park improvement	0125	0.0	41.1	0.0
Forest development	0126	3.4	29.7	0.7
Michigan civilian conservation corps endowment	0128	0.3	0.0	0.0
Michigan natural resources trust	0129	32.4	60.2	31.2
Michigan state parks endowment	0130	6.1	12.1	4.1
Safety education and training	0131	6.2	9.3	7.1
Bottle deposit	0136	0.0	12.6	0.0
State construction code	0138	0.9	15.0	4.3
Children's trust	0139	1.0	3.8	0.5
State casino gaming	0140	1.8	34.8	1.8
Homeowner construction lien recovery	0141	0.8	1.0	(1.2)
Michigan nongame fish and wildlife	0143	0.1	0.3	0.0
Michigan merit award trust	0154	0.0	191.7	0.0
Outdoor recreation legacy	0162	(0.2)	2.3	(0.2)
Off-road vehicle account	0163	1.7	3.6	0.4
Snowmobile account	0164	2.1	10.1	0.0
Silicosis dust disease and logging	0870	2.1	1.3	1.7
Utility consumer representation	0893	3.5	1.2	3.6
TOTALS		$911.7	$41,956.2	$551.6

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate

Richard J. Brown

Clerk of the House of Representatives

Approved .....

.....

Governor

AGRICULTURE

Act No. 119
Public Acts of 2009
Approved by the Governor*
October 14 2009
Filed with the Secretary of State
October 14, 2009
EFFECTIVE DATE: October 14, 2009

*Item Vetoes

Sec. 107. ENVIRONMENTAL STEWARDSHIP

Local conservation districts	$	236,900	(Page 4)

Sec. 109. AGRICULTURE DEVELOPMENT

Michigan agricultural surplus system	$	540,100	(Page 4)

Sec. 110. FAIRS AND EXPOSITIONS

Fairs, racing and producer security—9.5 FTE positions	$	1,168,900	(Page 5)
Premiums - county and state fairs		347,800	
Building and track improvement - county and state fairs		129,000	
Purses and supplements - fairs/licensed tracks		1,434,300	
Licensed tracks - light horse racing		79,900	
Standardbred breeders' awards		586,400	
Standardbred purses and supplements - licensed tracks		1,083,000	
Standardbred sire stakes		490,100	
Standardbred training and stabling		21,800	
Thoroughbred owners' awards		75,100	
Thoroughbred program		1,452,500	
Thoroughbred sire stakes		502,300	
Distribution of outstanding winning tickets		423,600	

Sec. 111. OFFICE OF RACING COMMISSIONER

Office of racing commissioner—30.0 FTE positions	$	2,500,000	(Page 5)

Sec. 604.
Entire Section. (Page 11)

Sec. 702.
Entire Section. (Page 12)

Sec. 712.
Entire Section. (Page 12)

Sec. 801.
Entire Section. (Page 13)

Sec. 802.
Entire Section. (Page 13)

Sec. 803.
Entire Section. (Page 13)

Sec. 804.
Entire Section. (Page 13)

Sec. 805.
Entire Section. (Page 13)

Sec. 806.
Entire Section. (Page 13)

Sec. 807.
Entire Section. (Page 13)

Sec. 808.
Entire Section. (Page 13)

Sec. 809.
Entire Section. (Page 13)

Sec. 811.
Entire Section. (Page 13)

Sec. 812.
Entire Section. (Page 13)

Sec. 901.
Entire Section. (Page 14)

Sec. 902.
Entire Section. (Page 14)

Sec. 903.
Entire Section. (Page 14)

Sec. 904.
Entire Section. (Page 14)

STATE OF MICHIGAN
95TH LEGISLATURE
REGULAR SESSION OF 2009

Introduced by Senator Brown

ENROLLED SENATE BILL No. 237

AN ACT to make appropriations for the department of agriculture for the fiscal year ending September 30, 2010; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to require reports, audits, and plans; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by certain state agencies.

The People of the State of Michigan enact:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of agriculture for the fiscal year ending September 30, 2010, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF AGRICULTURE

APPROPRIATION SUMMARY		
Full-time equated unclassified positions	2.0	
Full-time equated classified positions	591.5	
GROSS APPROPRIATION		$ 84,630,400
Interdepartmental grant revenues:		
IDG from MDCH, food bank		120,100
IDG from MDELEG (LCC), liquor quality testing fees		191,900
IDG from MDELEG		300,000
IDG from MDEQ, biosolids		93,800
IDG from MDEQ, MAEAP		351,600
IDG from MDHS, food bank		150,000
IDG from MDNR, cervid fees		75,000
Total interdepartmental grants and intradepartmental transfers		1,282,400
ADJUSTED GROSS APPROPRIATION		$ 83,348,000
Federal revenues:		
DAG, multiple grants		11,907,200
EPA, multiple grants		1,586,300
HHS-FDA		1,637,600
United States department of labor		400,000
Total federal revenues		15,531,100

		For Fiscal Year Ending Sept. 30, 2010
Special revenue funds:		
Total local revenues	$	0
Private - slow-the-spread foundation		152,600
Private - commodity group revenue		90,600
Total private revenues		243,200
Agricultural preservation fund		3,400,000
Agriculture equine industry development fund		7,678,800
Agriculture pollution prevention fund		100
Animal welfare fund		138,000
Commodity inspection fees		1,117,700
Consumer and industry food safety education fund		264,800
Dairy and food safety fund		2,874,300
Freshwater protection fund		5,230,600
Gasoline inspection and testing fund		2,735,800
Horticulture fund		82,000
Industry support funds		724,700
Licensing and inspection fees		4,142,300
Migrant housing inspection fees		110,000
Migratory labor housing fund		25,000
Nonretail liquor fees		682,800
Refined petroleum fund		3,454,900
State services fee fund		3,200,700
Testing fees		434,500
Weights and measures regulation fees		688,300
Total other state restricted revenues		36,985,300
State general fund/general purpose	$	30,588,400

Sec. 102. EXECUTIVE

Full-time equated unclassified positions ... 2.0		
Full-time equated classified positions ... 41.5		
Commissions and boards	$	23,800
Unclassified positions—2.0 FTE positions		213,300
Executive direction—10.0 FTE positions		973,800
Management services—24.0 FTE positions		1,840,900
Statistical reporting service—1.0 FTE position		145,000
Emergency management—6.5 FTE positions		747,100
GROSS APPROPRIATION	$	3,943,900
Appropriated from:		
Federal revenues:		
HHS-FDA		500,000
Special revenue funds:		
Private - commodity group revenue		79,700
Gasoline inspection and testing fund		66,300
Industry support funds		36,500
Nonretail liquor fees		8,800
Refined petroleum fund		54,700
State general fund/general purpose	$	3,197,900

Sec. 103. DEPARTMENTWIDE

Rent and building occupancy charges	$	421,100
GROSS APPROPRIATION	$	421,100
Appropriated from:		
Federal revenues:		
DAG, multiple grants		79,400
EPA, multiple grants		60,900
HHS-FDA		13,100
Special revenue funds:		
Agricultural preservation fund		23,900

		For Fiscal Year Ending Sept. 30, 2010
Freshwater protection fund	$	9,500
Licensing and inspection fees		59,100
Nonretail liquor fees		7,800
Refined petroleum fund		114,000
State services fee fund		53,400
State general fund/general purpose	$	0

Sec. 104. FOOD AND DAIRY

Full-time equated classified positions 115.0		
Food safety and quality assurance—115.0 FTE positions	$	12,539,700
GROSS APPROPRIATION	$	12,539,700
Appropriated from:		
Federal revenues:		
DAG, multiple grants		58,300
HHS-FDA		412,200
Special revenue funds:		
Consumer and industry food safety education fund		264,800
Dairy and food safety fund		2,874,300
State general fund/general purpose	$	8,930,100

Sec. 105. ANIMAL INDUSTRY

Full-time equated classified positions 70.0		
Animal health and welfare—21.5 FTE positions	$	2,290,800
Bovine tuberculosis program—48.5 FTE positions		7,338,300
GROSS APPROPRIATION	$	9,629,100
Appropriated from:		
IDG from MDNR, cervid fees		75,000
Federal revenues:		
DAG, multiple grants		1,178,200
HHS-FDA		73,000
Special revenue funds:		
Animal welfare fund		138,000
Licensing and inspection fees		108,000
State general fund/general purpose	$	8,056,900

Sec. 106. PESTICIDE AND PLANT PEST MANAGEMENT

Full-time equated classified positions 134.5		
Pesticide and plant pest management—110.0 FTE positions	$	11,929,300
Emerald ash borer control program—24.5 FTE positions		3,034,200
GROSS APPROPRIATION	$	14,963,500
Appropriated from:		
Interdepartmental grant revenues:		
Federal revenues:		
DAG, multiple grants		4,568,300
EPA, multiple grants		919,200
HHS-FDA		96,300
Special revenue funds:		
Private - slow-the-spread foundation		152,600
Commodity inspection fees		1,117,700
Horticulture fund		82,000
Industry support funds		351,600
Licensing and inspection fees		3,660,500
State general fund/general purpose	$	4,015,300

Sec. 107. ENVIRONMENTAL STEWARDSHIP

Full-time equated classified positions 51.0		
Environmental stewardship—27.0 FTE positions	$	2,582,500
Groundwater and freshwater protection program—15.0 FTE positions		5,255,100

		For Fiscal Year Ending Sept. 30, 2010
Farmland and open space preservation—9.0 FTE positions	$	1,006,900
Agriculture pollution prevention program		1,000,100
Local conservation districts		236,900
Migrant labor housing		425,100
GROSS APPROPRIATION	$	10,506,600
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDEQ, biosolids		93,800
IDG from MDEQ, MAEAP		351,600
Federal revenues:		
DAG, multiple grants		1,000,000
EPA, multiple grants		255,000
United States department of labor		400,000
Special revenue funds:		
Agricultural preservation fund		875,900
Agriculture pollution prevention fund		100
Freshwater protection fund		5,221,000
Migrant housing inspection fees		110,000
Migratory labor housing fund		25,000
State general fund/general purpose	$	2,174,200

Sec. 108. LABORATORY PROGRAM

Full-time equated classified positions 131.0		
Laboratory services—63.0 FTE positions	$	5,893,100
USDA monitoring—17.0 FTE positions		2,171,700
Consumer protection program—51.0 FTE positions		5,237,400
GROSS APPROPRIATION	$	13,302,200
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDELEG (LCC), liquor quality testing fees		189,100
Federal revenues:		
DAG, multiple programs		2,193,700
EPA, multiple programs		351,200
HHS-FDA		543,000
Special revenue funds:		
Agriculture equine industry development fund		519,700
Gasoline inspection and testing fund		2,562,500
Licensing and inspection fees		76,300
Refined petroleum fund		3,286,200
Testing fees		434,500
Weights and measures regulation fees		688,300
State general fund/general purpose	$	2,457,700

Sec. 109. AGRICULTURE DEVELOPMENT

Full-time equated classified positions 9.0		
Agriculture development—6.0 FTE positions	$	2,477,000
Grape and wine program—3.0 FTE positions		722,200
Michigan agricultural surplus system		540,100
GROSS APPROPRIATION	$	3,739,300
Appropriated from:		
Interdepartmental grant revenues:		
IDG from DHS, food bank		150,000
IDG from MDCH, food bank		120,100
IDG from MDELEG		300,000
Federal revenues:		
DAG, multiple grants		1,579,300
Special revenue funds:		
Private - commodity group revenue		10,900
Industry support funds		316,000

		For Fiscal Year Ending Sept. 30, 2010
Nonretail liquor fees	$	665,700
State services fee fund		270,000
State general fund/general purpose	$	327,300

Sec. 110. FAIRS AND EXPOSITIONS

Full-time equated classified positions 9.5		
Fairs, racing and producer security—9.5 FTE positions	$	1,168,900
Premiums - county and state fairs		347,800
Building and track improvement - county and state fairs		129,000
Purses and supplements - fairs/licensed tracks		1,434,300
Licensed tracks - light horse racing		79,900
Standardbred breeders' awards		586,400
Standardbred purses and supplements - licensed tracks		1,083,000
Standardbred sire stakes		490,100
Standardbred training and stabling		21,800
Thoroughbred owners' awards		75,100
Thoroughbred program		1,452,500
Thoroughbred sire stakes		502,300
Distribution of outstanding winning tickets		423,600
GROSS APPROPRIATION	$	7,794,700
Appropriated from:		
Special revenue funds:		
Agriculture equine industry development fund		6,832,300
Industry support funds		20,600
Licensing and inspection fees		163,500
State services fee fund		477,300
State general fund/general purpose	$	301,000

Sec. 111. OFFICE OF RACING COMMISSIONER

Full-time equated classified positions 30.0		
Office of racing commissioner—30.0 FTE positions	$	2,500,000
GROSS APPROPRIATION	$	2,500,000
Appropriated from:		
Special revenue funds:		
Agriculture equine industry development fund		100,000
State services fee fund		2,400,000
State general fund/general purpose	$	0

Sec. 112. INFORMATION AND TECHNOLOGY

Information technology services and projects	$	1,540,300
GROSS APPROPRIATION	$	1,540,300
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDELEG (LCC), liquor quality testing fees		2,800
Special revenue funds:		
Agricultural preservation fund		200
Agriculture equine industry development fund		226,800
Gasoline inspection testing fund		107,000
Freshwater protection fund		100
Licensing and inspection fees		74,900
Nonretail liquor fees		500
State general fund/general purpose	$	1,128,000

Sec. 113. CAPITAL OUTLAY

Farmland and open space development acquisition	$	3,750,000
GROSS APPROPRIATION	$	3,750,000
Appropriated from:		
Federal revenues:		
DAG, multiple grants		1,250,000

		For Fiscal Year Ending Sept. 30, 2010
Special revenue funds:		
Agriculture preservation fund	$	2,500,000
State general fund/general purpose	$	0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2009-2010 is $67,573,700.00 and state spending from state resources to be paid to local units of government for fiscal year 2009-2010 is $1,500,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF AGRICULTURE		
Groundwater and freshwater protection program	$	1,500,000
TOTAL	$	1,500,000

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

Sec. 203. As used in this act:

(a) "DAG" means the United States department of agriculture.

(b) "Department" means the department of agriculture.

(c) "Director" means the director of the department.

(d) "EPA" means the United States environmental protection agency.

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

(f) "HHS-FDA" means the United States department of health and human services - food and drug administration.

(g) "IDG" means interdepartmental grant.

(h) "MAEAP" means the Michigan agriculture environmental assurance program.

(i) "MDCH" means the Michigan department of community health.

(j) "MDELEG" means the Michigan department of energy, labor, and economic growth.

(k) "MDELEG (LCC)" means the Michigan department of energy, labor, and economic growth - liquor control commission.

(*l*) "MDEQ" means the Michigan department of environmental quality.

(m) "MDHS" means the Michigan department of human services.

(n) "USDA" means the United States department of agriculture.

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

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

(2) The state budget director may grant exceptions to this hiring freeze when the state budget director believes that the hiring freeze will result in rendering a state department or agency unable to deliver basic services, causes loss of

revenue to the state, would result in the inability of the state to receive federal funds, or would necessitate additional expenditures that exceed any savings from maintaining a vacancy. The state budget director shall report quarterly to the chairpersons of the senate and house standing committees on appropriations the number of exceptions to the hiring freeze approved during the previous quarter and the reasons to justify the exception.

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

Sec. 209. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available. Preference should be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality. In addition, preference should be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

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

Sec. 212. (1) Of the funds appropriated in part 1, the department may provide for indemnity as provided for pursuant to the animal industry act, 1988 PA 466, MCL 287.701 to 287.745, not to exceed $100,000.00 per order from any line item for the fiscal year ending September 30, 2010. Before the department provides for an indemnification under this section, the department shall report the reason for the indemnification, the amount of the indemnification, and to whom the indemnification is to be paid. The report shall be given to each member of the senate and house appropriations subcommittees on agriculture and to the senate and house fiscal agencies and the state budget director.

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

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

Sec. 215. From the funds appropriated in part 1, the department shall use an amount not to exceed $10,000.00 to develop, post, and maintain, on a publicly accessible Internet site, all expenditures made by the agency within a fiscal year. The posting must include the purpose for which each expenditure is made. The department shall not be required to hire additional employees to comply with this section.

Sec. 219. From the funds appropriated in part 1 for information technology, the department shall pay user fees to the department of information technology for technology-related services and projects. The user fees shall be subject to provisions of an interagency agreement between the department and the department of information technology.

Sec. 220. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 223. (1) Due to the current budgetary problems in this state, 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) Not later than January 1 of each year, each department shall prepare a travel report listing all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the 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 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. 224. The department shall not take disciplinary action against an employee for truthfully to the best of his or her knowledge communicating with a member of the legislature or his or her staff.

Sec. 228. (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 this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $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 this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

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

Sec. 229. (1) The department shall report no later than April 1, 2010 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 appropriations subcommittees on the budget for the department, the joint committee on administrative rules, and the senate and house fiscal agencies.

(2) Funds appropriated in part 1 shall not be used by the department to adopt a rule that will apply to a small business and that will have a disproportionate economic impact on small businesses because of the size of those businesses if the department fails to reduce the disproportionate economic impact of the rule on small businesses as provided under section 40 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

(3) As used in this section:

(a) "Rule" means that term as defined under section 7 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.207.

(b) "Small business" means that term as defined under section 7a of the administrative procedures act of 1969, 1969 PA 306, MCL 24.207a.

Sec. 230. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those activities that the attorney general authorizes.

Sec. 231. From the funds appropriated in part 1 for salaries and benefits, the department shall provide funding in the pesticide and plant pest management, food and dairy, animal industry, environmental stewardship and laboratory divisions for not less than 315 employees who provide direct service to the public or substantially support the work of

those who provide direct service. Expenditures shall be made so that these divisions continue to provide service to protect the public health, safety, and welfare and environment.

Sec. 232. From the funds appropriated in part 1, the director shall implement continuous improvement efficiency mechanisms in the programs administered by the department. The continuous improvement efficiency mechanisms shall identify changes made in programs to increase efficiency and reduce expenditures in the programs. On March 31, 2010 and September 30, 2010, the director shall submit a report to the state budget director, the senate and house appropriations subcommittees, and the senate and house fiscal agencies on the progress made toward increased efficiencies in departmental programs. At a minimum, each report shall include information on the program review process, the type of improvement mechanisms implemented, and actual and projected expenditure savings as a result of the increased program efficiencies.

Sec. 234. 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 the 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.

Sec. 235. Available funds from the appropriation in part 1 may be provided to the C.S. Mott group for sustainable food systems at Michigan State University to plan for and coordinate a matched savings tool for Michigan's emerging farmers and to leverage federal funds for the purpose of developing and enhancing local markets for Michigan agricultural products.

Sec. 236. All appropriations in part 1 from the agriculture equine industry development fund shall be spent for equine-related purposes.

Sec. 237. Not later than September 30, 2010, the department shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the office of the state budget, the chairpersons of the senate and house appropriations committees, and the senate and house fiscal agencies.

Sec. 238. On a bimonthly basis, the department shall report on the number of FTEs in pay status by civil service classification to the house and senate appropriations subcommittees on agriculture and the house and senate fiscal agencies.

EXECUTIVE

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

(a) Management services publications.

(b) Management services audit and licensing functions.

(c) Pesticide and plant pest management propagation and certification of virus-free foundation stock.

(d) Pesticide and plant pest management bean inspection and grading services.

(e) Laboratory support testing for testing horses in draft horse pulling contests at county fairs when local jurisdictions request state assistance.

(f) Laboratory support analyses to determine foreign substances in horses engaged in racing or pulling contests at tracks.

(g) Laboratory support analyses of food, livestock, and agricultural products for disease, foreign products for disease, toxic materials, foreign substances, and quality standards.

(h) Laboratory support test samples for other agencies and organizations.

(i) Fruit and vegetable inspection at shipping and termination points and processing plants.

(2) The department shall notify the senate and house appropriations subcommittees on agriculture and the senate and house fiscal agencies 30 days prior to proposing changes in fees authorized under this section or under section 5 of 1915 PA 91, MCL 285.35.

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

Sec. 304. (1) To ensure motor fuel quality and quantity, the department shall maintain the motor fuel quality program and shall not reduce program level of effort below that of the 2006-2007 fiscal year. Notwithstanding the provisions of section 205, the department shall maintain field and laboratory staff for the motor fuel quality program.

(2) On or before January 1 and every 6 months thereafter, the department shall report to the senate and house appropriations subcommittees on agriculture and the senate and house fiscal agencies the results of both complaint-based and random-based inspections, including the number of inspections performed, samples collected, and compliance rates.

Sec. 306. From the funds appropriated in section 102, private funds for agricultural statistics shall be used to match state funds at not less than 50% of study costs.

FOOD AND DAIRY

Sec. 401. The department shall monitor restaurant inspection and licensing functions carried out by local health departments to ensure uniform application and enforcement of minimum program requirements.

Sec. 402. Not later than April 1, 2010, the department shall provide a report to the senate and house appropriations subcommittees on agriculture and the senate and house fiscal agencies describing significant food-borne outbreaks and emergencies, including any enforcement actions taken related to food safety during the 2008-2009 fiscal year.

Sec. 404. From the funds appropriated in section 104 for food safety and quality assurance, not less than $150,000.00 from the consumer and industry food safety education fund shall be expended for purposes required under section 4117 of the food law of 2000, 2000 PA 92, MCL 289.4117, including the statewide training and education to consumers on food safety and the training and education on food safety to food service establishment employees and department employees and agents who enforce section 4117 of the food law of 2000, 2000 PA 92, MCL 289.4117.

Sec. 406. Notwithstanding the provisions of section 205, the department is authorized to fill open positions in the food and dairy inspection program.

Sec. 407. Of the funds appropriated in part 1 for food safety and quality assurance, no less than $3,098,000.00 shall be expended for dairy inspections.

ANIMAL INDUSTRY

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

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

Sec. 452. The department shall apply for all federal and private funds for which it is eligible that can be used to support the bovine tuberculosis program.

Sec. 454. The department shall use its resources to collaborate with the United States department of agriculture to obtain TB-free status for the area of the Lower Peninsula that is zoned as modified accredited advanced. The department shall also aggressively work toward eradicating bovine TB in the modified accredited zone.

Sec. 455. The department shall prepare a plan to provide for cattle without official identification that may arrive at a saleyard. If an animal arrives untagged at a saleyard without official identification, the saleyard may charge a fee for the tag and for application. The tag may be purchased by and identified to the saleyard. The saleyard shall maintain records for all animals tagged on its premises. The department plan shall be in compliance with the "Michigan Bovine TB Eradication Program - Application for TB-Free/Modified Accredited Status", April 2007.

Sec. 456. Of the funds appropriated in part 1, no funds shall be used to enforce the mandatory electronic animal identification program for any domestic animals other than cattle until specific procedures and guidelines for electronic animal identification are outlined in statute.

Sec. 457. On or before October 15, 2009, and on a quarterly basis thereafter, the department shall report to the senate and house agriculture committees, the senate and house appropriations subcommittees on agriculture, and the senate and house fiscal agencies on the department's progress toward meeting the USDA requirements as outlined in the March 2007 bovine TB program review. The report shall include, but is not limited to, information and data on: wildlife risk mitigation plan implementation in the modified accredited zone; implementation of a movement certificate process; progress toward annual surveillance test requirements set out in the June 2007 MOU; compliance efforts and rates for animals crossing the Mackinac Bridge; 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 section 105 for animal industry, the department shall provide inspection and testing of aquaculture facilities and aquaculture researchers as provided under the Michigan aquaculture development act, 1996 PA 199, MCL 286.877. It is the intent of the legislature that the department shall work with aquaculture facilities and aquaculture researchers to identify, contain, and eradicate viral hemorrhagic septicemia in this state.

Sec. 459. Notwithstanding the provisions of section 205, the department is authorized to fill open positions in the bovine tuberculosis program.

Sec. 460. Of the appropriation in section 105 for animal health and welfare, budgetary reductions for the fiscal year ending September 30, 2010 shall not be taken from the aquaculture program, but shall be taken from other programs funded in the animal health and welfare appropriation line item.

PESTICIDE AND PLANT PEST MANAGEMENT

Sec. 551. It is the intent of the legislature that the department work with the fruit and vegetable industry to ensure the development of a sustainable system of third-party inspections of fruits and vegetables.

ENVIRONMENTAL STEWARDSHIP

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

Sec. 604. The department shall work with the conservation districts on the most effective and efficient use of the funding provided in section 107. Funds should be used to help draw down federal funding and support land conservation projects.

Sec. 606. The department shall actively search for all possible funding sources to be used to match federal funds in the USDA environmental quality incentives program.

Sec. 607. It is the intent of the legislature that the department continue its activities in support of intercounty drainage districts as provided in chapter 5 of the drain code of 1956, 1956 PA 40, MCL 280.101 to 280.106.

Sec. 608. Of the appropriation in section 107 for environmental stewardship, budgetary reductions for the fiscal year ending September 30, 2010 shall not be taken from the right-to-farm program, but shall be taken from other programs funded in the environmental stewardship appropriation line item.

Sec. 609. It is the intent of the legislature that the department work with industry to develop a fee for migrant worker housing inspections. The proposed fee shall not exceed $5.00 per worker and should be designed to become effective no later than April 1, 2010.

Sec. 610. From the appropriation in section 107 for environmental stewardship, the appropriation of $130,000.00 from the general fund for water withdrawal assessment shall be contingent upon the department inputting the data received in compliance with water use reporting requirements as provided for under MCL 324.32708(3).

AGRICULTURE DEVELOPMENT

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

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

Sec. 706. Not later than April 1, 2010, the department shall provide a report to the senate and house appropriations subcommittees on agriculture and the senate and house fiscal agencies describing the department's agriculture development and export market development activities. The report shall identify grants awarded during the prior fiscal year, including a description of federal or private funds made available as a result of department activities.

Sec. 707. In awarding grants from the agricultural development fund created under the Julian-Stille value-added act, 2000 PA 322, MCL 285.301 to 285.304, the department shall give due consideration to the diversity of Michigan agriculture and its economic importance.

Sec. 709. (1) Not later than April 1, 2010, the department shall provide a report to the senate and house appropriations subcommittees on agriculture and the senate and house fiscal agencies describing the activities of the grape and wine industry council established under section 303 of the Michigan liquor control act of 1998, 1998 PA 58, MCL 436.1303.

(2) The report shall include all of the following:

(a) Council activities and accomplishments for the previous fiscal year.

(b) Council expenditures for the previous fiscal year by category of administration, industry support, research and education grants, and promotion and consumer education.

(c) Grants awarded during the prior fiscal year and the results of research grant projects completed during the prior fiscal year.

Sec. 710. The department may match external funding for domestic and international marketing programs for the purpose of developing new and enhancing existing export markets for Michigan agricultural products.

Sec. 711. In accordance with chapter 8B of the Michigan strategic fund act, 1984 PA 270, MCL 125.2089 to 125.2089d, it is the intent of the legislature that the Michigan strategic fund, its employees, contract employees, and individuals working on its behalf collaborate with the Michigan department of agriculture to promote business development of Michigan agricultural products to achieve outcomes that include, but are not limited to, increases in export sales, increases in the number of retailers carrying Michigan commodities both within and outside of this state, and increased sales of Michigan products at chain grocers.

Sec. 712. The funds appropriated in part 1 from MDELEG for agriculture development and export market development program shall be used to foster and promote growth in the food and agriculture sector. By September 30, 2010, the department shall report to the senate and house appropriations subcommittees on agriculture and economic development, the senate and house fiscal agencies, and the state budget director on the use of these funds and how the funds facilitated growth in the food and agriculture sector.

Sec. 713. Of the funds appropriated in part 1 for agricultural development, $100,000.00 shall be expended for the purpose of agricultural export market development.

FAIRS AND EXPOSITIONS

Sec. 801. Within 60 days of the close of each fiscal quarter, the department shall report to the state budget director, the senate and house subcommittees on agriculture, and the senate and house fiscal agencies on the agriculture equine industry development fund established in section 20 of the horse racing law of 1995, 1995 PA 279, MCL 431.320. The report shall do all of the following:

(a) Identify actual revenue through the preceding fiscal quarter and projected revenue and fund balance through the end of the fiscal year.

(b) Identify simulcast racing revenue generated by each licensed track, revenue from license fees, revenue generated from the casino wagering tax, and revenue from other sources.

(c) Identify the spending targets or budgeted amounts from the fund by line item for the fiscal year and compare the spending targets to the appropriated amounts for each line item.

Sec. 802. From the amount appropriated in section 110 for purses and supplements - fairs/licensed tracks, $220,000.00 is to be used for state purse supplements at state licensed pari-mutuel tracks for races comprised only of Michigan-bred horses segregated into a 4-year-old colt trot division, a 4-year-old filly trot division, a 4-year-old colt pace division, and a 4-year-old filly pace division.

Sec. 803. Included in the appropriation made in section 110 for the thoroughbred program is $23,500.00 for the Michigan united thoroughbred breeders and owners association to conduct a thoroughbred yearling show. The Michigan united thoroughbred breeders and owners association shall submit to the department an itemized list of expenses showing that the expenses of the yearling show were paid.

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

Sec. 805. All appropriations from the agriculture equine industry development fund shall be reduced proportionately if revenues to the agriculture equine industry development fund decline during the fiscal year ending September 30, 2010 to a level lower than the amount appropriated in part 1.

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

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

Sec. 808. Of the amount appropriated in section 110 for premiums - county and state fairs, $91,400.00 shall be expended to reimburse up to 75% premiums paid to large livestock and equine exhibitors in shows or exhibitions held by statewide associations as defined by the department. Livestock expositions shall be limited to participation in this program and prohibited from participation in any state-funded premium programs. The Michigan horse show association fall youth show shall be included.

Sec. 809. From the appropriations for premiums - county and state fairs in section 110, $40,000.00 shall be awarded through a competitive grant program to local, regional, or state fairs or youth education programs to promote youth involvement and adult exhibitions in the animal agriculture industry.

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

Sec. 812. The fairs, exhibitions, and racing division shall make payments from the agriculture equine industry development fund in a timely manner to persons or organizations that are approved for such payments.

OFFICE OF RACING COMMISSIONER

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

Sec. 902. In the event there is no live thoroughbred race meet in 2009 or 2010, all purse money and program money appropriated for the thoroughbred industry in fiscal year 2008-2009 and fiscal year 2009-2010 shall be held in escrow for a period not to exceed 18 months, or until a thoroughbred race meet license is applied for and granted by the office of racing commissioner. In the event there is no thoroughbred meet in 2009 or 2010, the purse pool distribution order to be issued by the office of racing commissioner in 2010 that delineates distribution between the thoroughbred meet that has been held at Great Lakes Downs and the joint thoroughbred/quarterhorse meet held in Mt. Pleasant shall be the same distribution formula as issued in 2009, with the thoroughbred portion being held in escrow.

Sec. 903. The office of racing commissioner shall provide each certified horsemen's organization a minimum of 30 days' notice before submitting a request for rule-making with the state office of administrative hearings and rules. The notice shall include all information as is required by the request for rule-making with the state office of administrative hearings and rules.

Sec. 904. It is the intent of the legislature that the office of racing commissioner no longer be designated as a type I agency and be administered as part of the department for budgetary savings.

CAPITAL OUTLAY

Sec. 1001. Of the amounts appropriated in part 1 for farmland and open space development acquisition, the funds shall be used for the purchase of development rights and the awarding of grants by the agriculture preservation fund board under the natural resources and environmental protection act, 1994 PA 451, MCL 324.101 to 324.90106.

Sec. 1002. (1) The director shall allocate lump-sum appropriations made in this act consistent with statutory provisions and the purposes for which funds were appropriated. Lump-sum allocations shall address priority program or facility needs and may include, but are not limited to, design, construction, remodeling and addition, special maintenance, major special maintenance, energy conservation, and demolition.

(2) The state budget director may authorize that funds appropriated for lump-sum appropriations shall be available for no more than 3 fiscal years following the fiscal year in which the original appropriation was made. Any remaining balance from allocations made in this section shall lapse to the fund from which it was appropriated pursuant to the lapsing of funds as provided in the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 1003. 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.

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate

Richard J. Brown

Clerk of the House of Representatives

Approved .....

.....

Governor

JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
OFFICE OF THE GOVERNOR
LANSING

JOHN D. CHERRY, JR.
LT. GOVERNOR

SECRETARY OF SENATE
ENROLLING CLERKS
2009 OCT 14 P 4: 29

October 14, 2009

Michigan State Senate
State Capitol
Lansing, Michigan 48909-7536

Ladies and Gentlemen:

Today I have signed Enrolled Senate Bill 237, which authorizes expenditures for the Department of Agriculture for the fiscal year ending September 30, 2010. I have, however, disapproved numerous items pursuant to Section 19 of Article V of the Michigan Constitution of 1963. The specific item vetoes are detailed in the attached copy of the bill, which has been filed with the Secretary of State.

I have exercised my item veto authority and disapproved the following items:

- Proposed appropriations included in Enrolled Senate Bill 237 for horse racing and the office of racing commissioner and related boilerplate sections. The bill would authorize the expenditure of casino gaming revenues to augment horse racing appropriations and subsidize horse racing in this state. As I have previously indicated, I believe that horse racing programs should be self-supporting. I would support restoration of funding for the horse racing grants and regulatory activities utilizing equine development funding or other funds generated by the horse racing industry.

- A proposed appropriation of $236,900 for local conservation district programs and related boilerplate in Section 604, due to the fiscal uncertainties and continued revenue deficiencies.

- $540,100 for the Michigan agricultural surplus system and related boilerplate in Section 702. This proposed funding authorization is duplicated, and in fact increased, in Senate Bill 248, the Fiscal Year 2010 budget for the Department of Human Services, as previously approved by the Senate and House of Representatives with immediate effect nearly two weeks ago. I intend to sign the appropriation for the agricultural surplus system in that budget when the Michigan Senate ends its delay and presents that bill.

- Section 712 of the bill, which would authorize a $300,000 interdepartmental grant from the Department of Energy, Labor and Economic Growth (DELEG) for agriculture development and export market development, diverting

Printed by members of:

limited general funds from DELEG for proposed activities of a lower priority in the Michigan Department of Agriculture.

To provide direction regarding the implementation of this new appropriations act, I note the following:

- Section 304 purports to mandate that the Department of Agriculture maintain the motor fuel quality program and not reduce program level of effort below that of Fiscal Year 2006-2007. To the extent that the Legislature mandates this level of program activity but fails to authorize appropriations sufficient to support that level of program activity for an entire fiscal year, the mandate represents an indirect encroachment upon the separate powers of the executive branch contrary to the Separation of Powers Clause.

- To the extent that Sections 460 and 608 attempt to restrict the process for budgetary reductions in a manner inconsistent with the process for the reduction of expenditures under the Michigan Constitution of 1963, The Management and Budget Act, 1984 PA 431, MCL 18.1101 to 18.1594, and other applicable law, the sections at a minimum violate Const 1963, art 4, § 25, and are unenforceable.

- Sections 458, 551, 607, 609 and 711 of the bill include statements of legislative intent. While the Legislature has the right to state its advice, preferences, or wishes through a statement of intent, such statements do not impose conditions upon appropriations and are non-binding.

I thank the Michigan Senate for presenting this budget bill which, as enacted, will help protect the health and safety of Michigan residents, provide consumer protection, safeguard animal health, and promote agriculture, a vital component of Michigan's economy.

Respectfully,

Jennifer M. Granholm
Governor

cc: Michigan House of Representatives
The Honorable Terri Lynn Land

COMMUNITY COLLEGES

Act No. 111
Public Acts of 2009
Approved by the Governor
October 8, 2009
Filed with the Secretary of State
October 9, 2009
EFFECTIVE DATE: October 9, 2009

STATE OF MICHIGAN
95TH LEGISLATURE
REGULAR SESSION OF 2009

Introduced by Rep. Miller

ENROLLED HOUSE BILL No. 4435

AN ACT to make appropriations for community colleges and certain state purposes related to education for the fiscal year ending September 30, 2010; to provide for the expenditure of those appropriations; to establish or continue certain funds, programs, and categories; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.

The People of the State of Michigan enact:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for community colleges and certain other state purposes relating to education for the fiscal year ending September 30, 2010, from the funds indicated in this part. The following is a summary of the appropriations in this part:

COMMUNITY COLLEGES

APPROPRIATION SUMMARY		
GROSS APPROPRIATION	$	299,360,500
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	299,360,500
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	$	299,360,500

Sec. 102. OPERATIONS

Alpena Community College	$	5,126,100
Bay de Noc Community College		5,178,400
Delta College		13,751,600
Glen Oaks Community College		2,304,800
Gogebic Community College		4,275,200
Grand Rapids Community College		17,219,800

		For Fiscal Year Ending Sept. 30, 2010
Henry Ford Community College	$	20,898,900
Jackson Community College		11,542,300
Kalamazoo Valley Community College		11,888,600
Kellogg Community College		9,311,800
Kirtland Community College		2,842,800
Lake Michigan College		5,012,100
Lansing Community College		29,762,500
Macomb Community College		31,773,900
Mid Michigan Community College		4,289,200
Monroe County Community College		4,142,800
Montcalm Community College		2,981,600
C.S. Mott Community College		15,016,400
Muskegon Community College		8,518,600
North Central Michigan College		2,893,600
Northwestern Michigan College		8,682,000
Oakland Community College		20,133,700
St. Clair County Community College		6,729,800
Schoolcraft College		11,767,000
Southwestern Michigan College		6,276,900
Washtenaw Community College		12,149,000
Wayne County Community College		15,889,900
West Shore Community College		2,198,500
GROSS APPROPRIATION	$	292,557,800
Appropriated from:		
State general fund/general purpose	$	292,557,800

Sec. 103. GRANTS

At-risk student success program	$	3,322,700
Renaissance zone tax reimbursement funding		3,480,000
GROSS APPROPRIATION	$	6,802,700
Appropriated from:		
State general fund/general purpose	$	6,802,700

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2009-2010 is $299,360,500.00 and state spending from state resources to be paid to local units of government for fiscal year 2009-2010 is $299,360,500.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

Operations	$	292,557,800
At-risk student success program		3,322,700
Renaissance zone tax reimbursement program		3,480,000
TOTAL	$	299,360,500

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

Sec. 203. Unless otherwise specified, a community college receiving appropriations in part 1 and the department of energy, labor, and economic growth shall use the Internet to fulfill the reporting requirements of this act. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement or it may include placement of reports on 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 should be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality. In addition, preference should be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 210. The principal executive officer of each community college 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 principal executive officer shall strongly encourage firms with which the community college contracts to subcontract with certified businesses in depressed and deprived communities for services or supplies, or both.

Sec. 211. (1) The money appropriated in this act is appropriated for community colleges with fiscal years ending June 30, 2010 and shall be paid out of the state treasury and distributed by the state treasurer to the respective community colleges in 11 monthly installments on the sixteenth of each month, or the next succeeding business day, beginning with October 16, 2009. Each community college shall accrue its July and August 2010 payments to its institutional fiscal year ending June 30, 2010. However, if a community college fails to submit all verified Michigan community colleges activities classification structure data for school year 2008-2009 to the department of energy, labor, and economic growth by November 1, 2009, the monthly installments shall be withheld from that community college until those data are submitted. The amount from the money appropriated in part 1 that is allocated to address the special needs of at-risk students shall be paid in full by the state treasurer by November 1, 2009. The amount distributed to a community college or department shall not exceed the net state allocation authorized by this act.

(2) Except as otherwise provided by law, each of the amounts appropriated shall be used solely for the respective purposes stated in this act. The money appropriated in this act may be used to match the cost of any available programs under the Carl D. Perkins vocational and applied technology education act of 1998, 20 USC 2301 to 2414, including local administration.

Sec. 216. (1) A community college shall pay the employer's contributions to the Michigan public school employees' retirement system created by the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408, as a condition of receiving money appropriated under this act.

(2) A community college shall not pay an employer's contribution to more than 1 retirement fund providing benefits for an employee.

Sec. 217. Money appropriated in part 1 shall not be used to pay for the construction or maintenance of a self-liquidating project. A community college shall comply with the current use and finance requirements of the joint capital outlay subcommittee (JCOS) for any construction, renovation, or other capital outlay projects pursuant to JCOS policy.

Sec. 224. (1) Recognizing the critical importance of education in strengthening Michigan's workforce, the legislature encourages the state's public community colleges to explore ways of increasing collaboration and cooperation with 4-year universities, particularly in the areas related to training, instruction, and program articulation.

(2) Recognizing the central role of community colleges in responding to local employment needs and challenges, community colleges shall develop and continue efforts to collaborate with local employers and students to identify local employment needs and strategies to meet them.

(3) Community colleges are encouraged to collaborate with each other on innovations to identify and meet local employment needs.

(4) Community colleges are encouraged to organize and participate in a legislative summit on a strategy for meeting the employment needs of the entire state. The community colleges shall report the results of the summit to the senate and house appropriations subcommittees on community colleges.

Sec. 234. Community colleges shall do the following:

(a) Undertake active measures to promote equal opportunities, eliminate discrimination, and foster a diverse student body and administration among all people including, but not limited to, women, minorities, seniors, veterans, and people with disabilities.

(b) Review, analyze, and eradicate activities that may tend to discriminate.

Sec. 241. (1) It is the intent of the legislature that community colleges expand their current nursing education programs and increase nursing education program enrollments. This expansion may include, but is not limited to,

creating partnerships with hospitals and other health care providers, encouraging programs that assist in placing students at all levels of nursing, recruiting and hiring a larger number of individuals with masters degrees in nursing as instructors, expanding the focus and utilization of the nursing scholarship program, and redirecting existing institutional resources toward nursing education programs.

(2) Community college nursing programs are part of a comprehensive solution to Michigan's nursing shortage. Community college students are eligible to apply for financial assistance through the Michigan nursing scholarship program established in the Michigan nursing scholarship act, 2002 PA 591, MCL 390.1181 to 390.1189. The Michigan nursing corps grants described in section 431 of 2007 PA 118 and administered by the department of energy, labor, and economic growth provide funding to address the shortage of qualified nursing faculty. Community colleges are encouraged to coordinate with the chief nurse executive in the department of community health and with 4-year universities to improve access to nursing programs and to assist students to successfully enter the nursing workforce.

Sec. 242. It is the intent of the legislature that the Michigan community college association, the legislature, and other interested parties continue the discussion regarding payments in lieu of taxes, especially for those community college districts that contain significant portions of nontaxable land.

Sec. 247. Funds appropriated in part 1 shall not be used to enter into a lease for, or to purchase, a vehicle assembled or manufactured outside of the United States if competitively priced and comparable quality vehicles made in the state of Michigan or elsewhere in the United States of America are available.

Sec. 248. It is the intent of the legislature to acknowledge the community colleges' success at providing an affordable quality education during these tough economic times and to encourage each community college to continue to make every effort possible not to raise in-district tuition and fees charged to Michigan residents in the 2009-2010 academic year by more than the annual average percentage increase in the United States consumer price index in the immediately preceding academic year, plus 0.5%.

Sec. 249. It is the intent of the legislature to encourage community college districts to evaluate and pursue efficiency and cost-containment measures that maximize state funding. Community colleges shall identify practices that increase efficiencies, including, but not limited to, establishing joint ventures, consolidating services, utilizing program collaborations, maximizing educational benefits through optimal class sizes and frequency of course offerings, increasing web-based instruction, eliminating low-enrollment and high-cost instructional programs, using self-insurance, practicing energy conservation, and utilizing group purchasing. Efficiency efforts shall also include reviewing proposed capital outlay projects to increase coordination and utilization of new facilities, renovation projects, and technology improvements. The Michigan community college association shall prepare a written report detailing these efficiency practices and submit the report to the house and senate appropriations subcommittees on community colleges and the house and senate fiscal agencies no later than December 1, 2009.

STATE AID - OPERATIONS

Sec. 301. Unless otherwise stated, all data items used in determining state aid in this act are as defined in the "2001 Manual for Uniform Financial Reporting, Michigan Public Community Colleges," which shall be the basis for reporting data, and the "Activities Classification Structure Manual for Michigan Community Colleges," as amended, which shall be used to document financial needs of the community colleges.

Sec. 302. A community college shall not include in the enrollment data reported for determining state aid under this act any student credit hours or student contact hours for a student incarcerated in a Michigan penal institution. Exclusion of these students is intended to avoid the payment of state aid under this act for the same individuals for whom reimbursement is provided by the state correctional system.

Sec. 304. It is the intent of the legislature that the recommendations and performance measures developed by the performance indicators task force formed pursuant to section 242 of 2005 PA 154 be reviewed and more fully implemented for distribution of state funding to community colleges in future years. Specifically, it is the intent of the legislature that the performance indicators task force review and implement 1 or more measurable data items for the local strategic value indicator and review and implement 1 or more measurable data items for an administrative cost formula component.

GRANTS

Sec. 401. (1) The community college at-risk student success program is continued. The funding shall be prorated among community colleges based on the number of student contact hours for developmental and preparatory instruction reported by each community college to the department of energy, labor, and economic growth pursuant to the "Activities Classification Structure Manual for Michigan Community Colleges," as amended. Of the amount appropriated in part 1 for the at-risk student success program, $1,120,000.00 is allocated for base grants of $40,000.00 each, to address the special needs of at-risk students at community colleges.

(2) Of the amount appropriated in part 1 for the at-risk student success program, the balance of the appropriated money shall be distributed on a proration utilizing the sum of the most recent 3 years developmental/preparatory contact hours divided by the sum of the 3-year total contact hours at each college. Each community college's percentage shall be divided by the sum of all the percentages systemwide to obtain each community college's prorated grant amount.

(3) For the fiscal year ending September 30, 2010, the at-risk student success program money is allocated as follows:

Alpena Community College	$	83,000
Bay de Noc Community College		69,100
Delta College		106,400
Glen Oaks Community College		111,300
Gogebic Community College		56,300
Grand Rapids Community College		133,300
Henry Ford Community College		163,300
Jackson Community College		132,800
Kalamazoo Valley Community College		92,000
Kellogg Community College		152,600
Kirtland Community College		128,400
Lake Michigan College		147,000
Lansing Community College		157,000
Macomb Community College		84,200
Mid Michigan Community College		133,600
Monroe County Community College		104,100
Montcalm Community College		75,600
C.S. Mott Community College		113,300
Muskegon Community College		81,100
North Central Michigan College		109,800
Northwestern Michigan College		122,500
Oakland Community College		146,900
St. Clair County Community College		123,100
Schoolcraft College		123,500
Southwestern Michigan College		152,300
Washtenaw Community College		127,300
Wayne County Community College		146,200
West Shore Community College		146,700

(4) As used in this act, "at-risk students" means students who meet 1 or more of the following criteria:

(a) Are initially placed in 1 or more developmental courses as a result of standardized testing or as a result of failure to make satisfactory academic progress.

(b) Are diagnosed as learning disabled.

(c) Require English as a second language (ESL) assistance.

(5) Grant funding under this section shall be utilized to address the special needs of at-risk students. Activities related to services provided to at-risk students include, but are not limited to, pretesting for academic ability, counseling contacts, and special programs. Equipment or information technology hardware or software purchased under this section must be associated with the operation of a program designed to address the needs of at-risk students.

(6) Grant funding under this section shall not be used for indirect costs including, but not limited to, rent, utilities, or, except as provided in this section, college administration.

(7) Each community college shall report to the department of energy, labor, and economic growth a summary of all accomplishments under, expenditures for, and compliance with the intent of this program, including the number of at-risk students served. The report is subject to audit as provided for in section 502(1). The report shall be submitted not later than 90 days after the end of the state's fiscal year.

Sec. 404. The appropriation in part 1 for renaissance zone reimbursements shall be made to each eligible recipient no later than 60 days after the department of treasury certifies to the state budget director that it has received all necessary information to properly determine the amounts due each eligible recipient under section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692.

Sec. 405. A community college receiving funds under this act shall cooperate with the state to comply with the provisions of the American recovery and reinvestment act of 2009, Public Law 111-5, requiring the establishment of a statewide P-20 longitudinal data system.

REPORTS AND AUDITS

Sec. 501. The department of energy, labor, and economic growth shall publish the "activities classification structure data book" for Michigan community colleges on or before March 1, 2010.

Sec. 502. (1) The auditor general or a certified public accountant appointed by the auditor general may conduct performance audits of community colleges as the auditor general considers necessary.

(2) Not more than 60 days after an audit report is released by the office of the auditor general, the principal executive officer of the community college that was audited shall submit to the house and senate appropriations committees, the house and senate fiscal agencies, the department of energy, labor, and economic growth, the auditor general, and the state budget director a plan to comply with audit recommendations. The plan shall contain projected dates and resources required, if any, to achieve compliance with the audit recommendations, or a documented explanation of the college's noncompliance with the audit recommendations concerning the matters on which the audited community college and office of the auditor general disagree.

Sec. 504. (1) A community college shall retain certified class summaries, class lists, registration documents, and student transcripts that are consistent with the taxonomy of courses. For each enrollment period during the fiscal year, these certified documents shall identify clearly by course the number of in-district and out-of-district student credit and contact hours. The class summaries and class lists shall be consistent with each other and shall include the course prefix and numbers, course title, course credit and contact hours, credit and contact hours generated by each student, and activity classifications consistent with the taxonomy. An auditable process shall be used by the community college to determine the unduplicated head count for in-district students, out-of-district students, and prisoners for each enrollment period during the fiscal year.

(2) Contracts between the community college and agencies that reimburse the community college for the costs of instruction shall be retained for audit purposes.

Sec. 505. Each community college shall have an annual audit of all income and expenditures performed by an independent auditor and shall furnish the independent auditor's management letter and an annual audited accounting of all general and current funds income and expenditures including audits of college foundations to the members of the senate and house appropriations subcommittees on community colleges, the senate and house fiscal agencies, the auditor general, the department of energy, labor, and economic growth, and the state budget director before November 15, 2009. If a community college fails to furnish the audit materials, the monthly state aid installments shall be withheld from that college until the information is submitted. All reporting shall conform to the requirements set forth in the "2001 Manual for Uniform Financial Reporting, Michigan Public Community Colleges."

Sec. 506. (1) Each community college shall report the following to the department of energy, labor, and economic growth no later than November 1, 2009:

(a) The number of North American Indian students enrolled each term for the previous fiscal year, using guidelines and procedures developed by the department of energy, labor, and economic growth and the Michigan commission on Indian affairs.

(b) The number of North American Indian tuition waivers granted each term, and the monetary value of the waivers for the previous fiscal year.

(2) Colleges shall use the criteria cited in 1976 PA 174, MCL 390.1251 to 390.1253, to determine eligibility for tuition waivers, and shall grant those waivers to individuals who meet the criteria and request tuition waivers.

(3) The department of energy, labor, and economic growth shall compile the information received under subsection (1) and shall submit this compilation to the house and senate appropriations subcommittees on community colleges, the senate and house fiscal agencies, and the state budget director by January 7, 2010.

Sec. 507. Upon request, a community college shall inform interested Michigan high schools of the aggregate academic status of its students for the prior academic year, in a manner prescribed by the Michigan community college association and in cooperation with the Michigan association of secondary school principals.

Sec. 508. (1) Each community college shall report to the house and senate fiscal agencies, the state budget director, and the department of energy, labor, and economic growth by August 31, 2009, the tuition and mandatory fees paid by a full-time in-district student and a full-time out-of-district student as established by the college governing board for the 2009-2010 academic year. This report should also include the annual cost of attendance based on a full-time course load of 30 credits. Each community college shall also report any revisions to the reported 2009-2010 academic year tuition and mandatory fees adopted by the college governing board to the house and senate fiscal agencies, the state budget director, and the department of energy, labor, and economic growth within 15 days of being adopted.

(2) The department of energy, labor, and economic growth shall prepare and provide to community colleges a standard format for reporting tuition and fees pursuant to subsection (1).

Sec. 509. (1) Each community college shall report to the department of energy, labor, and economic growth the numbers and type of associate degrees and other certificates awarded during the previous fiscal year. The report shall be made not later than November 15, 2009.

(2) The department of energy, labor, and economic growth shall compile the information received under subsection (1) and shall submit this compilation to the house and senate appropriations subcommittees on community colleges, the senate and house fiscal agencies, and the state budget director by January 7, 2010.

Sec. 510. A community college receiving funding under this act and also subject to the student right-to-know and campus security act, Public Law 101-542, 104 Stat. 2381, shall make a copy of all material prepared in accordance with the public information reporting requirements under the crime awareness and campus security act of 1990, title II of the student right-to-know and campus security act, Public Law 101-542, 104 Stat. 2384, available in hard copy and electronic format accessible through the Internet for school districts, parents, and students.

Sec. 511. (1) At least 30 days before submission of a new state plan to the United States department of education for approval under the Perkins act, the department of energy, labor, and economic growth shall provide copies of the proposed plan to the members of the senate and house appropriations subcommittees on community colleges for their review and comment. Copies of the proposed plan shall be provided to the senate and house fiscal agencies and the state budget director at the same time that they are provided to the senate and house subcommittees.

(2) The Perkins grant application process and content shall be streamlined to the extent possible.

(3) As used in this section, "Perkins act" means the Carl D. Perkins vocational and applied technology education act of 1998, 20 USC 2301 to 2414.

Sec. 513. The department of treasury shall annually collect and compile data on the tax revenue losses to community colleges resulting from tax increment financing authorities (TIFA) and tax abatements. The department of treasury shall produce a report detailing the data. The report shall be completed and presented to the house and senate appropriations subcommittees on community colleges, the department of energy, labor, and economic growth, and the department of management and budget not later than March 1, 2010. The report shall include, but is not limited to, the following:

(a) Estimated revenue losses for each community college for the calendar year 2009.

(b) Confirmed revenue losses for each community college for the calendar years 2007 and 2008.

(c) Other requirements requested by the house and senate appropriations subcommittees on community colleges.

This act is ordered to take immediate effect.

Richard J. Brown

Clerk of the House of Representatives

Carol Morey Viventi

Secretary of the Senate

Approved .....

.....

Governor

COMMUNITY HEALTH

Act No. 131
Public Acts of 2009
Approved by the Governor*
October 29, 2009
Filed with the Secretary of State
October 30, 2009
EFFECTIVE DATE: October 30, 2009

*Item Vetoes

Sec. 112. CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION

Injury control intervention project	$	200,000	(Page 5)

Sec. 113. FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES

Early childhood collaborative secondary prevention	$	524,000	(Page 6)
Prenatal care outreach and service delivery support		3,249,300	

Sec. 285.
Entire Section. (Page 16)

Sec. 407. (5)
Entire Subsection. (Page 19)

Sec. 407. (6)
Entire Subsection. (Page 19)

Sec. 720.
Entire Section. (Page 25)

Sec. 1031.
Entire Section. (Page 27)

Sec. 1107.
Entire Section. (Page 28)

Sec. 1112.
Entire Section. (Page 28)

Sec. 1139.
Entire Section. (Page 29)

Sec. 1419.
Entire Section. (Page 30)

Sec. 1717. (1)
The words: “The second pool, totaling $5,000,000.00, shall be distributed to unaffiliated hospitals and hospital systems that received less than $900,000.00 in disproportionate share hospital payments in fiscal year 2007-2008 based on a formula that is weighted proportional to the product of each eligible system’s Medicaid revenue and each eligible system’s Medicaid utilization, except that no payment of less than $1,000.00 shall be made." (Page 39)

STATE OF MICHIGAN
95TH LEGISLATURE
REGULAR SESSION OF 2009

Introduced by Rep. McDowell

ENROLLED HOUSE BILL No. 4436

AN ACT to make appropriations for the department of community health and certain state purposes related to mental health, public health, and medical services for the fiscal year ending September 30, 2010; to provide for the expenditure of those appropriations; to create funds; to require and provide for reports; to prescribe the powers and duties of certain local and state agencies and departments; and to provide for disposition of fees and other income received by the various state agencies.

The People of the State of Michigan enact:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of community health for the fiscal year ending September 30, 2010, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF COMMUNITY HEALTH

APPROPRIATION SUMMARY		
Full-time equated unclassified positions	6.0	
Full-time equated classified positions	4,375.6	
Average population	893.0	
GROSS APPROPRIATION		$ 13,092,429,800
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		48,946,000
ADJUSTED GROSS APPROPRIATION		$ 13,043,483,800
Federal revenues:		
Total other federal revenues		7,869,380,800
Total federal revenues (ARRA)		1,080,092,400
Special revenue funds:		
Total local revenues		225,972,600
Total private revenues		72,308,500
Merit award trust fund		22,899,900
Total other state restricted revenues		1,464,163,500
State general fund/general purpose		$ 2,308,666,100

		For Fiscal Year Ending Sept. 30, 2010
Sec. 102. DEPARTMENTWIDE ADMINISTRATION		
Full-time equated unclassified positions 6.0		
Full-time equated classified positions 182.2		
Director and other unclassified—6.0 FTE positions	$	598,600
Departmental administration and management—172.2 FTE positions		22,407,300
Worker's compensation program		8,247,100
Rent and building occupancy		10,778,100
Developmental disabilities council and projects—10.0 FTE positions		2,793,500
GROSS APPROPRIATION	$	44,824,600
Appropriated from:		
Federal revenues:		
Total federal revenues		13,605,300
Special revenue funds:		
Total private revenues		35,200
Total other state restricted revenues		2,366,100
State general fund/general purpose	$	28,818,000
Sec. 103. MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION AND SPECIAL PROJECTS		
Full-time equated classified positions 118.5		
Mental health/substance abuse program administration—117.5 FTE positions	$	14,691,200
Gambling addiction—1.0 FTE position		3,000,000
Protection and advocacy services support		194,400
Community residential and support services		2,136,000
Highway safety projects		400,000
Federal and other special projects		4,247,700
Family support subsidy		18,599,200
Housing and support services		9,306,800
Anti-drug abuse grants		8,575,000
Interdepartmental grant to judiciary for drug treatment courts		1,800,000
GROSS APPROPRIATION	$	62,950,300
Appropriated from:		
Federal revenues:		
Total federal revenues		47,800,000
Special revenue funds:		
Total private revenues		190,000
Total other state restricted revenues		3,000,000
State general fund/general purpose	$	11,960,300
Sec. 104. COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS		
Full-time equated classified positions 9.5		
Medicaid mental health services	$	1,970,775,800
Community mental health non-Medicaid services		287,468,000
Medicaid adult benefits waiver		40,000,000
Multicultural services		6,823,800
Medicaid substance abuse services		41,676,500
CMHSP, purchase of state services contracts		120,833,400
Civil service charges		1,499,300
Federal mental health block grant—2.5 FTE positions		15,374,900
State disability assistance program substance abuse services		2,243,100
Community substance abuse prevention, education, and treatment programs		82,592,300
Children's waiver home care program		19,549,800
Nursing home PAS/ARR-OBRA—7.0 FTE positions		12,116,000
Children with serious emotional disturbance waiver		7,188,000
GROSS APPROPRIATION	$	2,608,140,900
Appropriated from:		
Interdepartmental grant revenues:		
Interdepartmental grant from the department of human services		1,769,000

		For Fiscal Year Ending Sept. 30, 2010
Federal revenues:		
Total other federal revenues	$	1,411,168,100
Federal FMAP stimulus (ARRA)		203,370,900
Special revenue funds:		
Total local revenues		25,228,900
Total other state restricted revenues		10,753,200
State general fund/general purpose	$	955,850,800

Sec. 105. STATE PSYCHIATRIC HOSPITALS, CENTERS FOR PERSONS WITH DEVELOPMENTAL DISABILITIES, AND FORENSIC AND PRISON MENTAL HEALTH SERVICES

Total average population 893.0		
Full-time equated classified positions 2,590.5		
Caro Regional Mental Health Center - psychiatric hospital - adult—468.3 FTE positions	$	52,809,300
Average population 185.0		
Kalamazoo Psychiatric Hospital - adult—483.1 FTE positions		51,065,700
Average population 189.0		
Walter P. Reuther Psychiatric Hospital - adult—433.3 FTE positions		46,659,000
Average population 234.0		
Hawthorn Center - psychiatric hospital - children and adolescents—230.9 FTE positions		24,834,000
Average population 75.0		
Mount Pleasant Center - developmental disabilities		2,465,000
Center for forensic psychiatry—578.6 FTE positions		61,286,800
Average population 210.0		
Forensic mental health services provided to the department of corrections—396.3 FTE positions		45,489,700
Revenue recapture		750,000
IDEA, federal special education		120,000
Special maintenance		332,500
Purchase of medical services for residents of hospitals and centers		445,600
Closed site, transition, and related costs		2,050,100
Gifts and bequests for patient living and treatment environment		1,000,000
GROSS APPROPRIATION	$	289,307,700
Appropriated from:		
Interdepartmental grant revenues:		
Interdepartmental grant from the department of corrections		45,489,700
Federal revenues:		
Total other federal revenues		30,633,400
Federal FMAP stimulus (ARRA)		3,382,200
Special revenue funds:		
CMHSP, purchase of state services contracts		120,833,400
Other local revenues		16,928,200
Total private revenues		1,000,000
Total other state restricted revenues		12,331,700
State general fund/general purpose	$	58,709,100

Sec. 106. PUBLIC HEALTH ADMINISTRATION

Full-time equated classified positions 92.7		
Public health administration—8.3 FTE positions	$	1,631,300
Minority health grants and contracts—3.0 FTE positions		1,100,400
Promotion of healthy behaviors		2,375,900
Vital records and health statistics—81.4 FTE positions		10,392,000
GROSS APPROPRIATION	$	15,499,600
Appropriated from:		
Interdepartmental grant revenues:		
Interdepartmental grant from the department of human services		1,123,900
Federal revenues:		
Total federal revenues		5,236,900

		For Fiscal Year Ending Sept. 30, 2010
Special revenue funds:		
Total private revenues	$	1,700,000
Total other state restricted revenues		6,116,000
State general fund/general purpose	$	1,322,800

Sec. 107. HEALTH POLICY, REGULATION, AND PROFESSIONS

Full-time equated classified positions 420.6		
Health systems administration—193.6 FTE positions	$	20,644,300
Emergency medical services program state staff—8.5 FTE positions		1,495,000
Radiological health administration—21.4 FTE positions		2,947,400
Emergency medical services grants and services		660,000
Health professions—147.0 FTE positions		24,598,200
Background check program—5.5 FTE positions		2,681,000
Health policy, regulation, and professions administration—25.2 FTE positions		2,985,800
Nurse scholarship, education, and research program—3.0 FTE positions		1,718,300
Certificate of need program administration—14.0 FTE positions		1,955,700
Rural health services—1.0 FTE position		1,405,700
Michigan essential health provider		1,325,100
Primary care services—1.4 FTE positions		2,318,800
Primary care services (ARRA)		130,000
GROSS APPROPRIATION	$	64,865,300
Appropriated from:		
Interdepartmental grant revenues:		
Interdepartmental grant from the department of treasury, Michigan state hospital finance authority		116,300
Federal revenues:		
Total other federal revenues		23,123,000
Federal revenues (ARRA)		130,000
Special revenue funds:		
Total local revenues		227,700
Total private revenues		455,000
Total other state restricted revenues		31,606,600
State general fund/general purpose	$	9,206,700

Sec. 108. INFECTIOUS DISEASE CONTROL

Full-time equated classified positions 51.7		
AIDS prevention, testing, and care programs—12.7 FTE positions	$	41,367,600
Immunization local agreements		13,990,300
Immunization program management and field support—15.0 FTE positions		2,035,500
Pediatric AIDS prevention and control—1.0 FTE position		1,226,400
Sexually transmitted disease control local agreements		3,360,700
Sexually transmitted disease control management and field support—23.0 FTE positions		3,716,500
Infectious disease control (ARRA)		2,822,700
GROSS APPROPRIATION	$	68,519,700
Appropriated from:		
Federal revenues:		
Total other federal revenues		42,128,500
Federal revenues (ARRA)		2,822,700
Special revenue funds:		
Total private revenues		10,873,600
Total other state restricted revenues		9,535,200
State general fund/general purpose	$	3,159,700

Sec. 109. LABORATORY SERVICES

Full-time equated classified positions 122.0		
Laboratory services—122.0 FTE positions	$	18,439,100
GROSS APPROPRIATION	$	18,439,100
Appropriated from:		
Interdepartmental grant revenues:		
Interdepartmental grant from the department of environmental quality		447,100

		For Fiscal Year Ending Sept. 30, 2010
Federal revenues:		
Total federal revenues	$	1,683,600
Special revenue funds:		
Total other state restricted revenues		9,048,100
State general fund/general purpose	$	7,260,300

Sec. 110. EPIDEMIOLOGY

Full-time equated classified positions 131.0		
AIDS surveillance and prevention program	$	2,254,100
Asthma prevention and control—2.6 FTE positions		843,500
Bioterrorism preparedness—68.6 FTE positions		48,905,100
Epidemiology administration—42.3 FTE positions		8,112,400
Lead abatement program—7.0 FTE positions		2,191,300
Newborn screening follow-up and treatment services—10.5 FTE positions		4,692,100
Tuberculosis control and prevention		867,000
GROSS APPROPRIATION	$	67,865,500
Appropriated from:		
Federal revenues:		
Total federal revenues		60,390,800
Special revenue funds:		
Total private revenues		25,000
Total other state restricted revenues		5,295,200
State general fund/general purpose	$	2,154,500

Sec. 111. LOCAL HEALTH ADMINISTRATION AND GRANTS

Implementation of 1993 PA 133, MCL 333.17015	$	20,000
Local health services		100,000
Local public health operations		40,082,800
Medicaid outreach cost reimbursement to local health departments		9,000,000
GROSS APPROPRIATION	$	49,202,800
Appropriated from:		
Federal revenues:		
Total federal revenues		9,000,000
Special revenue funds:		
Total local revenues		5,150,000
Total other state restricted revenues		100,000
State general fund/general purpose	$	34,952,800

Sec. 112. CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION

Full-time equated classified positions 75.3		
Alzheimer's information network	$	99,500
Cancer prevention and control program—12.0 FTE positions		14,304,400
Chronic disease prevention—27.7 FTE positions		5,285,700
Diabetes and kidney program—12.2 FTE positions		2,512,700
Health education, promotion, and research programs—6.5 FTE positions		829,600
Injury control intervention project		200,000
Public health traffic safety coordination—1.0 FTE position		445,100
Smoking prevention program—14.0 FTE positions		4,662,400
Violence prevention—1.9 FTE positions		1,892,900
GROSS APPROPRIATION	$	30,232,300
Appropriated from:		
Federal revenues:		
Total federal revenues		22,388,600
Special revenue funds:		
Total private revenues		146,600
Total other state restricted revenues		5,896,800
State general fund/general purpose	$	1,800,300

		For Fiscal Year Ending Sept. 30, 2010
Sec. 113. FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES		
Full-time equated classified positions 56.3		
Childhood lead program—6.0 FTE positions	$	1,766,600
Dental programs—3.0 FTE positions		1,094,400
Dental program for persons with developmental disabilities		151,000
Early childhood collaborative secondary prevention		524,000
Family, maternal, and children's health services administration—43.6 FTE positions		5,631,200
Family planning local agreements		9,085,700
Local MCH services		7,018,100
Pregnancy prevention program		1,747,200
Prenatal care outreach and service delivery support		3,249,300
School health and education programs—1.0 FTE position		400,000
Special projects—2.7 FTE positions		3,032,400
Sudden infant death syndrome program		321,300
GROSS APPROPRIATION	$	34,021,200
Appropriated from:		
Federal revenues:		
Total federal revenues		27,293,700
Special revenue funds:		
Total local revenues		75,000
Total other state restricted revenues		1,545,100
State general fund/general purpose	$	5,107,400
Sec. 114. WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAM		
Full-time equated classified positions 43.0		
Women, infants, and children program administration and special projects—43.0 FTE positions	$	9,554,800
Women, infants, and children program local agreements and food costs		236,506,700
GROSS APPROPRIATION	$	246,061,500
Appropriated from:		
Federal revenues:		
Total federal revenues		192,815,400
Special revenue funds:		
Total private revenues		53,246,100
State general fund/general purpose	$	0
Sec. 115. CHILDREN'S SPECIAL HEALTH CARE SERVICES		
Full-time equated classified positions 47.8		
Children's special health care services administration—45.0 FTE positions	$	4,902,100
Bequests for care and services—2.8 FTE positions		1,514,600
Outreach and advocacy		3,773,500
Nonemergency medical transportation		1,527,600
Medical care and treatment		231,455,100
GROSS APPROPRIATION	$	243,172,900
Appropriated from:		
Federal revenues:		
Total other federal revenues		141,515,900
Federal FMAP stimulus (ARRA)		19,218,200
Special revenue funds:		
Total private revenues		1,000,000
Total other state restricted revenues		3,837,000
State general fund/general purpose	$	77,601,800
Sec. 116. CRIME VICTIM SERVICES COMMISSION		
Full-time equated classified positions 11.0		
Grants administration services—11.0 FTE positions	$	1,498,200

		For Fiscal Year Ending Sept. 30, 2010
Justice assistance grants	$	13,000,000
Crime victim rights services grants		12,500,000
Crime victim's rights fund revenue to Michigan state police		1,053,300
Crime victim's rights fund revenue to department of human services		1,300,000
GROSS APPROPRIATION	$	29,351,500
Appropriated from:		
Federal revenues:		
Total federal revenues		15,055,300
Special revenue funds:		
Total other state restricted revenues		14,296,200
State general fund/general purpose	$	0

Sec. 117. OFFICE OF SERVICES TO THE AGING

Full-time equated classified positions 44.5		
Commission (per diem $50.00)	$	10,500
Office of services to aging administration—44.5 FTE positions		6,760,500
Community services		34,496,600
Nutrition services		36,170,500
Foster grandparent volunteer program		2,427,600
Retired and senior volunteer program		681,800
Senior companion volunteer program		1,743,800
Employment assistance		3,449,500
Respite care program		6,268,700
GROSS APPROPRIATION	$	92,009,500
Appropriated from:		
Federal revenues:		
Total federal revenues		55,203,900
Special revenue funds:		
Total private revenues		537,000
Merit award trust fund		4,468,700
Total other state restricted revenues		1,800,000
State general fund/general purpose	$	29,999,900

Sec. 118. MEDICAL SERVICES ADMINISTRATION

Full-time equated classified positions 379.0		
Medical services administration—379.0 FTE positions	$	59,977,300
Facility inspection contract		132,800
MIChild administration		4,327,800
GROSS APPROPRIATION	$	64,437,900
Appropriated from:		
Federal revenues:		
Total federal revenues		44,509,600
Special revenue funds:		
Total local revenues		5,000
Total other state restricted revenues		97,800
State general fund/general purpose	$	19,825,500

Sec. 119. MEDICAL SERVICES

Hospital services and therapy	$	1,335,404,600
Hospital disproportionate share payments		50,000,000
Physician services		341,317,300
Medicare premium payments		341,408,400
Pharmaceutical services		315,359,600
Home health services		6,044,700
Hospice services		103,153,700
Transportation		13,000,000
Auxiliary medical services		7,599,500
Dental services		126,426,400

		For Fiscal Year Ending Sept. 30, 2010
Ambulance services	$	11,734,700
Long-term care services		1,593,808,300
Medicaid home- and community-based services waiver		176,426,800
Adult home help services		264,057,900
Personal care services		20,463,400
Program of all-inclusive care for the elderly		16,600,000
Health plan services		3,483,069,900
MIChild program		50,000,000
Plan first family planning waiver		8,782,200
Medicaid adult benefits waiver		139,198,700
Special indigent care payments		88,518,500
Federal Medicare pharmaceutical program		183,611,800
Promotion of healthy behavior waiver		10,000,000
Maternal and child health		20,279,500
Subtotal basic medical services program		8,706,265,900
School-based services		64,630,600
Special Medicaid reimbursement		239,696,400
Subtotal special medical services payments		304,327,000
GROSS APPROPRIATION	$	9,010,592,900
Appropriated from:		
Federal revenues:		
Total other federal revenues		5,688,603,000
Federal FMAP stimulus (ARRA)		851,168,400
Special revenue funds:		
Total local revenues		57,524,400
Total private revenues		3,100,000
Merit award trust fund		18,431,200
Total other state restricted revenues		1,342,964,600
State general fund/general purpose	$	1,048,801,300

Sec. 120. INFORMATION TECHNOLOGY

Information technology services and projects	$	36,133,500
Michigan Medicaid information system		16,801,100
GROSS APPROPRIATION	$	52,934,600
Appropriated from:		
Federal revenues:		
Total federal revenues		37,225,800
Special revenue funds:		
Total other state restricted revenues		3,573,900
State general fund/general purpose	$	12,134,900

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2009-2010 is $3,795,729,500.00 and state spending from state resources to be paid to local units of government for fiscal year 2009-2010 is $1,217,612,600.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF COMMUNITY HEALTH
MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION
AND SPECIAL PROJECTS

Community residential and support services	$	344,600
Housing and support services		599,800

COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS		
State disability assistance program substance abuse services	$	2,243,100
Community substance abuse prevention, education, and treatment programs		16,814,800
Medicaid mental health services		501,559,400
Community mental health non-Medicaid services		287,468,000
Medicaid adult benefits waiver		10,308,000
Multicultural services		6,823,800
Medicaid substance abuse services		11,140,100
Children's waiver home care program		5,225,700
Nursing home PASARR		2,688,400
STATE PSYCHIATRIC HOSPITALS, CENTERS FOR PERSONS WITH DEVELOPMENTAL DISABILITIES, AND FORENSIC AND PRISON MENTAL HEALTH SERVICES		
Center for forensic psychiatry	$	290,300
PUBLIC HEALTH ADMINISTRATION		
Minority health grants and contracts	$	241,000
Public health administration		61,500
HEALTH POLICY, REGULATION, AND PROFESSIONS		
Nurse scholarship, education, and research programs	$	72,600
Primary care services		115,600
INFECTIOUS DISEASE CONTROL		
AIDS prevention, testing, and care programs	$	865,700
Immunization local agreements		2,158,100
Immunization program management and field support		30,300
Sexually transmitted disease control local agreements		421,800
LABORATORY SERVICES		
Laboratory services	$	3,300
EPIDEMIOLOGY		
Epidemiology administration	$	125,000
LOCAL HEALTH ADMINISTRATION AND GRANTS		
Implementation of 1993 PA 133, MCL 333.17015	$	5,300
Local public health operations		34,932,800
CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION		
Cancer prevention and control program	$	397,300
Chronic disease prevention		261,600
Diabetes and kidney program		357,700
Smoking prevention program		959,900
FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES		
Childhood lead program	$	107,600
Family, maternal, and children's health administration		87,100
Family planning local agreements		111,300
Pregnancy prevention program		1,145,100
Prenatal care outreach and service delivery support		1,028,900
School health education programs		297,000
Special projects		175,000
CHILDREN'S SPECIAL HEALTH CARE SERVICES		
Medical care and treatment	$	451,100
Outreach and advocacy		3,077,500

MEDICAL SERVICES		
Dental services	$	2,348,100
Long-term care services		262,002,000
Transportation		5,736,900
Medicaid adult benefits waiver		9,443,300
Hospital services and therapy		6,113,400
Physician services		3,717,400
OFFICE OF SERVICES TO THE AGING		
Community services	$	12,326,700
Nutrition services		9,670,300
Foster grandparent volunteer program		679,800
Retired and senior volunteer program		187,300
Senior companion volunteer program		206,500
Respite care program		5,384,800
CRIME VICTIM SERVICES COMMISSION		
Crime victim rights services grants	$	6,800,000
TOTAL OF PAYMENTS TO LOCAL UNITS OF GOVERNMENT	$	1,217,612,600

Sec. 202. (1) The appropriations authorized under this act are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

(2) Funds for which the state is acting as the custodian or agent are not subject to annual appropriation.

Sec. 203. As used in this act:

(a) "AIDS" means acquired immunodeficiency syndrome.

(b) "ARRA" means the American recovery and reinvestment act of 2009, Public Law 111-5.

(c) "CMHSP" means a community mental health services program as that term is defined in section 100a of the mental health code, 1974 PA 258, MCL 330.1100a.

(d) "Current fiscal year" means the fiscal year ending September 30, 2010.

(e) "Department" means the Michigan department of community health.

(f) "Director" means the director of the department.

(g) "DSH" means disproportionate share hospital.

(h) "EPSDT" means early and periodic screening, diagnosis, and treatment.

(i) "Federal poverty level" means the poverty guidelines published annually in the federal register by the United States department of health and human services under its authority to revise the poverty line under 42 USC 9902.

(j) "FMAP" means federal medical assistance percentages.

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

(*l*) "GME" means graduate medical education.

(m) "Health plan" means, at a minimum, an organization that meets the criteria for delivering the comprehensive package of services under the department's comprehensive health plan.

(n) "HIV/AIDS" means human immunodeficiency virus/acquired immune deficiency syndrome.

(o) "HMO" means health maintenance organization.

(p) "IDEA" means the individuals with disabilities education act, 20 USC 1400 to 1482.

(q) "IDG" means interdepartmental grant.

(r) "MCH" means maternal and child health.

(s) "MIChild" means the program described in section 1670.

(t) "MIHP" means the maternal infant health program.

(u) "PASARR" means the preadmission screening and annual resident review required under the omnibus budget reconciliation act of 1987, section 1919(e)(7) of the social security act, 42 USC 1396r.

(v) "PIHP" means a specialty prepaid inpatient health plan for Medicaid mental health services, services to persons with developmental disabilities, and substance abuse services as described in section 232b of the mental health code, 1974 PA 258, MCL 330.1232b.

(w) "Title XVIII" means title XVIII of the social security act, 42 USC 1395 to 1395iii.

(x) "Title XIX" means title XIX of the social security act, 42 USC 1396 to 1396w-1.

(y) "Title XX" means title XX of the social security act, 42 USC 1397 to 1397f.

(z) "WIC" means women, infants, and children supplemental nutrition program.

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

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

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

Sec. 206. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $100,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act 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 $20,000,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

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

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

Sec. 209. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available. Preference shall be given to goods or services, or both, manufactured or provided by Michigan businesses if they are competitively priced and of comparable quality. In addition, preference shall be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans if they are competitively priced and of comparable quality.

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

Sec. 211. (1) If the revenue collected by the department from fees and collections exceeds the amount appropriated in part 1, the revenue may be carried forward with the approval of the state budget director into the subsequent fiscal year. The revenue carried forward under this section shall be used as the first source of funds in the subsequent fiscal year.

(2) The department shall provide a report to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies on the balance of each of the restricted funds administered by the department as of September 30 of the current fiscal year.

Sec. 212. (1) From the amounts appropriated in part 1, no greater than the following amounts are supported with federal maternal and child health block grant, preventive health and health services block grant, substance abuse block grant, healthy Michigan fund, and Michigan health initiative funds:

(a) Maternal and child health block grant	$	19,030,900
(b) Preventive health and health services block grant		3,589,800
(c) Substance abuse block grant		60,632,200
(d) Healthy Michigan fund		37,428,200
(e) Michigan health initiative		9,100,000

(2) On or before February 1 of the current fiscal year, the department shall report to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director on the detailed name and amounts of federal, restricted, private, and local sources of revenue that support the appropriations in each of the line items in part 1 of this act.

(3) Upon the release of the next fiscal year executive budget recommendation, the department shall report to the same parties in subsection (2) on the amounts and detailed sources of federal, restricted, private, and local revenue proposed to support the total funds appropriated in each of the line items in part 1 of the next fiscal year executive budget proposal.

(4) The department shall provide to the same parties in subsection (2) all revenue source detail for consolidated revenue line item detail upon request to the department.

Sec. 213. The state departments, agencies, and commissions receiving tobacco tax funds and healthy Michigan funds from part 1 shall report by April 1 of the current fiscal year to the senate and house appropriations committees, the senate and house fiscal agencies, and the state budget director on the following:

(a) Detailed spending plan by appropriation line item including description of programs and a summary of organizations receiving these funds.

(b) Description of allocations or bid processes including need or demand indicators used to determine allocations.

(c) Eligibility criteria for program participation and maximum benefit levels where applicable.

(d) Outcome measures used to evaluate programs, including measures of the effectiveness of these programs in improving the health of Michigan residents.

(e) Any other information considered necessary by the house of representatives or senate appropriations committees or the state budget director.

Sec. 214. The use of state restricted tobacco tax revenue received for the purpose of tobacco prevention, education, and reduction efforts and deposited in the healthy Michigan fund shall not be used for lobbying as defined in section 5 of 1978 PA 472, MCL 4.415, and shall not be used in attempting to influence the decisions of the legislature, the governor, or any state agency.

Sec. 215. (1) The department shall report to the house and senate appropriations subcommittees on the budget for the department, the joint committee on administrative rules, and the senate and house fiscal agencies by no later than April 1, 2010 on each specific policy change made by the department to implement a public act affecting that department that took effect during the preceding calendar year.

(2) Funds appropriated in part 1 shall not be used by the department to adopt a rule that will apply to a small business and that will have a disproportionate economic impact on small businesses because of the size of those businesses if the department fails to reduce the disproportionate economic impact of the rule on small businesses as provided under section 40 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

(3) As used in this section:

(a) "Rule" means that term as defined under section 7 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.207.

(b) "Small business" means that term as defined under section 7a of the administrative procedures act of 1969, 1969 PA 306, MCL 24.207a.

Sec. 216. (1) In addition to funds appropriated in part 1 for all programs and services, there is appropriated for write-offs of accounts receivable, deferrals, and for prior year obligations in excess of applicable prior year appropriations, an amount equal to total write-offs and prior year obligations, but not to exceed amounts available in prior year revenues.

(2) The department's ability to satisfy appropriation deductions in part 1 shall not be limited to collections and accruals pertaining to services provided in the current fiscal year, but shall also include reimbursements, refunds, adjustments, and settlements from prior years.

(3) The department shall report by March 15 of the current fiscal year to the house of representatives and senate appropriations subcommittees on community health on all reimbursements, refunds, adjustments, and settlements from prior years.

Sec. 218. The department shall include the following in its annual list of proposed basic health services as required in part 23 of the public health code, 1978 PA 368, MCL 333.2301 to 333.2321:

(a) Immunizations.

(b) Communicable disease control.

(c) Sexually transmitted disease control.

(d) Tuberculosis control.

(e) Prevention of gonorrhea eye infection in newborns.

(f) Screening newborns for the conditions listed in section 5431 of the public health code, 1978 PA 368, MCL 333.5431, or recommended by the newborn screening quality assurance advisory committee created under section 5430 of the public health code, 1978 PA 368, MCL 333.5430.

(g) Community health annex of the Michigan emergency management plan.

(h) Prenatal care.

Sec. 219. (1) The department may contract with the Michigan public health institute for the design and implementation of projects and for other public health-related activities prescribed in section 2611 of the public health code, 1978 PA 368, MCL 333.2611. The department may develop a master agreement with the institute to carry out these purposes for up to a 3-year period. The department shall report to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director on or before November 1 and May 1 of the current fiscal year all of the following:

(a) A detailed description of each funded project.

(b) The amount allocated for each project, the appropriation line item from which the allocation is funded, and the source of financing for each project.

(c) The expected project duration.

(d) A detailed spending plan for each project, including a list of all subgrantees and the amount allocated to each subgrantee.

(2) On or before September 30 of the current fiscal year, the department shall provide to the same parties listed in subsection (1) a copy of all reports, studies, and publications produced by the Michigan public health institute, its subcontractors, or the department with the funds appropriated in part 1 and allocated to the Michigan public health institute.

Sec. 220. All contracts with the Michigan public health institute funded with appropriations in part 1 shall include a requirement that the Michigan public health institute submit to financial and performance audits by the state auditor general of projects funded with state appropriations.

Sec. 223. The department may establish and collect fees for publications, videos and related materials, conferences, and workshops. Collected fees shall be used to offset expenditures to pay for printing and mailing costs of the publications, videos and related materials, and costs of the workshops and conferences. The department shall not collect fees under this section that exceed the cost of the expenditures.

Sec. 259. From the funds appropriated in part 1 for information technology, the department shall pay user fees to the department of information technology for technology-related services and projects. Such user fees shall be subject to provisions of an interagency agreement between the department and the department of information technology.

Sec. 260. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 261. Funds appropriated in part 1 for the Medicaid management information system upgrade are contingent upon approval of an advanced planning document from the centers for Medicare and Medicaid services. If the necessary matching funds are identified and legislatively transferred to this line item, the corresponding federal Medicaid revenue

shall be appropriated at a 90/10 federal/state match rate. This appropriation may be designated as a work project and carried forward to support completion of this project.

Sec. 264. (1) Upon submission of a Medicaid waiver, a Medicaid state plan amendment, or a similar proposal to the centers for Medicare and Medicaid services, the department shall notify the house and senate appropriations subcommittees on community health and the house and senate fiscal agencies of the submission.

(2) The department shall provide written or verbal quarterly reports to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies summarizing the status of any new or ongoing discussions with the centers for Medicare and Medicaid services or the federal department of health and human services regarding potential or future Medicaid waiver applications.

Sec. 265. 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.

Sec. 266. (1) Due to the current budgetary problems in this state, 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) If out-of-state travel is necessary but does not meet 1 or more of the conditions in subsection (1), the state budget director may grant an exception to allow the travel. Any exceptions granted by the state budget director shall be reported on a monthly basis to the house of representatives and senate standing committees on appropriations.

(3) Not later than January 1 of each year, each department shall prepare a travel report listing all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the senate and house standing committees on appropriations, the senate and house 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. 267. 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. 269. The amount appropriated in part 1 for medical services pharmaceutical services includes funds to cover reimbursement of mental health medications under the Medicaid program.

Sec. 270. Within 90 days after receipt of the notification from the attorney general's office of a legal action in which expenses had been recovered pursuant to section 106(4) of the social welfare act, 1939 PA 280, MCL 400.106, or any other statute under which the department has the right to recover expenses, the department shall submit a written report to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget office which includes, at a minimum, all of the following:

(a) The total amount recovered from the legal action.

(b) The program or service for which the money was originally expended.

(c) Details on the disposition of the funds recovered such as the appropriation or revenue account in which the money was deposited.

(d) A description of the facts involved in the legal action.

Sec. 271. (1) The department, in cooperation with a PIHP, a Medicaid HMO, or a federally qualified health center shall establish and implement an early mental health services intervention pilot project. This project shall provide care coordination, disease management, and pharmacy management to eligible recipients suffering from chronic disease, including, but not limited to, diabetes, asthma, substance addiction, or stroke. Participating organizations may make use of data sharing, joint information technology efforts, and financial incentives to health providers and recipients in this project. The department shall encourage that each CMHSP and Medicaid health plan act in a coordinated manner in the establishment of their respective electronic medical record systems.

(2) The pilot project shall make use of preestablished objectives and outcome measures to determine the cost effectiveness of the project. Participating organizations shall collect data to study and monitor the correlation between early mental health treatment services to program participants and improvement in the management of their chronic disease.

(3) The department shall request any necessary Medicaid state plan amendments or waivers to ensure participation in this project by eligible Medicaid recipients.

(4) A progress report on the pilot project shall be provided to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director no later than May 1 of the current fiscal year.

Sec. 272. (1) The department shall make efforts to implement the results of the study of current policies and allocation methodologies specified in section 272 of 2007 PA 123. These efforts to encourage administrative efficiencies shall apply to the following entities:

(a) Local public health departments.

(b) CMHSPs.

(c) Substance abuse coordinating agencies.

(d) Area agencies on aging.

(2) The department shall consult with at least the following applicable organizations in implementing the results of the study:

(a) The Michigan association of community mental health boards.

(b) The Michigan association for local public health.

(c) The Michigan association of substance abuse coordinating agencies.

(d) The area agencies on aging association of Michigan.

(3) The department shall submit a report on its efforts to implement the results of the study to the senate and house appropriations subcommittees on community health, the senate and house committees on health policy, the senate and house fiscal agencies, and the state budget director by April 1 of the current fiscal year.

Sec. 276. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those activities that the attorney general authorizes.

Sec. 282. (1) The department, through its organizational units responsible for departmental administration, operation, and finance, shall establish uniform definitions, standards, and instructions for the classification, allocation, assignment, calculation, recording, and reporting of administrative costs by the following entities:

(a) Coordinating agencies on substance abuse, Salvation Army harbor light program, and their subcontractors that receive payment or reimbursement from funds appropriated under section 104.

(b) Area agencies on aging and local providers, and their subcontractors that receive payment or reimbursement from funds appropriated under section 117.

(2) By May 15 of the current fiscal year, the department shall provide a written draft of its proposed definitions, standards, and instructions to the house of representatives and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director.

Sec. 284. 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 the 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.

Sec. 285. (1) By April 1 of the current fiscal year, the department shall expand its current prescription drug website to provide all of the following information:

(a) The 150 most commonly prescribed brand-name drug products under the Medicaid program and, if available, their generic equivalents.

(b) The most commonly prescribed brand-name drug products used for the treatment of all major illnesses and diseases, if not already included under subdivision (a), and, if available, their generic equivalents.

(c) The usual and customary price of each brand-name and generic prescription drug listed.

(d) The dosage, including the number of doses and dosage strength, on which the price is based.

(e) Names and addresses for the pharmacies associated with the listed prescription drugs.

(f) A minimum of 5 links to other useful websites that can provide assistance to consumers.

(g) The department's toll-free telephone number that residents of this state may call to determine which prescription drug programs they may be eligible for, including free and discounted prescription drug programs.

(h) An advisory statement alerting consumers of the need to tell their health professionals and pharmacists about all the medications they are taking so that they know how to avoid harmful interactions between medications.

(i) An advisory statement alerting consumers that the price posted for a listed drug product is only for the strength and quantity posted.

(j) A date stamp indicating the most recent date the usual and customary price of each brand-name and generic prescription drug listed was updated.

(k) A notation indicating a prescription drug price was corrected.

(2) The department shall provide a progress report on these efforts to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies by May 1 of the current fiscal year.

Sec. 286. From the funds appropriated in part 1, the department shall use an amount not to exceed $10,000.00 to develop, post, and maintain on a publicly accessible Internet site all expenditures made by the agency within a fiscal year. The department shall not be required to hire additional employees to comply with this section.

Sec. 287. Not later than December 1, 2010, the department shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the office of the state budget, the chairpersons of the senate and house appropriations committees, and the fiscal agencies.

Sec. 288. By April 1 of the current fiscal year, the department shall report to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director on the feasibility and impact of including antipsychotic prescriptions, net of actual rebates, into the actuarially sound capitation rates for the PIHPs. If this initiative is feasible, the report shall include a proposed implementation plan.

Sec. 291. From the funds appropriated in part 1, up to $100.00 shall be allocated for a cooperative effort between the department, the department of human services, and the department of state police to coordinate the functions of the state police LEIN system and the department of human services Bridges case management system. The purpose of this effort will be to provide usable data that will allow authorized users of the Bridges case management system to identify those persons who may be ineligible to receive certain assistance services due to their law enforcement status.

DEPARTMENTWIDE ADMINISTRATION

Sec. 301. From funds appropriated for worker's compensation, the department may make payments in lieu of worker's compensation payments for wage and salary and related fringe benefits for employees who return to work under limited duty assignments.

Sec. 303. The department shall not require first-party payment from individuals or families with a taxable income of $10,000.00 or less for mental health services for determinations made under section 818 of the mental health code, 1974 PA 258, MCL 330.1818.

MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION AND SPECIAL PROJECTS

Sec. 350. The department may enter into a contract with the protection and advocacy agency, authorized under section 931 of the mental health code, 1974 PA 258, MCL 330.1931, or a similar organization to provide legal services for purposes of gaining and maintaining occupancy in a community living arrangement that is under lease or contract with the department or a community mental health services program to provide services to persons with mental illness or developmental disability.

Sec. 351. The department shall provide $1,800,000.00 in Byrne justice assistance grant program funding to the judiciary by interdepartmental grant.

COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS

Sec. 401. Funds appropriated in part 1 are intended to support a system of comprehensive community mental health services under the full authority and responsibility of local CMHSPs or PIHPs. The department shall ensure that each CMHSP or PIHP provides all of the following:

(a) A system of single entry and single exit.

(b) A complete array of mental health services that includes, but is not limited to, all of the following services: residential and other individualized living arrangements, outpatient services, acute inpatient services, and long-term, 24-hour inpatient care in a structured, secure environment.

(c) The coordination of inpatient and outpatient hospital services through agreements with state-operated psychiatric hospitals, units, and centers in facilities owned or leased by the state, and privately-owned hospitals, units, and centers licensed by the state pursuant to sections 134 through 149b of the mental health code, 1974 PA 258, MCL 330.1134 to 330.1149b.

(d) Individualized plans of service that are sufficient to meet the needs of individuals, including those discharged from psychiatric hospitals or centers, and that ensure the full range of recipient needs is addressed through the CMHSP's or PIHP's program or through assistance with locating and obtaining services to meet these needs.

(e) A system of case management or care management to monitor and ensure the provision of services consistent with the individualized plan of services or supports.

(f) A system of continuous quality improvement.

(g) A system to monitor and evaluate the mental health services provided.

(h) A system that serves at-risk and delinquent youth as required under the provisions of the mental health code, 1974 PA 258, MCL 330.1001 to 330.2106.

Sec. 402. (1) From funds appropriated in part 1, final authorizations to CMHSPs or PIHPs shall be made upon the execution of contracts between the department and CMHSPs or PIHPs. The contracts shall contain an approved plan and budget as well as policies and procedures governing the obligations and responsibilities of both parties to the contracts. Each contract with a CMHSP or PIHP that the department is authorized to enter into under this subsection shall include a provision that the contract is not valid unless the total dollar obligation for all of the contracts between the department and the CMHSPs or PIHPs entered into under this subsection for the current fiscal year does not exceed the amount of money appropriated in part 1 for the contracts authorized under this subsection.

(2) The department shall immediately report to the senate and house appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director if either of the following occurs:

(a) Any new contracts with CMHSPs or PIHPs that would affect rates or expenditures are enacted.

(b) Any amendments to contracts with CMHSPs or PIHPs that would affect rates or expenditures are enacted.

(3) The report required by subsection (2) shall include information about the changes and their effects on rates and expenditures.

Sec. 403. (1) From the funds appropriated in part 1 for multicultural services, the department shall ensure that CMHSPs or PIHPs meet with multicultural service providers to develop a workable framework for contracting, service delivery, and reimbursement.

(2) Funds appropriated in part 1 for multicultural services shall not be utilized for services provided to illegal immigrants, fugitive felons, and people who are not residents of this state. The department shall modify contracts with recipients of multicultural services grants to mandate that grantees establish that recipients of services are legally residing in the United States. An exception to the contractual provision will be allowed to address persons presenting with emergent mental health conditions.

(3) The department shall require an annual report from the independent organizations that receive multicultural services funding. The annual report shall include specific information on services and programs provided, the client base to which the services and programs were provided, and the expenditures for those services. The department shall provide the annual reports to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies.

Sec. 404. (1) Not later than May 31 of the current fiscal year, the department shall provide a report on the community mental health services programs to the members of the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director that includes the information required by this section.

(2) The report shall contain information for each CMHSP or PIHP and a statewide summary, each of which shall include at least the following information:

(a) A demographic description of service recipients which, minimally, shall include reimbursement eligibility, client population, age, ethnicity, housing arrangements, and diagnosis.

(b) Per capita expenditures by client population group.

(c) Financial information that, minimally, includes a description of funding authorized; expenditures by client group and fund source; and cost information by service category, including administration. Service category includes all department-approved services.

(d) Data describing service outcomes that includes, but is not limited to, an evaluation of consumer satisfaction, consumer choice, and quality of life concerns including, but not limited to, housing and employment.

(e) Information about access to community mental health services programs that includes, but is not limited to, the following:

(*i*) The number of people receiving requested services.

(*ii*) The number of people who requested services but did not receive services.

(f) The number of second opinions requested under the code and the determination of any appeals.

(g) An analysis of information provided by CMHSPs in response to the needs assessment requirements of the mental health code, 1974 PA 258, MCL 330.1001 to 330.2106, including information about the number of persons in the service delivery system who have requested and are clinically appropriate for different services.

(h) Lapses and carryforwards during the immediately preceding fiscal year for CMHSPs or PIHPs.

(i) Information about contracts for mental health services entered into by CMHSPs or PIHPs with providers, including, but not limited to, all of the following:

(*i*) The amount of the contract, organized by type of service provided.

(*ii*) Payment rates, organized by the type of service provided.

(*iii*) Administrative costs for services provided to CMHSPs or PIHPs.

(j) Information on the community mental health Medicaid managed care program, including, but not limited to, both of the following:

(*i*) Expenditures by each CMHSP or PIHP organized by Medicaid eligibility group, including per eligible individual expenditure averages.

(*ii*) Performance indicator information required to be submitted to the department in the contracts with CMHSPs or PIHPs.

(k) An estimate of the number of direct care workers in local residential settings and paraprofessional and other nonprofessional direct care workers in settings where skill building, community living supports and training, and personal care services are provided by CMHSPs or PIHPs as of September 30 of the prior fiscal year employed directly or through contracts with provider organizations.

(3) The department shall include data reporting requirements listed in subsection (2) in the annual contract with each individual CMHSP or PIHP.

(4) The department shall take all reasonable actions to ensure that the data required are complete and consistent among all CMHSPs or PIHPs.

Sec. 405. (1) It is the intent of the legislature that the employee wage pass-through funded in previous years to the community mental health services programs for direct care workers in local residential settings and for paraprofessional and other nonprofessional direct care workers in settings where skill building, community living supports and training, and personal care services are provided shall continue to be paid to direct care workers.

(2) Each CMHSP awarded wage pass-through money from the funds established under subsection (1) shall report on the actual expenditures of the money in the format determined by the department.

Sec. 406. (1) The funds appropriated in part 1 for the state disability assistance substance abuse services program shall be used to support per diem room and board payments in substance abuse residential facilities. Eligibility of clients for the state disability assistance substance abuse services program shall include needy persons 18 years of age or older, or emancipated minors, who reside in a substance abuse treatment center.

(2) The department shall reimburse all licensed substance abuse programs eligible to participate in the program at a rate equivalent to that paid by the department of human services to adult foster care providers. Programs accredited by department-approved accrediting organizations shall be reimbursed at the personal care rate, while all other eligible programs shall be reimbursed at the domiciliary care rate.

Sec. 407. (1) The amount appropriated in part 1 for substance abuse prevention, education, and treatment grants shall be expended for contracting with coordinating agencies. Coordinating agencies shall work with CMHSPs or PIHPs to coordinate care and services provided to individuals with severe and persistent mental illness and substance abuse diagnoses.

(2) The department shall approve a fee schedule for providing substance abuse services and charge participants in accordance with their ability to pay.

(3) It is the intent of the legislature that the coordinating agencies continue current efforts to collaborate on the delivery of services to those clients with severe and persistent mental illness and substance abuse diagnoses.

(4) Coordinating agencies that are located completely within the boundary of a PIHP shall conduct a study of the administrative costs and efficiencies associated with consolidation with that PIHP. If that coordinating agency realizes an administrative cost savings of 5% or greater of their current costs, then that coordinating agency shall initiate discussions regarding a potential merger in accordance with section 6226 of the public health code, 1978 PA 368, MCL 333.6226.

(5) From the funds appropriated in part 1 for community substance abuse prevention, education, and treatment programs, $100.00 shall be used to fund medically necessary medications prescribed by a physician for the treatment of alcoholism and other substance abuse disorders.

(6) From the funds appropriated in part 1 for community substance abuse prevention, education, and treatment programs, $300,000.00 shall be used to establish a methadone/buprenorphine clinic in a county with a population less than 35,000. The department shall work with a local substance abuse coordinating agency to develop the clinic. The coordinating agency shall serve at least 25 counties.

(7) Effective April 1, 2010, only PIHPs shall be considered substance abuse coordinating agencies for purposes of reimbursement with funds appropriated in part 1.

Sec. 408. (1) By April 15 of the current fiscal year, the department shall report the following data from the prior fiscal year on substance abuse prevention, education, and treatment programs to the senate and house appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget office:

(a) Expenditures stratified by coordinating agency, by central diagnosis and referral agency, by fund source, by subcontractor, by population served, and by service type. Additionally, data on administrative expenditures by coordinating agency shall be reported.

(b) Expenditures per state client, with data on the distribution of expenditures reported using a histogram approach.

(c) Number of services provided by central diagnosis and referral agency, by subcontractor, and by service type. Additionally, data on length of stay, referral source, and participation in other state programs.

(d) Collections from other first- or third-party payers, private donations, or other state or local programs, by coordinating agency, by subcontractor, by population served, and by service type.

(2) The department shall take all reasonable actions to ensure that the required data reported are complete and consistent among all coordinating agencies.

Sec. 409. The funding in part 1 for substance abuse services shall be distributed in a manner that provides priority to service providers that furnish child care services to clients with children.

Sec. 410. The department shall assure that substance abuse treatment is provided to applicants and recipients of public assistance through the department of human services who are required to obtain substance abuse treatment as a condition of eligibility for public assistance.

Sec. 411. (1) The department shall ensure that each contract with a CMHSP or PIHP requires the CMHSP or PIHP to implement programs to encourage diversion of persons with serious mental illness, serious emotional disturbance, or developmental disability from possible jail incarceration when appropriate.

(2) Each CMHSP or PIHP shall have jail diversion services and shall work toward establishing working relationships with representative staff of local law enforcement agencies, including county prosecutors' offices, county sheriffs' offices, county jails, municipal police agencies, municipal detention facilities, and the courts. Written interagency agreements describing what services each participating agency is prepared to commit to the local jail diversion effort and the procedures to be used by local law enforcement agencies to access mental health jail diversion services are strongly encouraged.

Sec. 412. The department shall contract directly with the Salvation Army harbor light program to provide non-Medicaid substance abuse services.

Sec. 414. Medicaid substance abuse treatment services shall be managed by selected PIHPs pursuant to the centers for Medicare and Medicaid services' approval of Michigan's 1915(b) waiver request to implement a managed care plan for specialized substance abuse services. The selected PIHPs shall receive a capitated payment on a per eligible per month basis to assure provision of medically necessary substance abuse services to all beneficiaries who require those services. The selected PIHPs shall be responsible for the reimbursement of claims for specialized substance abuse services. The PIHPs that are not coordinating agencies may continue to contract with a coordinating agency. Any alternative arrangement must be based on client service needs and have prior approval from the department.

Sec. 418. On or before the tenth of each month, the department shall report to the senate and house appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director on the amount of funding paid to PIHPs to support the Medicaid managed mental health care program in the preceding month. The information shall include the total paid to each PIHP, per capita rate paid for each eligibility group for each PIHP, and number of cases in each eligibility group for each PIHP, and year-to-date summary of eligibles and expenditures for the Medicaid managed mental health care program.

Sec. 424. Each PIHP that contracts with the department to provide services to the Medicaid population shall adhere to the following timely claims processing and payment procedure for claims submitted by health professionals and facilities:

(a) A "clean claim" as described in section 111i of the social welfare act, 1939 PA 280, MCL 400.111i, shall be paid within 45 days after receipt of the claim by the PIHP. A clean claim that is not paid within this time frame shall bear simple interest at a rate of 12% per annum.

(b) A PIHP must state in writing to the health professional or facility any defect in the claim within 30 days after receipt of the claim.

(c) A health professional and a health facility have 30 days after receipt of a notice that a claim or a portion of a claim is defective within which to correct the defect. The PIHP shall pay the claim within 30 days after the defect is corrected.

Sec. 428. Each PIHP shall provide, from internal resources, local funds to be used as a bona fide part of the state match required under the Medicaid program in order to increase capitation rates for PIHPs. These funds shall not include either state funds received by a CMHSP for services provided to non-Medicaid recipients or the state matching portion of the Medicaid capitation payments made to a PIHP.

Sec. 435. A county required under the provisions of the mental health code, 1974 PA 258, MCL 330.1001 to 330.2106, to provide matching funds to a CMHSP for mental health services rendered to residents in its jurisdiction shall pay the matching funds in equal installments on not less than a quarterly basis throughout the fiscal year, with the first payment being made by October 1 of the current fiscal year.

Sec. 442. (1) It is the intent of the legislature that the $40,000,000.00 in funding transferred from the community mental health non-Medicaid services line to support the Medicaid adult benefits waiver program shall be used to provide state match for increases in federal funding for primary care and specialty services provided to Medicaid adult benefits waiver enrollees and for economic increases for the Medicaid specialty services and supports program.

(2) The department shall assure that persons enrolled in the Medicaid adult benefits waiver program shall receive mental health services as approved in the state plan amendment.

(3) Capitation payments to CMHSPs for persons who become enrolled in the Medicaid adult benefits waiver program shall be made using the same rate methodology as payments for the current Medicaid beneficiaries.

(4) If enrollment in the Medicaid adult benefits waiver program does not achieve expectations and the funding appropriated for the Medicaid adult benefits waiver program for specialty services is not expended, the general fund balance shall be transferred back to the community mental health non-Medicaid services line. The department shall report quarterly to the senate and house appropriations subcommittees on community health a summary of eligible expenditures for the Medicaid adult benefits waiver program by CMHSPs.

Sec. 452. Unless otherwise authorized by law, the department shall not implement retroactively any policy that would lead to a negative financial impact on CMHSPs or PIHPs.

Sec. 456. (1) CMHSPs and PIHPs shall honor consumer choice to the fullest extent possible when providing services and support programs for individuals with mental illness, developmental disabilities, or substance abuse issues. Consumer choices shall include skill-building assistance, rehabilitative and habilitative services, supported and integrated employment services program settings, and other work preparatory services provided in the community or by accredited community-based rehabilitation organizations. CMHSPs and PIHPs shall not arbitrarily eliminate or restrict any choices from the array of services and program settings available to consumers without reasonable justification that those services are not in the consumer's best interest.

(2) CMHSPs and PIHPs shall take all necessary steps to ensure that individuals with mental illness, developmental disabilities, or substance abuse issues be placed in the least restrictive setting in the quickest amount of time possible if it is the individual's choice.

Sec. 458. By April 15 of the current fiscal year, the department shall provide each of the following to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director:

(a) An updated plan for implementing each of the recommendations of the Michigan mental health commission made in the commission's report dated October 15, 2004.

(b) A report that evaluates the cost-benefit of establishing secure residential facilities of fewer than 17 beds for adults with serious mental illness, modeled after such programming in Oregon or other states. This report shall examine the potential impact that utilization of secure residential facilities would have upon the state's need for adult mental health facilities.

(c) In conjunction with the state court administrator's office, a report that evaluates the cost-benefit of establishing a specialized mental health court program that diverts adults with serious mental illness alleged to have committed an offense deemed nonserious into treatment prior to the filing of any charges.

Sec. 460. (1) The uniform definitions, standards, and instructions for the classification, allocation, assignment, calculation, recording, and reporting of administrative costs by PIHPs, CMHSPs, and contracted organized provider systems that receive payment or reimbursement from funds appropriated under section 104 that were implemented in fiscal year 2006-2007 by the department shall also be implemented for their subcontractors in fiscal year 2009-2010, and shall be consistent with Internal Revenue Service 990 and Office of Management and Budget A-87 guidelines.

(2) The department shall provide the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director with a progress report on the implementation required under subsection (1). The progress report is due on July 1 of the current fiscal year.

Sec. 462. By October 15 of the current fiscal year, the department shall report to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director the funding formula and allocations for all CMHSPs that receive funds appropriated under the community mental health non-Medicaid services line. The report shall include a comparison of the current fiscal year allocation to the prior fiscal year allocation and describe the factors used in the funding formula to achieve an equitable distribution of funds.

Sec. 463. The department shall use standard program evaluation measures to assess the overall effectiveness of programs provided through coordinating agencies and service providers in reducing and preventing the incidence of substance abuse. The measures established by the department shall be modeled after the program outcome measures and best practice guidelines for the treatment of substance abuse as proposed by the federal substance abuse and mental health services administration.

Sec. 468. To foster a more efficient administration of and to integrate care in publicly funded mental health and substance abuse services, the department shall maintain criteria for the incorporation of a city, county, or regional substance abuse coordinating agency into a local community mental health authority that will encourage those city, county, or regional coordinating agencies to incorporate as local community mental health authorities. If necessary, the department may make accommodations or adjustments in formula distribution to address administrative costs related to the maintenance of the criteria under this section and to the incorporation of the additional coordinating agencies into local community mental health authorities provided that all of the following are satisfied:

(a) The department provides funding for the administrative costs incurred by coordinating agencies incorporating into community mental health authorities. The department shall not provide more than $75,000.00 to any coordinating agency for administrative costs.

(b) The accommodations or adjustments do not favor coordinating agencies who voluntarily elect to integrate with local community mental health authorities.

(c) The accommodations or adjustments do not negatively affect other coordinating agencies.

Sec. 470. (1) For those substance abuse coordinating agencies that have voluntarily incorporated into community mental health authorities and accepted funding from the department for administrative costs incurred pursuant to section 468, the department shall establish written expectations for those CMHSPs, PIHPs, and substance abuse coordinating agencies and counties with respect to the integration of mental health and substance abuse services. At a minimum, the written expectations shall provide for the integration of those services as follows:

(a) Coordination and consolidation of administrative functions and redirection of efficiencies into service enhancements.

(b) Consolidation of points of 24-hour access for mental health and substance abuse services in every community.

(c) Alignment of coordinating agencies and PIHPs boundaries to maximize opportunities for collaboration and integration of administrative functions and clinical activities.

(2) By May 1 of the current fiscal year, the department shall report to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget office on the impact and effectiveness of this section and the status of the integration of mental health and substance abuse services.

Sec. 474. The department shall ensure that each contract with a CMHSP or PIHP requires the CMHSP or PIHP to provide each recipient and his or her family with information regarding the different types of guardianship and the alternatives to guardianship. A CMHSP or PIHP shall not, in any manner, attempt to reduce or restrict the ability of a recipient or his or her family from seeking to obtain any form of legal guardianship without just cause.

Sec. 480. The department shall provide to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies by March 30 of the current fiscal year a report on the number and reimbursement cost of atypical antipsychotic prescriptions by each PIHP for Medicaid beneficiaries.

Sec. 482. From the funds appropriated in part 1, the department shall continue funding for programs provided by Odyssey house.

Sec. 483. (1) A Medicaid recipient shall remain eligible and a qualifying applicant shall be determined eligible for medical assistance during a period of incarceration or detention. Medicaid coverage is limited during such a period to off-site inpatient hospitalization only.

(2) A Medicaid recipient is considered incarcerated or detained until released on bail, released as not guilty, released on parole, released on probation, released on pardon, released upon completing a sentence, or released under home detention or tether.

Sec. 489. The department shall work with the Michigan association of community mental health boards and individual CMHSPs in an effort to mitigate necessary reductions to the community mental health non-Medicaid services line by seeking alternative funding sources.

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

Sec. 601. (1) In funding of staff in the financial support division, reimbursement, and billing and collection sections, priority shall be given to obtaining third-party payments for services. Collection from individual recipients of services and their families shall be handled in a sensitive and nonharassing manner.

(2) The department shall continue a revenue recapture project to generate additional revenues from third parties related to cases that have been closed or are inactive. Revenues collected through project efforts are appropriated to the department for departmental costs and contractual fees associated with these retroactive collections and to improve ongoing departmental reimbursement management functions.

Sec. 602. Unexpended and unencumbered amounts and accompanying expenditure authorizations up to $1,000,000.00 remaining on September 30 of the current fiscal year from the amounts appropriated in part 1 for gifts and bequests for patient living and treatment environments shall be carried forward for 1 fiscal year. The purpose of gifts and bequests for patient living and treatment environments is to use additional private funds to provide specific enhancements for individuals residing at state-operated facilities. Use of the gifts and bequests shall be consistent with the stipulation

of the donor. The expected completion date for the use of gifts and bequests donations is within 3 years unless otherwise stipulated by the donor.

Sec. 603. The funds appropriated in part 1 for forensic mental health services provided to the department of corrections are in accordance with the interdepartmental plan developed in cooperation with the department of corrections. The department is authorized to receive and expend funds from the department of corrections in addition to the appropriations in part 1 to fulfill the obligations outlined in the interdepartmental agreements.

Sec. 604. (1) The CMHSPs or PIHPs shall provide annual reports to the department on the following information:

(a) The number of days of care purchased from state hospitals and centers.

(b) The number of days of care purchased from private hospitals in lieu of purchasing days of care from state hospitals and centers.

(c) The number and type of alternative placements to state hospitals and centers other than private hospitals.

(d) Waiting lists for placements in state hospitals and centers.

(2) The department shall annually report the information in subsection (1) to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director.

Sec. 605. (1) The department shall not implement any closures or consolidations of state hospitals, centers, or agencies until CMHSPs or PIHPs have programs and services in place for those persons currently in those facilities and a plan for service provision for those persons who would have been admitted to those facilities.

(2) All closures or consolidations are dependent upon adequate department-approved CMHSP and PIHP plans that include a discharge and aftercare plan for each person currently in the facility. A discharge and aftercare plan shall address the person's housing needs. A homeless shelter or similar temporary shelter arrangements are inadequate to meet the person's housing needs.

(3) Four months after the certification of closure required in section 19(6) of the state employees' retirement act, 1943 PA 240, MCL 38.19, the department shall provide a closure plan to the house and senate appropriations subcommittees on community health and the state budget director.

(4) Upon the closure of state-run operations and after transitional costs have been paid, the remaining balances of funds appropriated for that operation shall be transferred to CMHSPs or PIHPs responsible for providing services for persons previously served by the operations.

Sec. 606. The department may collect revenue for patient reimbursement from first- and third-party payers, including Medicaid and local county CMHSP payers, to cover the cost of placement in state hospitals and centers. The department is authorized to adjust financing sources for patient reimbursement based on actual revenues earned. If the revenue collected exceeds current year expenditures, the revenue may be carried forward with approval of the state budget director. The revenue carried forward shall be used as a first source of funds in the subsequent year.

Sec. 608. By March 1, 2010, the department shall update the figures contained in the January 1, 2009 report and, in consultation with the department of management and budget, shall establish and implement a bid process to identify 1 or more private contractors to provide food service and custodial services or otherwise implement opportunities to reduce these costs at those state hospitals identified in the updated report as capable of generating savings through the outsourcing of such services.

Sec. 609. The department shall continue to ban the use of all tobacco products in and on the grounds of state psychiatric facilities. As used in this section, "tobacco product" means a product that contains tobacco and is intended for human consumption, including, but not limited to, cigarettes, noncigarette smoking tobacco, or smokeless tobacco, as those terms are defined in section 2 of the tobacco products tax act, 1993 PA 327, MCL 205.422, and cigars.

Sec. 610. (1) The department shall make every effort to minimize job losses due to any reductions in force or closing of facilities by placing those employees displaced by the reduction or closing within other positions within the department or, to the extent applicable, within other positions in another state department and by encouraging CMHSPs to hire those employees displaced by the reduction or closing.

(2) It is the intent of the legislature that employees displaced by any reductions in force or closing of facilities who are not placed within other positions in the department or hired by a CMHSP be given priority in state programs for job retraining or education, such as the no worker left behind program.

PUBLIC HEALTH ADMINISTRATION

Sec. 650. The department shall communicate the annual public health consumption advisory for sportfish. The department shall, at a minimum, post the advisory on the Internet and make the information in the advisory available to the clients of the women, infants, and children special supplemental nutrition program.

Sec. 651. By April 30 of the current fiscal year, the department shall submit a report to the house and senate fiscal agencies and the state budget director on the activities and efforts of the department to improve the health status of the citizens of this state with regard to the goals and objectives stated in the "Healthy Michigan 2010" report, and the measurable progress made toward those goals and objectives.

HEALTH POLICY, REGULATION, AND PROFESSIONS

Sec. 704. The department shall continue to contract with grantees supported through the appropriation in part 1 for the emergency medical services grants and contracts to ensure that a sufficient number of qualified emergency medical services personnel exist to serve rural areas of the state.

Sec. 706. When hiring any new nursing home inspectors funded through appropriations in part 1, the department shall make every effort to hire qualified individuals with past experience in the long-term care industry.

Sec. 707. The funds appropriated in part 1 for the nursing scholarship program, established in section 16315 of the public health code, 1978 PA 368, MCL 333.16315, shall be used to increase the number of nurses practicing in Michigan. The board of nursing is encouraged to structure scholarships funded under this act in a manner that rewards recipients who intend to practice nursing in Michigan. In addition, the department and the board of nursing shall work cooperatively with the Michigan higher education assistance authority to coordinate scholarship assistance with scholarships provided pursuant to the Michigan nursing scholarship act, 2002 PA 591, MCL 390.1181 to 390.1189.

Sec. 708. Nursing facilities shall report in the quarterly staff report to the department, the total patient care hours provided each month, by state licensure and certification classification, and the percentage of pool staff, by state licensure and certification classification, used each month during the preceding quarter. The department shall make available to the public, the quarterly staff report compiled for all facilities including the total patient care hours and the percentage of pool staff used, by classification.

Sec. 709. The funds appropriated in part 1 for the Michigan essential health care provider program may also provide loan repayment for dentists that fit the criteria established by part 27 of the public health code, 1978 PA 368, MCL 333.2701 to 333.2727.

Sec. 710. From the funds appropriated in part 1 for primary care services, an amount not to exceed $2,172,700.00 is appropriated to enhance the service capacity of the federally qualified health centers and other health centers that are similar to federally qualified health centers.

Sec. 711. The department may make available to interested entities customized listings of nonconfidential information in its possession, such as names and addresses of licensees. The department may establish and collect a reasonable charge to provide this service. The revenue received from this service shall be used to offset expenses to provide the service. Any balance of this revenue collected and unexpended at the end of the fiscal year shall revert to the appropriate restricted fund.

Sec. 712. From the funds appropriated in part 1 for primary care services, $250,000.00 shall be allocated to free health clinics operating in the state. The department shall distribute the funds equally to each free health clinic. For the purpose of this appropriation, free health clinics are nonprofit organizations that use volunteer health professionals to provide care to uninsured individuals.

Sec. 713. The department is directed to continue support of multicultural agencies that provide primary care services from the funds appropriated in part 1.

Sec. 714. The department shall report by April 1 of the current fiscal year to the legislature on the timeliness of nursing facility complaint investigations and the number of allegations that are substantiated on an annual basis. The report shall consist of the number of allegations filed by consumers and the number of facility-reported incidents. The department shall make every effort to contact every complainant and the subject of a complaint during an investigation.

Sec. 716. The department shall give priority in investigations of alleged wrongdoing by licensed health care professionals to instances that are alleged to have occurred within 2 years of the initial complaint.

Sec. 718. The department shall gather information on its most frequently cited complaint deficiencies for the prior 3 fiscal years. The department shall determine whether there is an increase in the number of citations from 1 year to the next and assess the cause of the increase, if any, and whether education and training of nursing facility staff or department staff is needed. The department will implement any training indicated by the study. The department shall provide the results of the study to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies by May 1 of the current fiscal year.

Sec. 720. From the funds appropriated in part 1 for primary care services, $75,000.00 shall be allocated to the Helen M. Nickless volunteer clinic in Bay City.

Sec. 722. A medical professional who is newly accepted into the Michigan essential health provider program in fiscal year 2008-2009 is eligible for 4 years of loan repayments.

Sec. 724. From the funds appropriated in part 1 for emergency medical services program state staff, up to $100.00 may be allocated for the development of a coordinated statewide trauma care system.

Sec. 725. From the funds appropriated in part 1 for rural health services, up to $100.00 may be allocated to support rural health improvement as identified in "Michigan Strategic Opportunities for Rural Health Improvement, A State Rural Health Plan 2008-2012". The department shall make these funds available to rural and micropolitan communities under a competitive bid process. The department shall not allocate more than $5,000.00 to each rural or micropolitan community under this section. The department shall not allocate funds appropriated under this section unless a 50/50 state and local match rate has occurred. The department shall submit a report to the house and senate appropriations subcommittees on community health, house and senate fiscal agencies, and state budget director by April 1 of the current fiscal year on the projects supported by this allocation.

Sec. 726. (1) The department shall submit a report to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director, on an annual basis, that includes all data on the amount collected from medical marihuana program application and renewal fees along with the cost of administering the medical marihuana program under the Michigan medical marihuana act, 2008 IL 1, MCL 333.26421 to 333.26430.

(2) If the required fees are shown to be insufficient to offset all expenses of implementing and administering the medical marihuana program, the department shall review and revise the application and renewal fees accordingly to ensure that all expenses of implementing and administering the medical marihuana program are offset as is permitted under section 5 of the Michigan medical marihuana act, 2008 IL 1, MCL 333.26425.

Sec. 727. By March 1 of the current fiscal year, the department shall report to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director on the feasibility and cost of outsourcing the medical marihuana program. The report shall include the current projected annual cost of the program and the current projected annual fee revenue. If the report identifies privatization savings of 10% or greater and privatization is allowable under the Michigan medical marihuana act, 2008 IL 1, MCL 333.26421 to 333.26430, the department, in consultation with the department of management and budget, shall establish and implement a bid process to identify a private or public contractor to provide management of the medical marihuana program.

INFECTIOUS DISEASE CONTROL

Sec. 801. In the expenditure of funds appropriated in part 1 for AIDS programs, the department and its subcontractors shall ensure that high-risk individuals ages 9 through 18 receive priority for prevention, education, and outreach services.

Sec. 803. The department shall continue the AIDS drug assistance program maintaining the prior year eligibility criteria and drug formulary. This section does not prohibit the department from providing assistance for improved AIDS treatment medications. If the appropriation in part 1 or actual revenue is not sufficient to maintain the prior year eligibility criteria and drug formulary, the department may revise the eligibility criteria and drug formulary in a manner that is consistent with federal program guidelines.

Sec. 804. The department, in conjunction with efforts to implement the Michigan prisoner reentry initiative, shall cooperate with the department of corrections to share data and information as they relate to prisoners being released who are HIV positive or positive for the hepatitis C antibody.

EPIDEMIOLOGY

Sec. 851. The department shall provide a report annually to the house and senate appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director on the expenditures and activities undertaken by the lead abatement program. The report shall include, but is not limited to, a funding allocation schedule, expenditures by category of expenditure and by subcontractor, revenues received, description of program elements, and description of program accomplishments and progress.

LOCAL HEALTH ADMINISTRATION AND GRANTS

Sec. 901. The amount appropriated in part 1 for implementation of the 1993 additions of or amendments to sections 9161, 16221, 16226, 17014, 17015, and 17515 of the public health code, 1978 PA 368, MCL 333.9161, 333.16221, 333.16226, 333.17014, 333.17015, and 333.17515, shall reimburse local health departments for costs incurred related to implementation of section 17015(18) of the public health code, 1978 PA 368, MCL 333.17015.

Sec. 902. If a county that has participated in a district health department or an associated arrangement with other local health departments takes action to cease to participate in such an arrangement after October 1 of the current fiscal year, the department shall have the authority to assess a penalty from the local health department's operational accounts in an amount equal to no more than 6.25% of the local health department's local public health operations funding. This penalty shall only be assessed to the local county that requests the dissolution of the health department.

Sec. 904. (1) Funds appropriated in part 1 for local public health operations shall be prospectively allocated to local health departments to support immunizations, infectious disease control, sexually transmitted disease control and prevention, hearing screening, vision services, food protection, public water supply, private groundwater supply, and on-site sewage management. Food protection shall be provided in consultation with the Michigan department of agriculture. Public water supply, private groundwater supply, and on-site sewage management shall be provided in consultation with the Michigan department of environmental quality.

(2) Local public health departments shall be held to contractual standards for the services in subsection (1).

(3) Distributions in subsection (1) shall be made only to counties that maintain local spending in the current fiscal year of at least the amount expended in fiscal year 1992-1993 for the services described in subsection (1).

(4) By April 1 of the current fiscal year, the department shall make available a report to the senate and house appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director on the planned allocation of the funds appropriated for local public health operations.

CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION

Sec. 1003. Funds appropriated in part 1 for the Alzheimer's information network shall be used to provide information and referral services through regional networks for persons with Alzheimer's disease or related disorders, their families, and health care providers.

Sec. 1006. (1) In spending the funds appropriated in part 1 for the smoking prevention program, priority shall be given to prevention and smoking cessation programs for pregnant women, women with young children, and adolescents.

(2) For purposes of complying with 2004 PA 164, $365,000.00 of the funds appropriated in part 1 for the smoking prevention program shall be used for the quit kit program that includes the nicotine patch or nicotine gum.

Sec. 1007. (1) The funds appropriated in part 1 for violence prevention shall be used for, but not be limited to, the following:

(a) Programs aimed at the prevention of spouse, partner, or child abuse and rape.

(b) Programs aimed at the prevention of workplace violence.

(2) In awarding grants from the amounts appropriated in part 1 for violence prevention, the department shall give equal consideration to public and private nonprofit applicants.

(3) From the funds appropriated in part 1 for violence prevention, the department may include local school districts as recipients of the funds for family violence prevention programs.

Sec. 1008. From the funds appropriated in part 1 for the diabetes and kidney program, the department may allocate up to $25,000.00 for a diabetes management pilot project in Muskegon County.

Sec. 1009. From the funds appropriated in part 1 for the diabetes and kidney program, a portion of the funds may be allocated to the National Kidney Foundation of Michigan for kidney disease prevention programming including early identification and education programs and kidney disease prevention demonstration projects.

Sec. 1019. From the funds appropriated in part 1 for chronic disease prevention, $50,000.00 may be allocated for stroke prevention, education, and outreach. The objectives of the program shall include education to assist persons in identifying risk factors, and education to assist persons in the early identification of the occurrence of a stroke in order to minimize stroke damage.

Sec. 1028. Contingent on the availability of state restricted healthy Michigan fund money or federal preventive health and health services block grant fund money, funds may be appropriated for the African-American male health initiative.

Sec. 1031. (1) From the funds appropriated in part 1 for the injury control intervention project, $200,000.00 shall be used to continue 2 incentive-based pilot programs for level I and level II trauma hospitals to ensure greater state utilization of an interactive, evidence-based treatment guideline model for traumatic brain injury.

(2) One pilot program shall be placed in a county with a population of less than 225,000. The other pilot program shall be placed in a county with a population over 1,000,000.

FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES

Sec. 1101. The department shall review the basis for the distribution of funds to local health departments and other public and private agencies for the women, infants, and children food supplement program; family planning; and prenatal care outreach and service delivery support program and indicate the basis upon which any projected underexpenditures by local public and private agencies shall be reallocated to other local agencies that demonstrate need.

Sec. 1104. (1) Before April 1 of the current fiscal year, the department shall submit a report to the house and senate fiscal agencies and the state budget director on planned allocations from the amounts appropriated in part 1 for local MCH services, prenatal care outreach and service delivery support, family planning local agreements, and pregnancy prevention programs. Using applicable federal definitions, the report shall include information on all of the following:

(a) Funding allocations.

(b) Actual number of women, children, and/or adolescents served and amounts expended for each group for the immediately preceding fiscal year.

(c) A breakdown of the expenditure of these funds between urban and rural communities.

(2) The department shall ensure that the distribution of funds through the programs described in subsection (1) takes into account the needs of rural communities.

(3) For the purposes of this section, "rural" means a county, city, village, or township with a population of 30,000 or less, including those entities if located within a metropolitan statistical area.

Sec. 1105. For all family, maternal, and children's health services programs for which an appropriation is made in part 1, the department shall contract with those local agencies best able to serve clients. Factors to be used by the department in evaluating agencies under this section include the ability to serve high-risk population groups; ability to provide access to individuals in need of services in rural communities; ability to serve low-income clients, where applicable; availability of, and access to, service sites; management efficiency; and ability to meet federal standards, when applicable.

Sec. 1106. Each family planning program receiving federal title X family planning funds under 42 USC 300 to 300a-8 shall be in compliance with all performance and quality assurance indicators that the office of family planning within the

United States department of health and human services specifies in the family planning annual report. An agency not in compliance with the indicators shall not receive supplemental or reallocated funds.

Sec. 1107. (1) Of the amount appropriated in part 1 for prenatal care outreach and service delivery support, not more than 9% shall be expended for local administration, data processing, and evaluation.

(2) The department shall provide to the senate and house appropriations subcommittees on community health, senate and house fiscal agencies, and state budget director a report by March 30 of the current fiscal year that contains all of the following:

(a) The total allocation of state resources made to each recipient agency by individual program and administration.

(b) Detail expenditure by each recipient agency by individual program and administration including both state-funded resources and locally funded resources.

Sec. 1108. The funds appropriated in part 1 for pregnancy prevention programs shall not be used to provide abortion counseling, referrals, or services.

Sec. 1109. (1) From the amounts appropriated in part 1 for dental programs, funds shall be allocated to the Michigan dental association for the administration of a volunteer dental program that provides dental services to the uninsured.

(2) Not later than December 1 of the current fiscal year, the department shall report to the senate and house appropriations subcommittees on community health and the senate and house standing committees on health policy the number of individual patients treated, number of procedures performed, and approximate total market value of those procedures from the immediately preceding fiscal year.

Sec. 1110. Agencies that currently receive pregnancy prevention funds and either receive or are eligible for other family planning funds shall have the option of receiving all of their family planning funds directly from the department and be designated as delegate agencies.

Sec. 1111. The department shall allocate no less than 88% of the funds appropriated in part 1 for family planning local agreements and the pregnancy prevention program for the direct provision of family planning/pregnancy prevention services.

Sec. 1112. From the funds appropriated in part 1 for prenatal care outreach and service delivery support, the department shall allocate at least $1,000,000.00 to communities with high infant mortality rates.

Sec. 1129. The department shall provide a report annually to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director on the number of children with elevated blood lead levels from information available to the department. The report shall provide the information by county, shall include the level of blood lead reported, and shall indicate the sources of the information.

Sec. 1133. The department shall release infant mortality rate data to all local public health departments 72 hours or more before releasing infant mortality rate data to the public.

Sec. 1135. (1) Provision of the school health education curriculum, such as the Michigan model or another comprehensive school health education curriculum, shall be in accordance with the health education goals established by the Michigan model for comprehensive school health education state steering committee. The state steering committee shall be comprised of a representative from each of the following offices and departments:

(a) The department of education.

(b) The department of community health.

(c) The health administration in the department of community health.

(d) The bureau of mental health and substance abuse services in the department of community health.

(e) The department of human services.

(f) The department of state police.

(2) Upon written or oral request, a pupil not less than 18 years of age or a parent or legal guardian of a pupil less than 18 years of age, within a reasonable period of time after the request is made, shall be informed of the content of a course in the health education curriculum and may examine textbooks and other classroom materials that are provided to the pupil or materials that are presented to the pupil in the classroom. This subsection does not require a school board to permit pupil or parental examination of test questions and answers, scoring keys, or other examination instruments or data used to administer an academic examination.

Sec. 1137. From the funds appropriated in part 1 for special projects, up to $100.00 may be allocated to support an Alzheimer's disease patient care training program involving a community college and a retirement community.

Sec. 1138. From the funds appropriated in part 1 for special projects, up to $100.00 shall be allocated to the Ele's Place organization in Lansing.

Sec. 1139. From the funds appropriated in part 1 for prenatal care outreach and service delivery support, the department shall fund the Kalamazoo nurse family partnership at the same level of funding as was provided in fiscal year 2007-2008.

WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAM

Sec. 1151. The department may work with local participating agencies to define local annual contributions for the farmer's market nutrition program, project FRESH, to enable the department to request federal matching funds based on local commitment of funds.

Sec. 1153. The department shall ensure that individuals residing in rural communities have sufficient access to the services offered through the WIC program.

CHILDREN'S SPECIAL HEALTH CARE SERVICES

Sec. 1201. Funds appropriated in part 1 for medical care and treatment of children with special health care needs shall be paid according to reimbursement policies determined and published by the Michigan medical services program.

Sec. 1202. The department may do 1 or more of the following:

(a) Provide special formula for eligible clients with specified metabolic and allergic disorders.

(b) Provide medical care and treatment to eligible patients with cystic fibrosis who are 21 years of age or older.

(c) Provide genetic diagnostic and counseling services for eligible families.

(d) Provide medical care and treatment to eligible patients with hereditary coagulation defects, commonly known as hemophilia, who are 21 years of age or older.

Sec. 1203. All children who are determined medically eligible for the children's special health care services program shall be referred to the appropriate locally-based services program in their community.

Sec. 1204. Effective July 1, 2010, children who are determined medically eligible for and enroll in the children's special health care services program and who also have Medicaid will have the option to enroll in a Medicaid health plan and have their care co-managed by the children's special health care services program.

CRIME VICTIM SERVICES COMMISSION

Sec. 1302. From the funds appropriated in part 1 for justice assistance grants, up to $200,000.00 shall be allocated for expansion of forensic nurse examiner programs to facilitate training for improved evidence collection for the prosecution of sexual assault. The funds shall be used for program coordination and training.

Sec. 1304. The department shall work with the department of state police, the Michigan health and hospital association, the Michigan state medical society, and the Michigan nurses association to ensure that the recommendations included in the "Standard Recommended Procedures for the Emergency Treatment of Sexual Assault Victims" are followed in the collection of evidence.

OFFICE OF SERVICES TO THE AGING

Sec. 1401. The appropriation in part 1 to the office of services to the aging for community services and nutrition services shall be restricted to eligible individuals at least 60 years of age who fail to qualify for home care services under title XVIII, XIX, or XX.

Sec. 1403. (1) The office of services to the aging shall require each region to report to the office of services to the aging and to the legislature home-delivered meals waiting lists based upon standard criteria. Determining criteria shall include all of the following:

(a) The recipient's degree of frailty.

(b) The recipient's inability to prepare his or her own meals safely.

(c) Whether the recipient has another care provider available.

(d) Any other qualifications normally necessary for the recipient to receive home-delivered meals.

(2) Data required in subsection (1) shall be recorded only for individuals who have applied for participation in the home-delivered meals program and who are initially determined as likely to be eligible for home-delivered meals.

Sec. 1404. The area agencies and local providers may receive and expend fees for the provision of day care, care management, respite care, and certain eligible home- and community-based services. The fees shall be based on a sliding scale, taking client income into consideration. The fees shall be used to expand services.

Sec. 1406. The appropriation of $4,468,700.00 of merit award trust funds to the office of services to the aging for the respite care program shall be allocated in accordance with a long-term care plan developed by the long-term care working group established in section 1657 of 1998 PA 336 upon implementation of the plan. The use of the funds shall be for direct respite care or adult respite care center services. Not more than 9% of the amount allocated under this section shall be expended for administration and administrative purposes.

Sec. 1413. Local counties may request to change membership in the area agencies on aging if the change is to an area agency on aging that is contiguous to that county pursuant to office of services to the aging policies and procedures for area agency on aging designation. The office of services to the aging shall adjust allocations to area agencies on aging to account for any changes in county membership. The office of services to the aging shall ensure annually that county boards of commissioners are aware that county membership in area agencies on aging can be changed subject to office of services to the aging policies and procedures for area agency on aging designation.

Sec. 1417. The department shall provide to the senate and house appropriations subcommittees on community health, senate and house fiscal agencies, and state budget director a report by March 30 of the current fiscal year that contains all of the following:

(a) The total allocation of state resources made to each area agency on aging by individual program and administration.

(b) Detail expenditure by each area agency on aging by individual program and administration including both state-funded resources and locally funded resources.

Sec. 1418. From the funds appropriated in part 1 for nutrition services, the department shall maximize funding for home-delivered meals to the extent allowable under federal law and regulation.

Sec. 1419. From the funds appropriated in part 1 for nutrition services, $120,100.00 shall be allocated to provide an interdepartmental grant to the department of agriculture to support the Michigan agricultural surplus system.

MEDICAL SERVICES

Sec. 1601. The cost of remedial services incurred by residents of licensed adult foster care homes and licensed homes for the aged shall be used in determining financial eligibility for the medically needy. Remedial services include basic self-care and rehabilitation training for a resident.

Sec. 1602. Medical services shall be provided to elderly and disabled persons with incomes less than or equal to 100% of the official poverty level, pursuant to the state's option to elect such coverage set out at section 1902(a)(10)(A)(*ii*) and (m) of title XIX, 42 USC 1396a.

Sec. 1603. (1) The department may establish a program for persons to purchase medical coverage at a rate determined by the department.

(2) The department may receive and expend premiums for the buy-in of medical coverage in addition to the amounts appropriated in part 1.

(3) The premiums described in this section shall be classified as private funds.

Sec. 1605. (1) The protected income level for Medicaid coverage determined pursuant to section 106(1)(b)(*iii*) of the social welfare act, 1939 PA 280, MCL 400.106, shall be 100% of the related public assistance standard.

(2) The department shall notify the senate and house appropriations subcommittees on community health and the state budget director of any proposed revisions to the protected income level for Medicaid coverage related to the public assistance standard 90 days prior to implementation.

Sec. 1606. For the purpose of guardian and conservator charges, the department of community health may deduct up to $60.00 per month as an allowable expense against a recipient's income when determining medical services eligibility and patient pay amounts.

Sec. 1607. (1) An applicant for Medicaid, whose qualifying condition is pregnancy, shall immediately be presumed to be eligible for Medicaid coverage unless the preponderance of evidence in her application indicates otherwise. The applicant who is qualified as described in this subsection shall be allowed to select or remain with the Medicaid participating obstetrician of her choice.

(2) An applicant qualified as described in subsection (1) shall be given a letter of authorization to receive Medicaid covered services related to her pregnancy. All qualifying applicants shall be entitled to receive all medically necessary obstetrical and prenatal care without preauthorization from a health plan. All claims submitted for payment for obstetrical and prenatal care shall be paid at the Medicaid fee-for-service rate in the event a contract does not exist between the Medicaid participating obstetrical or prenatal care provider and the managed care plan. The applicant shall receive a listing of Medicaid physicians and managed care plans in the immediate vicinity of the applicant's residence.

(3) In the event that an applicant, presumed to be eligible pursuant to subsection (1), is subsequently found to be ineligible, a Medicaid physician or managed care plan that has been providing pregnancy services to an applicant under this section is entitled to reimbursement for those services until such time as they are notified by the department that the applicant was found to be ineligible for Medicaid.

(4) If the preponderance of evidence in an application indicates that the applicant is not eligible for Medicaid, the department shall refer that applicant to the nearest public health clinic or similar entity as a potential source for receiving pregnancy-related services.

(5) The department shall develop an enrollment process for pregnant women covered under this section that facilitates the selection of a managed care plan at the time of application.

(6) The department shall mandate enrollment of women, whose qualifying condition is pregnancy, into Medicaid managed care plans.

(7) The department shall encourage physicians to provide women, whose qualifying condition for Medicaid is pregnancy, with a referral to a Medicaid participating dentist at the first pregnancy-related appointment.

Sec. 1610. The department shall provide an administrative procedure for the review of cost report grievances by medical services providers with regard to reimbursement under the medical services program. Settlements of properly submitted cost reports shall be paid not later than 9 months from receipt of the final report.

Sec. 1611. (1) For care provided to medical services recipients with other third-party sources of payment, medical services reimbursement shall not exceed, in combination with such other resources, including Medicare, those amounts established for medical services-only patients. The medical services payment rate shall be accepted as payment in full. Other than an approved medical services co-payment, no portion of a provider's charge shall be billed to the recipient or any person acting on behalf of the recipient. Nothing in this section shall be considered to affect the level of payment from a third-party source other than the medical services program. The department shall require a nonenrolled provider to accept medical services payments as payment in full.

(2) Notwithstanding subsection (1), medical services reimbursement for hospital services provided to dual Medicare/medical services recipients with Medicare part B coverage only shall equal, when combined with payments for Medicare and other third-party resources, if any, those amounts established for medical services-only patients, including capital payments.

Sec. 1620. (1) For fee-for-service recipients who do not reside in nursing homes, the pharmaceutical dispensing fee shall be $2.75 or the pharmacy's usual or customary cash charge, whichever is less. For nursing home residents, the pharmaceutical dispensing fee shall be $3.00 or the pharmacy's usual or customary cash charge, whichever is less.

(2) The department shall require a prescription co-payment for Medicaid recipients of $1.00 for a generic drug and $3.00 for a brand-name drug, except as prohibited by federal or state law or regulation.

(3) It is the intent of the legislature that if the department realizes savings as a result of the implementation of average manufacturer's price for reimbursement of multiple source generic medication dispensing as imposed pursuant to the federal deficit reduction act of 2005, Public Law 109-171, the savings shall be returned to pharmacies in the form of an increased dispensing fee for medications not to exceed $2.00. The savings shall be calculated as the difference in state expenditure between the current methodology of payment, which is maximum allowable cost, and the proposed new reimbursement method of average manufacturer's price.

Sec. 1621. The department may implement prospective drug utilization review and disease management systems. The prospective drug utilization review, a pharmacist-approved medication therapy program, and disease management systems authorized by this section shall have physician oversight, shall focus on patient, physician, and pharmacist education, and shall be developed in consultation with the national pharmaceutical council, Michigan state medical society, Michigan osteopathic association, Michigan pharmacists association, Michigan health and hospital association, and Michigan nurses association.

Sec. 1623. (1) The department shall continue the Medicaid policy that allows for the dispensing of a 100-day supply for maintenance drugs.

(2) The department shall notify all HMOs, physicians, pharmacies, and other medical providers that are enrolled in the Medicaid program that Medicaid policy allows for the dispensing of a 100-day supply for maintenance drugs.

(3) The notice in subsection (2) shall also clarify that a pharmacy shall fill a prescription written for maintenance drugs in the quantity specified by the physician, but not more than the maximum allowed under Medicaid, unless subsequent consultation with the prescribing physician indicates otherwise.

Sec. 1627. (1) The department shall use procedures and rebates amounts specified under section 1927 of title XIX, 42 USC 1396r-8, to secure quarterly rebates from pharmaceutical manufacturers for outpatient drugs dispensed to participants in the MIChild program, maternal outpatient medical services program, children's special health care services, and adult benefit waiver program.

(2) For products distributed by pharmaceutical manufacturers not providing quarterly rebates as listed in subsection (1), the department may require preauthorization.

Sec. 1629. The department shall utilize maximum allowable cost pricing for generic drugs that is based on wholesaler pricing to providers that is available from at least 2 wholesalers who deliver in the state of Michigan.

Sec. 1630. (1) Medicaid coverage for podiatric services, adult dental services, and chiropractic services shall continue at not less than the level in effect on October 1, 2002, except that reasonable utilization limitations may be adopted in order to prevent excess utilization. The department shall not impose utilization restrictions on chiropractic services unless a recipient has exceeded 18 office visits within 1 year.

(2) The department may implement the bulk purchase of hearing aids, impose limitations on binaural hearing aid benefits, and limit the replacement of hearing aids to once every 3 years.

Sec. 1631. (1) The department shall require co-payments on dental, podiatric, chiropractic, vision, and hearing aid services provided to Medicaid recipients, except as prohibited by federal or state law or regulation.

(2) Except as otherwise prohibited by federal or state law or regulations, the department shall require Medicaid recipients to pay the following co-payments:

(a) Two dollars for a physician office visit.

(b) Three dollars for a hospital emergency room visit.

(c) Fifty dollars for the first day of an inpatient hospital stay.

(d) One dollar for an outpatient hospital visit.

Sec. 1633. By March 1 of the current fiscal year, the department shall report to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director on the feasibility of providing healthy kids dental coverage in cities rather than entire counties.

Sec. 1635. From the funds appropriated in part 1 for physician services and health plan services, the department shall continue the increase in Medicaid reimbursement rates for obstetrical services implemented in fiscal year 2005-2006.

Sec. 1636. From the funds appropriated in part 1 for physician services and health plan services, the department shall continue the increase in Medicaid reimbursement rates for physician well child procedure codes and primary care procedure codes implemented in fiscal year 2006-2007 and fiscal year 2008-2009. The increased reimbursement rates in this section shall not exceed the comparable Medicare payment rate for the same services.

Sec. 1637. (1) All adult Medicaid recipients shall be offered the opportunity to sign a Medicaid personal responsibility agreement.

(2) The personal responsibility agreement shall include at minimum the following provisions:

(a) That the recipient shall not smoke.

(b) That the recipient shall attend all scheduled medical appointments.

(c) That the recipient shall exercise regularly.

(d) That if the recipient has children, those children shall be up to date on their immunizations.

(e) That the recipient shall abstain from abusing controlled substances and narcotics.

Sec. 1641. An institutional provider that is required to submit a cost report under the medical services program shall submit cost reports completed in full within 5 months after the end of its fiscal year.

Sec. 1642. The department shall continue to allow ambulatory surgery centers in this state to fully participate in the Medicaid program when hospitals are reimbursed for Medicaid services through the new Michigan Medicaid information system. Ambulatory surgery centers that provide services to Medicaid eligible patients shall be reimbursed in the same manner as hospitals. The reimbursement schedule for ambulatory surgery centers that was developed and implemented in consultation with the industry in fiscal year 2007-2008 shall continue to be used in fiscal year 2009-2010.

Sec. 1643. Of the funds appropriated in part 1 for graduate medical education in the hospital services and therapy line-item appropriation, not less than $10,947,400.00 shall be allocated for the psychiatric residency training program that establishes and maintains collaborative relations with the schools of medicine at Michigan State University and Wayne State University if the necessary allowable Medicaid matching funds are provided by the universities.

Sec. 1647. From the funds appropriated in part 1 for medical services, the department shall allocate for graduate medical education not less than the level of rates and payments in effect on April 1, 2005.

Sec. 1648. The department shall maintain and make available an online resource to enable medical providers to obtain enrollment and benefit information of Medicaid recipients. There shall be no charge to providers for the use of the online resource.

Sec. 1649. From the funds appropriated in part 1 for medical services, the department shall continue breast and cervical cancer treatment coverage for women up to 250% of the federal poverty level, who are under age 65, and who are not otherwise covered by insurance. This coverage shall be provided to women who have been screened through the centers for disease control breast and cervical cancer early detection program, and are found to have breast or cervical cancer, pursuant to the breast and cervical cancer prevention and treatment act of 2000, Public Law 106-354.

Sec. 1650. (1) The department may require medical services recipients residing in counties offering managed care options to choose the particular managed care plan in which they wish to be enrolled. Persons not expressing a preference may be assigned to a managed care provider.

(2) Persons to be assigned a managed care provider shall be informed in writing of the criteria for exceptions to capitated managed care enrollment, their right to change HMOs for any reason within the initial 90 days of enrollment, the toll-free telephone number for problems and complaints, and information regarding grievance and appeals rights.

(3) The criteria for medical exceptions to HMO enrollment shall be based on submitted documentation that indicates a recipient has a serious medical condition, and is undergoing active treatment for that condition with a physician who does not participate in 1 of the HMOs. If the person meets the criteria established by this subsection, the department shall grant an exception to mandatory enrollment at least through the current prescribed course of treatment, subject to periodic review of continued eligibility.

Sec. 1651. (1) Medical services patients who are enrolled in HMOs have the choice to elect hospice services or other services for the terminally ill that are offered by the HMOs. If the patient elects hospice services, those services shall be provided in accordance with part 214 of the public health code, 1978 PA 368, MCL 333.21401 to 333.21420.

(2) The department shall not amend the medical services hospice manual in a manner that would allow hospice services to be provided without making available all comprehensive hospice services described in 42 CFR part 418.

Sec. 1652. Any new contracts with Medicaid health plans negotiated or signed, or both, during the current fiscal year shall include the following provisions regarding expansion of services by the Medicaid HMOs to counties not previously served by that Medicaid HMO:

(a) The Medicaid HMO shall not sell, transfer, or otherwise convey to any person all or any portion of the HMO's assets or business, whether in the form of equity, debt or otherwise, for a period of 3 years from the date the Medicaid HMO commences operations in a new service area.

(b) That any Medicaid HMOs that expand into a county with a population of at least 1,500,000 shall also expand its coverage to a county with a population of less than 100,000 which has 1 or fewer HMOs participating in the Medicaid program.

Sec. 1653. Implementation and contracting for managed care by the department through HMOs shall be subject to the following conditions:

(a) Continuity of care is assured by allowing enrollees to continue receiving required medically necessary services from their current providers for a period not to exceed 1 year if enrollees meet the managed care medical exception criteria.

(b) The department shall require contracted HMOs to submit data determined necessary for evaluation on a timely basis.

(c) Mandatory enrollment of Medicaid beneficiaries living in counties defined as rural by the federal government, which is any nonurban standard metropolitan statistical area, is allowed if there is only 1 HMO serving the Medicaid population, as long as each Medicaid beneficiary is assured of having a choice of at least 2 physicians by the HMO.

(d) Enrollment of recipients of children's special health care services in HMOs shall continue to be voluntary for those enrolled in the children's special health care services program before October 1, 2009. Children's special health care services recipients shall be informed of the opportunity to enroll in HMOs.

(e) The department shall develop a case adjustment to its rate methodology that considers the costs of persons with HIV/AIDS, end stage renal disease, organ transplants, and other high-cost diseases or conditions and shall implement the case adjustment when it is proven to be actuarially and fiscally sound. Implementation of the case adjustment must be budget neutral.

(f) Prior to contracting with an HMO for managed care services that did not have a contract with the department before October 1, 2002, the department shall receive assurances from the office of financial and insurance regulation that the HMO meets the net worth and financial solvency requirements contained in chapter 35 of the insurance code of 1956, 1956 PA 218, MCL 500.3501 to 500.3580.

Sec. 1654. Medicaid HMOs shall provide for reimbursement of HMO covered services delivered other than through the HMO's providers if medically necessary and approved by the HMO, immediately required, and that could not be reasonably obtained through the HMO's providers on a timely basis. Such services shall be considered approved if the HMO does not respond to a request for authorization within 24 hours of the request. Reimbursement shall not exceed the Medicaid fee-for-service payment for those services.

Sec. 1655. (1) The department may require a 12-month lock-in to the HMO selected by the recipient during the initial and subsequent open enrollment periods, but allow for good cause exceptions during the lock-in period.

(2) Medicaid recipients shall be allowed to change HMOs for any reason within the initial 90 days of enrollment.

Sec. 1656. (1) The department shall provide an expedited complaint review procedure for Medicaid eligible persons enrolled in HMOs for situations in which failure to receive any health care service would result in significant harm to the enrollee.

(2) The department shall provide for a toll-free telephone number for Medicaid recipients enrolled in managed care to assist with resolving problems and complaints. If warranted, the department shall immediately disenroll persons from managed care and approve fee-for-service coverage.

Sec. 1657. (1) Reimbursement for medical services to screen and stabilize a Medicaid recipient, including stabilization of a psychiatric crisis, in a hospital emergency room shall not be made contingent on obtaining prior authorization from the recipient's HMO. If the recipient is discharged from the emergency room, the hospital shall notify the recipient's HMO within 24 hours of the diagnosis and treatment received.

(2) If the treating hospital determines that the recipient will require further medical service or hospitalization beyond the point of stabilization, that hospital must receive authorization from the recipient's HMO prior to admitting the recipient.

(3) Subsections (1) and (2) shall not be construed as a requirement to alter an existing agreement between an HMO and their contracting hospitals nor as a requirement that an HMO must reimburse for services that are not considered to be medically necessary.

Sec. 1658. (1) HMOs shall have contracts with hospitals within a reasonable distance from their enrollees. If a hospital does not contract with the HMO in its service area, that hospital shall enter into a hospital access agreement as specified in the Medical Services Administration Bulletin Hospital 01-19.

(2) A hospital access agreement specified in subsection (1) shall be considered an affiliated provider contract pursuant to the requirements contained in chapter 35 of the insurance code of 1956, 1956 PA 218, MCL 500.3501 to 500.3580.

Sec. 1659. The following sections of this act are the only ones that shall apply to the following Medicaid managed care programs, including the comprehensive plan, MIChoice long-term care plan, and the mental health, substance abuse, and developmentally disabled services program: 271, 288, 401, 402, 404, 411, 414, 418, 424, 428, 456, 462, 1607, 1650, 1651, 1652, 1653, 1654, 1655, 1656, 1657, 1658, 1660, 1661, 1662, 1699, 1711, 1752, 1783, 1787, 1791, 1815, 1820, 1821, and 1828.

Sec. 1660. (1) The department shall assure that all Medicaid children have timely access to EPSDT services as required by federal law. Medicaid HMOs shall provide EPSDT services to their child members in accordance with Medicaid EPSDT policy.

(2) The primary responsibility of assuring a child's hearing and vision screening is with the child's primary care provider. The primary care provider shall provide age-appropriate screening or arrange for these tests through referrals to local health departments. Local health departments shall provide preschool hearing and vision screening services and accept referrals for these tests from physicians or from Head Start programs in order to assure all preschool children have appropriate access to hearing and vision screening. Local health departments shall be reimbursed for the cost of providing these tests for Medicaid eligible children by the Medicaid program.

(3) The department shall prohibit HMOs from requiring prior authorization of their contracted providers for any EPSDT screening and diagnosis services.

(4) The department shall require HMOs to be responsible for well child visits as described in Medicaid policy. These responsibilities shall be specified in the information distributed by the HMOs to their members.

(5) The department shall provide, on an annual basis, budget-neutral incentives to Medicaid HMOs and local health departments to improve performance on measures related to the care of children.

Sec. 1661. (1) The department shall assure that all Medicaid eligible children and pregnant women have timely access to MIHP services. Medicaid HMOs shall assure that MIHP screening is available to their pregnant members and that those women found to meet the MIHP high-risk criteria are offered maternal support services. Local health departments shall assure that MIHP screening is available for Medicaid pregnant women and that those women found to meet the MIHP high-risk criteria are offered MIHP services or are referred to a certified MIHP provider.

(2) The department shall require HMOs to be responsible for the coordination of MIHP services as described in Medicaid policy. These responsibilities shall be specified in the information distributed by the HMOs to their members.

(3) The department shall assure the coordination of MIHP services with the WIC program, state-supported substance abuse, smoking prevention, and violence prevention programs, the department of human services, and any other state or local program with a focus on preventing adverse birth outcomes and child abuse and neglect.

(4) The department shall provide, on an annual basis, budget-neutral incentives to Medicaid HMOs and local health departments to improve performance on measures related to the care of pregnant women.

Sec. 1662. (1) The department shall assure that an external quality review of each contracting HMO is performed that results in an analysis and evaluation of aggregated information on quality, timeliness, and access to health care services that the HMO or its contractors furnish to Medicaid beneficiaries.

(2) The department shall require Medicaid HMOs to provide EPSDT utilization data through the encounter data system, and health employer data and information set well child health measures in accordance with the National Committee on Quality Assurance prescribed methodology.

(3) The department shall provide a copy of the analysis of the Medicaid HMO annual audited health employer data and information set reports and the annual external quality review report to the senate and house of representatives appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director, within 30 days of the department's receipt of the final reports from the contractors.

(4) The department shall work with the Michigan association of health plans and the Michigan association for local public health to improve service delivery and coordination in the MIHP and EPSDT programs.

(5) The department shall assure that training and technical assistance are available for EPSDT and MIHP for Medicaid health plans, local health departments, and MIHP contractors.

Sec. 1670. (1) The appropriation in part 1 for the MIChild program is to be used to provide comprehensive health care to all children under age 19 who reside in families with income at or below 200% of the federal poverty level, who are uninsured and have not had coverage by other comprehensive health insurance within 6 months of making application for MIChild benefits, and who are residents of this state. The department shall develop detailed eligibility criteria through the medical services administration public concurrence process, consistent with the provisions of this act. Health coverage for children in families between 150% and 200% of the federal poverty level shall be provided through a state-based private health care program.

(2) The department may provide up to 1 year of continuous eligibility to children eligible for the MIChild program unless the family fails to pay the monthly premium, a child reaches age 19, or the status of the children's family changes and its members no longer meet the eligibility criteria as specified in the federally approved MIChild state plan.

(3) Children whose category of eligibility changes between the Medicaid and MIChild programs shall be assured of keeping their current health care providers through the current prescribed course of treatment for up to 1 year, subject to periodic reviews by the department if the beneficiary has a serious medical condition and is undergoing active treatment for that condition.

(4) To be eligible for the MIChild program, a child must be residing in a family with an adjusted gross income of less than or equal to 200% of the federal poverty level. The department's verification policy shall be used to determine eligibility.

(5) The department shall enter into a contract to obtain MIChild services from any HMO, dental care corporation, or any other entity that offers to provide the managed health care benefits for MIChild services at the MIChild capitated rate. As used in this subsection:

(a) "Dental care corporation", "health care corporation", "insurer", and "prudent purchaser agreement" mean those terms as defined in section 2 of the prudent purchaser act, 1984 PA 233, MCL 550.52.

(b) "Entity" means a health care corporation or insurer operating in accordance with a prudent purchaser agreement.

(6) The department may enter into contracts to obtain certain MIChild services from community mental health service programs.

(7) The department may make payments on behalf of children enrolled in the MIChild program from the line-item appropriation associated with the program as described in the MIChild state plan approved by the United States department of health and human services, or from other medical services.

(8) The department shall assure that an external quality review of each MIChild contractor, as described in subsection (5), is performed, which analyzes and evaluates the aggregated information on quality, timeliness, and access to health care services that the contractor furnished to MIChild beneficiaries.

(9) The department shall develop an automatic enrollment algorithm that is based on quality and performance factors.

Sec. 1671. From the funds appropriated in part 1, the department shall continue a comprehensive approach to the marketing and outreach of the MIChild program. The marketing and outreach required under this section shall be coordinated with current outreach, information dissemination, and marketing efforts and activities conducted by the department.

Sec. 1673. The department may establish premiums for MIChild eligible persons in families with income above 150% of the federal poverty level. The monthly premiums shall not be less than $10.00 or exceed $15.00 for a family.

Sec. 1677. The MIChild program shall provide all benefits available under the state employee insurance plan that are delivered through contracted providers and consistent with federal law, including, but not limited to, the following medically necessary services:

(a) Inpatient mental health services, other than substance abuse treatment services, including services furnished in a state-operated mental hospital and residential or other 24-hour therapeutically planned structured services.

(b) Outpatient mental health services, other than substance abuse services, including services furnished in a state-operated mental hospital and community-based services.

(c) Durable medical equipment and prosthetic and orthotic devices.

(d) Dental services as outlined in the approved MIChild state plan.

(e) Substance abuse treatment services that may include inpatient, outpatient, and residential substance abuse treatment services.

(f) Care management services for mental health diagnoses.

(g) Physical therapy, occupational therapy, and services for individuals with speech, hearing, and language disorders.

(h) Emergency ambulance services.

Sec. 1680. Payment increases for enhanced wages and new or enhanced employee benefits provided in previous years through the Medicaid nursing home wage pass-through program shall be continued.

Sec. 1681. From the funds appropriated in part 1 for home- and community-based services, the department and local waiver agents shall encourage the use of family members, friends, and neighbors of home- and community-based services participants, where appropriate, to provide homemaker services, meal preparation, transportation, chore services, and other nonmedical covered services to participants in the Medicaid home- and community-based services program. This section shall not be construed as allowing for the payment of family members, friends, or neighbors for these services unless explicitly provided for in federal or state law.

Sec. 1682. (1) The department shall implement enforcement actions as specified in the nursing facility enforcement provisions of section 1919 of title XIX, 42 USC 1396r.

(2) In addition to the appropriations in part 1, the department is authorized to receive and spend penalty money received as the result of noncompliance with medical services certification regulations. Penalty money, characterized as private funds, received by the department shall increase authorizations and allotments in the long-term care accounts.

(3) The department is authorized to provide civil monetary penalty funds to the disability network of Michigan to be distributed to the 15 centers for independent living for the purpose of assisting individuals with disabilities who reside in nursing homes to return to their own homes.

(4) The department is authorized to use civil monetary penalty funds to conduct a survey evaluating consumer satisfaction and the quality of care at nursing homes. Factors can include, but are not limited to, the level of satisfaction of nursing home residents, their families, and employees. The department may use an independent contractor to conduct the survey.

(5) Any unexpended penalty money, at the end of the year, shall carry forward to the following year.

Sec. 1683. The department shall promote activities that preserve the dignity and rights of terminally ill and chronically ill individuals. Priority shall be given to programs, such as hospice, that focus on individual dignity and quality of care provided persons with terminal illness and programs serving persons with chronic illnesses that reduce the rate of suicide through the advancement of the knowledge and use of improved, appropriate pain management for these persons; and initiatives that train health care practitioners and faculty in managing pain, providing palliative care, and suicide prevention.

Sec. 1684. The department shall submit a report by September 30, 2010 to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director that will identify by waiver agent, Medicaid home- and community-based services waiver costs by administration, case management, and direct services.

Sec. 1685. All nursing home rates, class I and class III, must have their respective fiscal year rate set 30 days prior to the beginning of their rate year. Rates may take into account the most recent cost report prepared and certified by the preparer, provider corporate owner or representative as being true and accurate, and filed timely, within 5 months of the fiscal year end in accordance with Medicaid policy. If the audited version of the last report is available, it shall be used. Any rate factors based on the filed cost report may be retroactively adjusted upon completion of the audit of that cost report.

Sec. 1687. The department shall study the feasibility, impact, and cost of supporting a Medicaid rate enhancement to be used exclusively to fund affordable, accessible, and adequate health insurance for direct care workers in nursing homes, adult foster care homes, homes for the aged, and home- and community-based services programs. The department shall report its findings and recommendations to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies by April 1, 2010.

Sec. 1688. The department shall not impose a limit on per unit reimbursements to service providers that provide personal care or other services under the Medicaid home- and community-based services waiver program for the elderly and disabled. The department's per day per client reimbursement cap calculated in the aggregate for all services provided under the Medicaid home- and community-based services waiver is not a violation of this section.

Sec. 1689. (1) Priority in enrolling additional persons in the Medicaid home- and community-based services waiver program shall be given to those who are currently residing in nursing homes or who are eligible to be admitted to a nursing home if they are not provided home- and community-based services. The department shall use screening and assessment procedures to assure that no additional Medicaid eligible persons are admitted to nursing homes who would be more appropriately served by the Medicaid home- and community-based services waiver program.

(2) Within 60 days of the end of each fiscal quarter, the department shall provide a report to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies that details existing and future allocations for the home- and community-based services waiver program by regions as well as the associated expenditures. The report shall include information regarding the net cost savings from moving individuals from a nursing home to the home- and community-based services waiver program, the number of individuals transitioned from nursing homes to the home- and community-based services waiver program, the number of individuals on waiting lists by region for the program, and the amount of funds transferred during the fiscal quarter. The report shall also include the number of Medicaid individuals served and the number of days of care for the home- and community-based services waiver program and in nursing homes.

(3) The department shall develop a system to collect and analyze information regarding individuals on the home- and community-based services waiver program waiting list to identify the community supports they receive, including, but not limited to, adult home help, food assistance, and housing assistance services and to determine the extent to which these community supports help individuals remain in their home and avoid entry into a nursing home. The department shall provide a progress report on implementation to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies by June 1 of the current fiscal year.

(4) It is the intent of the legislature that the department shall revise any policies, guidelines, procedures, standards, and regulations in order to limit the self-determination option with respect to the home- and community-based services waiver program to those services furnished by approved home-based service providers meeting provider qualifications established in the waiver and approved by the centers for Medicare and Medicaid services.

Sec. 1690. (1) The department shall submit a report to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director by April 1 of the current fiscal year, to include all data collected on the quality assurance indicators in the preceding fiscal year for the home- and community-based services waiver program, as well as quality improvement plans and data collected on critical incidents in the waiver program and their resolutions.

(2) The department shall submit a report to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director by April 1 of the current fiscal year, to include all data collected on the quality assurance indicators in the preceding fiscal year for the adult home help program, as well as quality improvement plans and data collected on critical incidents in the adult home help program and their resolutions.

Sec. 1691. (1) Payment increases provided in previous years to adult home help workers shall be continued. From the funds appropriated in part 1 for adult home help services, $16,584,000.00 is appropriated to increase the wages of adult home help workers by 50 cents per hour in all counties effective October 1, 2009.

(2) The department, in conjunction with the department of human services, shall revise any policies, rules, procedures, or regulations that may be an administrative barrier to the implementation of the wage adjustments described in this section.

Sec. 1692. (1) The department is authorized to pursue reimbursement for eligible services provided in Michigan schools from the federal Medicaid program. The department and the state budget director are authorized to negotiate and enter into agreements, together with the department of education, with local and intermediate school districts regarding the sharing of federal Medicaid services funds received for these services. The department is authorized to receive and disburse funds to participating school districts pursuant to such agreements and state and federal law.

(2) From the funds appropriated in part 1 for medical services school-based services payments, the department is authorized to do all of the following:

(a) Finance activities within the medical services administration related to this project.

(b) Reimburse participating school districts pursuant to the fund-sharing ratios negotiated in the state-local agreements authorized in subsection (1).

(c) Offset general fund costs associated with the medical services program.

Sec. 1693. The special Medicaid reimbursement appropriation in part 1 may be increased if the department submits a medical services state plan amendment pertaining to this line item at a level higher than the appropriation. The department is authorized to appropriately adjust financing sources in accordance with the increased appropriation.

Sec. 1694. The department shall distribute $1,122,300.00 to an academic health care system that includes a children's hospital that has a high indigent care volume.

Sec. 1695. (1) The department shall evaluate the impact of implementing a case mix reimbursement system for nursing facilities. The department shall consult with representatives from the department, the health care association of Michigan, the Michigan county medical care facilities council, and the Michigan association of homes and services for the aging.

(2) The department shall provide a progress report to the senate and house appropriations subcommittees on community health and to the senate and house fiscal agencies by August 1 of the current fiscal year.

Sec. 1697. (1) As may be allowed by federal law or regulation, the department may use funds provided by a local or intermediate school district, which have been obtained from a qualifying health system, as the state match required for receiving federal Medicaid or children health insurance program funds. Any such funds received shall be used only to support new school-based or school-linked health services.

(2) A qualifying health system is defined as any health care entity licensed to provide health care services in the state of Michigan, that has entered into a contractual relationship with a local or intermediate school district to provide or manage school-based or school-linked health services.

Sec. 1699. The department may make separate payments directly to qualifying hospitals serving a disproportionate share of indigent patients in the amount of $50,000,000.00, and to hospitals providing graduate medical education training programs. If direct payment for GME and DSH is made to qualifying hospitals for services to Medicaid clients, hospitals will not include GME costs or DSH payments in their contracts with HMOs.

Sec. 1711. (1) The department shall maintain the 2-tier reimbursement methodology for Medicaid emergency physicians professional services that was in effect on September 30, 2002, subject to the following conditions:

(a) Payments by case and in the aggregate shall not exceed 70% of Medicare payment rates.

(b) Total expenditures for these services shall not exceed the level of total payments made during fiscal year 2001-2002, after adjusting for Medicare co-payments and deductibles and for changes in utilization.

(2) To ensure that total expenditures stay within the spending constraints of subsection (1)(b), the department shall develop a utilization adjustor for the basic 2-tier payment methodology. The adjustor shall be based on a good faith estimate by the department as to what the expected utilization of emergency room services will be during the current fiscal year given changes in the number and category of Medicaid recipients. If expenditure and utilization data indicate that the amount and/or type of emergency physician professional services are exceeding the department's estimate, the utilization adjustor shall be applied to the 2-tier reimbursement methodology in such a manner as to reduce aggregate expenditures to the fiscal year 2001-2002 adjusted expenditure target.

Sec. 1712. (1) Subject to the availability of funds, the department shall implement a rural health initiative. Available funds shall first be allocated as an outpatient adjustor payment to be paid directly to hospitals in rural counties in proportion to each hospital's Medicaid and indigent patient population. Additional funds, if available, shall be allocated for defibrillator grants, EMT training and support, or other similar programs.

(2) Except as otherwise specified in this section, "rural" means a county, city, village, or township with a population of not more than 30,000, including those entities if located within a metropolitan statistical area.

Sec. 1716. The department shall seek to maintain a constant enrollment level within the Medicaid adult benefits waiver program throughout fiscal year 2009-2010.

Sec. 1717. (1) The department shall create 2 pools for distribution of disproportionate share hospital funding. The first pool, totaling $45,000,000.00, shall be distributed using the distribution methodology used in fiscal year 2003-2004. The second pool, totaling $5,000,000.00, shall be distributed to unaffiliated hospitals and hospital systems that received less than $900,000.00 in disproportionate share hospital payments in fiscal year 2007-2008 based on a formula that is weighted proportional to the product of each eligible system's Medicaid revenue and each eligible system's Medicaid utilization, except that no payment of less than $1,000.00 shall be made.

(2) By September 30 of the current fiscal year, the department shall report to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies on the new distribution of funding to each eligible hospital from the 2 pools.

Sec. 1718. The department shall provide each Medicaid adult home help beneficiary or applicant with the right to a fair hearing when the department or its agent reduces, suspends, terminates, or denies adult home help services. If the department takes action to reduce, suspend, terminate, or deny adult home help services, it shall provide the beneficiary or applicant with a written notice that states what action the department proposes to take, the reasons for the intended action, the specific regulations that support the action, and an explanation of the beneficiary's or applicant's right to an evidentiary hearing and the circumstances under which those services will be continued if a hearing is requested.

Sec. 1721. The department shall conduct a review of Medicaid eligibility pertaining to funds prepaid to a nursing home or other health care facility that are subsequently returned to an individual who becomes Medicaid eligible and shall report its findings to the members of the house and senate appropriations subcommittees on community health and the house and senate fiscal agencies not later than May 15 of the current fiscal year. Included in its report shall be recommendations for policy and procedure changes regarding whether any funds prepaid to a nursing home or other health care facility that are subsequently returned to an individual, after the date of Medicaid eligibility and patient pay amount determination, shall be considered as a countable asset and recommendations for a mechanism for departmental monitoring of those funds.

Sec. 1724. The department shall allow licensed pharmacies to purchase injectable drugs for the treatment of respiratory syncytial virus for shipment to physicians' offices to be administered to specific patients. If the affected patients are Medicaid eligible, the department shall reimburse pharmacies for the dispensing of the injectable drugs and reimburse physicians for the administration of the injectable drugs.

Sec. 1725. The department shall continue to work with the department of human services to reduce Medicaid eligibility errors related to basic eligibility requirements, residency issues, and income requirements.

Sec. 1728. The department shall make available to qualifying Medicaid recipients, not based on Medicare guidelines, freestanding electrical lifting and transferring devices.

Sec. 1731. The department shall continue an asset test to determine Medicaid eligibility for individuals who are parents, caretaker relatives, or individuals between the ages of 18 and 21 and who are not required to be covered under federal Medicaid requirements.

Sec. 1732. The department shall assure that, if proposed modifications to the quality assurance assessment program for nursing homes are not implemented, the projected general fund/general purpose savings shall not be achieved through reductions in nursing home reimbursement rates.

Sec. 1733. (1) The department shall seek additional federal funds to permit the state to provide financial support for electronic prescribing and other health information technology initiatives.

(2) The department shall develop a 3-year strategic plan for the implementation of electronic prescribing for the Medicaid program.

Sec. 1734. The department shall seek federal money for demonstration programs that will permit this state to provide financial incentives for positive health behavior practiced by Medicaid recipients, including, but not limited to, consumer-driven strategies that enable Medicaid recipients to choose coverage that meets their individual needs and that authorize monetary or other rewards for demonstrating positive health behavior changes.

Sec. 1739. The department shall continue the contractor performance bonus program for Medicaid health plans. The contractor performance bonus program may include indicators based on the prevalent and chronic conditions affecting the Medicaid population and indicators of preventive health status for adults and children.

Sec. 1740. From the funds appropriated in part 1 for health plan services, the department shall assure that all GME funds continue to be promptly distributed to qualifying hospitals using the methodology developed in consultation with the graduate medical education advisory group during fiscal year 2006-2007.

Sec. 1741. The department shall continue to provide nursing homes the opportunity to receive interim payments upon their request. The department shall make efforts to ensure that the interim payments are as similar to expected cost-settled payments as possible.

Sec. 1742. The department shall allow the retention of up to $100.00 in special Medicaid reimbursement funding by any public hospital that meets each of the following criteria:

(a) The hospital participates in the intergovernmental transfers.

(b) The hospital is not affiliated with a university.

(c) The hospital provides surgical services.

(d) The hospital has at least 10,000 Medicaid bed days.

Sec. 1752. The department shall provide a Medicaid health plan with any information that may assist the Medicaid health plan in determining whether another party may be responsible, in whole or in part, for the payment of health benefits.

Sec. 1756. The department shall establish and implement a specialized case and care management program to serve the most costly Medicaid beneficiaries who are noncompliant with medical management, including persons with chronic diseases and mental health diagnoses, high prescription drug utilizers, members demonstrating noncompliance with previous medical management, and neonates. The case and care management program shall, at a minimum, provide a performance payment incentive for physicians who manage the recipient's care and health costs in the most effective way. The department may also develop additional contractual arrangements with 1 or more Medicaid HMOs for the provision of specialized case management services. Contracts with Medicaid HMOs may include provisions requiring collection of data related to Medicaid recipient compliance. Measures of patient compliance may include the proportion of clients who fill their prescriptions, the rate of clients who do not show for scheduled medical appointments, and the proportion of clients who use their medication.

Sec. 1757. (1) The department shall direct the department of human services to obtain proof from all Medicaid recipients that they are legal United States citizens or otherwise legally residing in this country and that they are residents of this state before approving Medicaid eligibility.

(2) It is the intent of the legislature that the department seek clarification from the federal government on whether states can deny Medicaid eligibility to fugitive felons through a state plan amendment or waiver.

Sec. 1759. The department shall implement the following policy changes included in the federal deficit reduction act of 2005, Public Law 109-171:

(a) Lengthening the look-back policy for asset transfers from 3 to 5 years.

(b) Changing the penalty period to begin the day an individual applies for Medicaid.

(c) Individuals with more than $500,000.00 in home equity do not qualify for Medicaid.

(d) Utilize the Medicaid false claim act, 1977 PA 72, MCL 400.601 to 400.613, to collect an enhanced state share of damages collected from entities that have been successfully prosecuted for filing a fraudulent Medicaid claim.

Sec. 1764. The department shall annually certify rates paid to Medicaid health plans as being actuarially sound in accordance with federal requirements and shall provide a copy of the rate certification and approval immediately to the house and senate appropriations subcommittees on community health and the house and senate fiscal agencies.

Sec. 1767. The department shall study and evaluate the impact of the change in the way in which the Medicaid program pays pharmacists for prescriptions from average wholesale price to average manufacturer price as required by the federal deficit reduction act of 2005, Public Law 109-171. Upon release of the data by the centers for Medicare and Medicaid services, the department shall submit a report of its study to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies. If the department finds that there is a negative impact on the pharmacists, the department shall reexamine the current pharmaceutical dispensing fee structure established under section 1620 and include in the report recommendations and proposals to counter the negative impact of that federal legislation.

Sec. 1770. In conjunction with the consultation requirements of the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, and except as otherwise provided in this section, the department shall attempt to make the effective date for a proposed Medicaid policy bulletin or adjustment to the Medicaid provider manual on October 1, January 1, April 1, or July 1 after the end of the consultation period. The department may provide an effective date for a proposed Medicaid policy bulletin or adjustment to the Medicaid provider manual other than provided for in this section if necessary to be in compliance with federal or state law, regulations, or rules or with an executive order of the governor.

Sec. 1772. From the funds appropriated in part 1, the department shall continue a program, the primary goal of which is to enroll all children in foster care in Michigan in a Medicaid health maintenance organization.

Sec. 1773. (1) The department shall establish and implement a bid process to identify a single private contractor to provide Medicaid covered nonemergency transportation services in each county with a population over 750,000 individuals.

(2) The department shall reimburse mileage for nonemergency transportation that encourages contractors to participate.

Sec. 1775. The department shall provide a progress report on ongoing efforts to implement long-term managed care pilot programs to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies by June 1 of the current fiscal year.

Sec. 1777. From the funds appropriated in part 1 for long-term care services, the department shall permit, in accordance with applicable federal and state law, nursing homes to use dining assistants to feed eligible residents if legislation to permit the use of dining assistants is enacted into law. The department shall not be responsible for costs associated with training dining assistants.

Sec. 1783. (1) The department shall develop rates by April 1, 2010 for the enrollment of individuals dually eligible for Medicare and Medicaid into Medicaid health plans if those health plans also maintain a Medicare advantage special needs plan certified by the centers for Medicare and Medicaid services.

(2) The department shall report quarterly to the house and senate appropriations subcommittees on community health and to the house and senate fiscal agencies the status of the rate development described in subsection (1) and the number of dual eligibles enrolled by month in Medicaid health plans with Medicare advantage special needs plan certification for fiscal year 2009-2010.

Sec. 1786. (1) For services where the actual length of stay is less than the published low-day threshold, reimbursement for inpatient admissions shall be the actual charge multiplied by the individual hospital's cost-to-charge ratio net of indirect medical education, not to exceed the full diagnosis related group payment rate.

(2) The reimbursement changes specified in subsection (1) shall not be implemented unless the changes are budget-neutral.

(3) The department shall define a low-day threshold of 1 as an inpatient stay of less than 24 hours.

(4) Any adjustment of low-day outliers implemented by the department shall also include an appropriate adjustment to diagnosis-related group weights and prices.

(5) The department shall identify any cost savings associated with the implementation of low-day outliers for 1-day admissions to hospitals that are less than 24 hours and diagnosis related group weights and recalculations excluding the payments made outside of rates. This information shall be submitted by March 1, 2010 to the legislature and the fiscal agencies as part of an effort to identify additional cost savings in the Medicaid program.

Sec. 1787. The department shall work with the department of human services to obtain the telephone number of Medicaid beneficiaries and shall provide each Medicaid health plan with the telephone number of that health plan's enrollees on a monthly basis.

Sec. 1789. The department shall study whether the current nursing home occupancy ceiling is adequate and shall recommend whether to retain the ceiling at 85% or to lower it. The department shall report its findings and recommendations to the state budget director, senate and house appropriations subcommittees on community health, and senate and house fiscal agencies by April 1 of the current fiscal year.

Sec. 1791. (1) From the money appropriated in part 1 for physician services and health plan services, $5,285,700.00, of which $2,100,000.00 is general fund/general purpose money, shall be allocated to increase Medicaid reimbursement rates for primary care and well child visit procedure codes. The increased reimbursement rates in this section shall be implemented October 1, 2008 and shall not exceed the comparable Medicare payment rate for the same services.

(2) The money allocated under subsection (1) shall be distributed as a fee-for-service rate increase for primary care procedure codes and as an adjustment paid exclusively to Medicaid managed care organizations for well child visit procedure codes.

(3) By October 1, 2008, the department shall provide a report to the house and senate appropriations subcommittees on community health and the house and senate fiscal agencies that identifies the specific procedure codes affected by this section and the amount and percentage increase provided for each procedure code.

Sec. 1794. From the funds appropriated in part 1 for hospital services and therapy, up to $100.00 may be allocated for a program to provide a per-person per-day reimbursement for a hospital located in a city with a population over 500,000.

Sec. 1796. The department shall direct the health information technology commission to examine strategies that promote the ability to share medical records. The department shall report the commission's findings by July 1, 2010.

Sec. 1802. The department may spend up to $100,000.00 on a pilot program targeting Medicaid recipients with certain high-cost or complex health conditions. This pilot shall provide financial incentives to primary care physicians to handle disease management responsibilities for these Medicaid recipients.

Sec. 1804. The department, in cooperation with the department of human services, shall work with the federal government's public assistance reporting information system to identify Medicaid recipients who are veterans who may be eligible for federal veterans health care benefits or other benefits.

Sec. 1812. From the funds appropriated in part 1 for medical services administration, up to $100.00 may be allocated to support a pilot project to develop a regional health care resource sharing network. By encouraging collaboration and partnerships between local hospitals, this network is expected to enable each hospital to maintain independence and community control while sharing best practices and resources. The pilot shall be designed to improve access, improve patient outcomes, and lower costs in a medical home model. The region for the pilot shall encompass 22 counties and have 10 hospitals.

Sec. 1813. The department shall inform county boards of commissioners in counties not presently covered by the program of all-inclusive care for the elderly of the possibility of expansion of the program to their county.

Sec. 1815. From the funds appropriated in part 1 for health plan services, the department may not implement a capitation withhold as part of the overall capitation rate schedule that exceeds the 0.19% withhold administered during fiscal year 2008-2009.

Sec. 1816. The department shall work with the Michigan association of health plans to develop and implement strategies for the use of information technology services for claims payment, claims status, and related functions.

Sec. 1817. The department shall convene a workgroup including members of the Michigan association of health plans and the Michigan health and hospital association to discuss implementation of a policy that will prohibit billing for care made necessary by preventable medical errors or adverse health events. The workgroup shall take into account similar policies implemented by the Medicare program and by Medicaid programs in other states. The workgroup shall report its findings and recommendations to the legislature no later than April 1, 2010.

Sec. 1819. It is the intent of the legislature that, beginning in fiscal year 2010-2011, the department shall use Medicaid health plan encounter data in the development and revision of hospital diagnosis related group pricing policy.

Sec. 1820. The department shall recognize accrediting organizations for Medicaid health plans and shall consider accreditation results when reviewing the performance of Medicaid health plans.

Sec. 1821. The department shall establish appropriate performance standards for Medicaid health plans a year in advance of the application of those standards. The determination of performance shall be based on and include such recognized concepts as 1-year continuous enrollment and HEDIS audited data.

Sec. 1822. The department, the department's contracted Medicaid pharmacy benefit manager, and all Medicaid health plans shall implement coverage for a mental health prescription drug within 30 days of that drug's approval by the department's pharmacy and therapeutics committee.

Sec. 1824. Individuals who live in homes for the aged or adult foster care facilities shall be eligible to apply for enrollment for services from the home- and community-based waiver program.

Sec. 1825. The department may work in conjunction with relevant stakeholders to determine the feasibility of implementing quality assurance assessment programs targeted to certain providers of medical services, as permitted by federal law.

Sec. 1826. The department shall develop a plan to expand and improve the beneficiary monitoring program. This plan shall include cost-effective methods to monitor and reduce unnecessary health care services, including prescription drugs, improve coordination of services between the primary care physician and mental health/substance abuse service providers, and improve compliance with prescribed medical management to reduce more costly use of emergency services. The department shall submit this plan to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director by April 1 of the current fiscal year.

Sec. 1828. (1) Effective October 1, 2009, Medicaid payment rates for providers described in subsection (2) shall be reduced to 8% less than the rates in effect on May 1, 2009.

(2) Providers subject to the payment rate reduction shall be limited to those providers subject to percentage rate reductions in Executive Order No. 2009-22.

(3) The department shall reduce rates paid to Medicaid health plans to correspond to the savings realized by the health plans from the reduction in other Medicaid provider rates.

(4) If new revenue is generated to match federal Medicaid funds, the revenue shall be used to reduce or eliminate the rate reductions described in subsections (1), (2), and (3) and to restore other reductions made to the fiscal year 2009-2010 department budget.

Sec. 1829. Notwithstanding the removal of coverage for certain optional Medicaid services, the department shall continue its policy of providing coverage for emergency services. For this purpose, the department shall continue to adhere to the guidelines outlined in MSA policy bulletin MSA 09-28.

This act is ordered to take immediate effect.

Richard J. Brown

Clerk of the House of Representatives

Carol Morey Viventi

Secretary of the Senate

Approved .....

.....

Governor

Act No. 114
Public Acts of 2009
Approved by the Governor*
October 12, 2009
Filed with the Secretary of State
October 12, 2009
EFFECTIVE DATE: October 12, 2009

*Item Vetoes

Sec. 103. PLANNING AND COMMUNITY SUPPORT

County jail reimbursement program	$	16,572,100	(Page 2)
County jail reimbursement program savings	$	(4,300,000)	

Sec. 106. CORRECTIONAL FACILITIES ADMINISTRATION

Correctional cost savings	$	(38,209,200)	(Page 3)

Sec. 233.
Entire Section. (Page 10)

Sec. 414.
Entire Section. (Pages 14-15)

Sec. 434.
Entire Section. (Page 18)

JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
OFFICE OF THE GOVERNOR
LANSING

JOHN D. CHERRY, JR.
LT. GOVERNOR

October 29, 2009

Michigan House of Representatives
State Capitol
Lansing, MI 48909-7514

Ladies and Gentlemen:

Today I have signed Enrolled House Bill 4436, which makes appropriations for the Department of Community Health for the fiscal year ending September 30, 2010. I have, however, disapproved nine items pursuant to Section 19 of Article V of the Michigan Constitution of 1963. The specific item vetoes are detailed in the attached copy of the bill that has been filed with the Secretary of State.

This bill appropriates nearly $2.3 billion from Michigan's general fund, representing a 6.6 percent decrease in general fund spending from the prior fiscal year. Within this budget bill, significant reductions were made to vital programs that serve Michigan's neediest citizens, including an 8% reduction to Medicaid providers that serve approximately 1.7 million Michigan residents and a $40 million reduction in community health programs. I continue to support legislation that will generate increased federal revenue to restore these drastic reductions to essential services.

I am also concerned about savings assumptions in this bill that appear unrealistic. I have asked the Department of Community Health to closely monitor this situation and alert me to any budget problems arising from these irresponsible budgeting practices.

Because of the drastic reductions in Medicaid, mental health, and other public health funding presented in House Bill 4436, I have disapproved the following provisions that either earmark funding for special projects or provide increases to programs: Section 285, 407(5) and (6), 720, 1031, and 1717.

In addition, the Nurse Family Partnership program and the related boilerplate included in Sections 1107, 1112, and 1139 are eliminated. I would support restoration of federal funding for this program if participating local entities provide the required matching funds.

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Section 1419, which allocates funding for the Michigan Agricultural Surplus System, is disapproved as this funding is duplicated in the Department of Human Services budget. I intend to sign the appropriation in that bill.

I also disapproved a line item for an additional special project, the Early Childhood Collaborative Secondary Prevention. Funding for this program is maintained in the budget for the Department of Human Services and I intend to sign the appropriation in that budget.

To provide direction regarding the implementation of this appropriations act, I note the following:

- Section 1791 of the bill purports to mandate implementation of increased reimbursement rates by October 1, 2008 and also requires the Department of Community Health to provide a report by October 1, 2008. As the current fiscal year began on October 1, 2009 and ends on September 30, 2010, these conditions do not apply to the current fiscal year and cannot be satisfied.

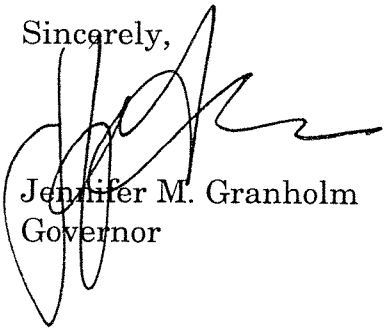
- Section 1796 purports to mandate that the Department direct the Health Information Technology Commission to perform specified activities. To the extent this provision conflicts with Section 2503 of the Public Health Code, MCL 333.2503, the requirements of the provision violate Section 25 of Article IV of the Michigan Constitution of 1963 and are unenforceable.

- Section 1817 purports to mandate that the Department of Community Health create a workgroup. To the extent this section mandates the creation of an entity, it would appear to exceed the scope of the title and object of the bill in violation of Section 24 of Article IV of the Michigan Constitution of 1963, and is unenforceable.

- Sections 405, 407, 442, 610, 1620, 1689, 1757, and 1819 of the bill include statements of legislative intent. While the Legislature has the right to state its advice, preferences, or wishes through a statement of intent, such statements do not impose conditions upon appropriations and are non-binding.

I thank the Legislature for completing the initial work on this budget, but much work remains to assure that we are adequately safeguarding the health of Michigan communities.

Sincerely,



Jennifer M. Granholm
Governor

c: Michigan Senate
The Honorable Terri Lynn Land

CORRECTIONS

Act No. 114
Public Acts of 2009
Approved by the Governor*
October 12, 2009
Filed with the Secretary of State
October 12, 2009
EFFECTIVE DATE: October 12, 2009

*Item Vetoes

Sec. 103. PLANNING AND COMMUNITY SUPPORT

County jail reimbursement program	$	16,572,100	(Page 2)
County jail reimbursement program savings	$	(4,300,000)	

Sec. 106. CORRECTIONAL FACILITIES ADMINISTRATION

Correctional cost savings	$	(38,209,200)	(Page 3)

Sec. 233.
Entire Section. (Page 10)

Sec. 414.
Entire Section. (Pages 14-15)

Sec. 434.
Entire Section. (Page 18)

STATE OF MICHIGAN
95TH LEGISLATURE
REGULAR SESSION OF 2009

Introduced by Rep. Smith

ENROLLED HOUSE BILL No. 4437

AN ACT to make appropriations for the department of corrections and certain state purposes related to corrections for the fiscal year ending September 30, 2010; to provide for the expenditure of the appropriations; to provide for reports; to provide for the creation of certain advisory committees and boards; to prescribe certain powers and duties of the department of corrections, certain other state officers and agencies, and certain advisory committees and boards; to provide for the collection of certain funds; and to provide for the disposition of fees and other income received by certain state agencies.

The People of the State of Michigan enact:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of corrections for the fiscal year ending September 30, 2010, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF CORRECTIONS

APPROPRIATION SUMMARY		
Average population	45,433	
Full-time equated unclassified positions	21.0	
Full-time equated classified positions	15,746.1	
GROSS APPROPRIATION		$ 1,930,185,700
Appropriated from:		
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		891,900
ADJUSTED GROSS APPROPRIATION		$ 1,929,293,800
Federal revenues:		
Total federal revenues		7,746,100
Special revenue funds:		
Total local revenues		432,700
Total private revenues		0
Total other state restricted revenues		50,924,600
State general fund/general purpose		$ 1,870,190,400

		For Fiscal Year Ending Sept. 30, 2010
Sec. 102. EXECUTIVE		
Full-time equated unclassified positions 21.0		
Full-time equated classified positions 12.0		
Unclassified positions—21.0 FTE positions	$	1,812,100
Executive direction—12.0 FTE positions		2,188,900
Neal, et al. settlement agreement		10,000,000
GROSS APPROPRIATION	$	14,001,000
Appropriated from:		
State general fund/general purpose	$	14,001,000
Sec. 103. PLANNING AND COMMUNITY SUPPORT		
Full-time equated classified positions 73.0		
Planning and community development support—59.0 FTE positions	$	6,090,500
Mental health awareness training		100,000
Prisoner reintegration programs		56,605,700
Substance abuse testing and treatment services—14.0 FTE positions		19,191,500
Residential services		18,075,500
Community corrections comprehensive plans and services		12,758,000
Public education and training		50,000
Regional jail program		100
Felony drunk driver jail reduction and community treatment program		1,740,100
County jail reimbursement program		16,572,100
County jail reimbursement program savings		(4,300,000)
GROSS APPROPRIATION	$	126,883,500
Appropriated from:		
Federal revenues:		
DOJ, office of justice programs, RSAT		143,500
DOJ, prisoner reintegration		1,035,000
Special revenue funds:		
Civil infraction fees		7,514,400
State general fund/general purpose	$	118,190,600
Sec. 104. OPERATIONS SUPPORT ADMINISTRATION		
Full-time equated classified positions 142.9		
Operations support administration—50.0 FTE positions	$	4,799,000
New custody staff training		250,500
Compensatory buyout and union leave bank		100
Worker's compensation		14,330,800
Bureau of fiscal management—59.9 FTE positions		6,442,900
Office of legal services—23.0 FTE positions		2,583,700
Internal affairs—10.0 FTE positions		1,039,800
Rent		2,095,200
Equipment and special maintenance		2,425,500
Administrative hearings officers		3,549,600
Judicial data warehouse user fees		50,000
Sheriffs' coordinating and training office		500,000
Prosecutorial and detainer expenses		4,051,000
GROSS APPROPRIATION	$	42,118,100
Appropriated from:		
Interdepartmental grant revenues:		
IDG-MDSP, Michigan justice training fund		298,400
Special revenue funds:		
Local corrections officer training fund		500,000
Correctional industries revolving fund		110,400
State general fund/general purpose	$	41,209,300
Sec. 105. FIELD OPERATIONS ADMINISTRATION		
Full-time equated classified positions 2,174.9		
Field operations—1,992.6 FTE positions	$	171,935,100

		For Fiscal Year Ending Sept. 30, 2010
Parole board operations—63.0 FTE positions	$	5,584,900
Parole/probation services		2,243,500
Community re-entry centers—58.3 FTE positions		15,628,000
Electronic monitoring center—61.0 FTE positions		11,306,300
GROSS APPROPRIATION	$	206,697,800
Appropriated from:		
Special revenue funds:		
Local - community tether program reimbursement		432,700
Re-entry center offender reimbursements		136,800
Parole and probation oversight fees		8,300,000
Parole and probation oversight fees set-aside		2,643,500
Public works user fees		249,400
Tether program participant contributions		3,033,800
State general fund/general purpose	$	191,901,600

Sec. 106. CORRECTIONAL FACILITIES ADMINISTRATION

Average population	210	
Full-time equated classified positions	1,503.6	
Correctional facilities administration—28.0 FTE positions	$	5,697,400
Prison food service—423.0 FTE positions		72,611,800
Transportation—215.6 FTE positions		23,351,600
Central records—53.5 FTE positions		4,589,100
DOJ psychiatric plan - MDCH mental health services		45,489,700
DOJ psychiatric plan - MDOC staff and services—149.7 FTE positions		14,622,500
Inmate legal services		1,004,900
Loans to parolees		179,400
Housing inmates in federal institutions		793,900
Prison store operations—75.0 FTE positions		4,800,000
Prison industries operations—219.0 FTE positions		20,358,300
Education services and federal education grants—10.0 FTE positions		3,420,500
Federal school lunch program		712,800
Leased beds and alternatives to leased beds		100
Inmate housing fund—26.3 FTE positions		4,432,200
Average population	210	
Correctional cost savings		(38,209,200)
MPRI education program—303.5 FTE positions		32,467,400
GROSS APPROPRIATION	$	196,322,400
Appropriated from:		
Interdepartmental grant revenues:		
IDG-MDCH, forensic center food service		593,500
Federal revenues:		
DAG-FNS, national school lunch		712,800
DED-OESE, title 1		522,900
DED-OVAE, adult education		893,000
DED-OSERS		108,000
DED, vocational education equipment		277,400
DED, youthful offender/Specter grant		1,292,100
DOJ-BOP, federal prisoner reimbursement		211,000
DOJ-OJP, serious and violent offender reintegration initiative		10,300
DOJ, prison rape elimination act grant		1,004,300
SSA-SSI, incentive payment		126,600
Special revenue funds:		
Correctional industries revolving fund		20,358,300
Resident stores		4,800,000
State general fund/general purpose	$	165,412,200

Sec. 107. HEALTH CARE

Full-time equated classified positions	1,170.0	
Health care administration—13.0 FTE positions	$	2,048,300

		For Fiscal Year Ending Sept. 30, 2010
Prisoner health care services	$	95,881,400
Vaccination program		691,200
Northern region clinical complexes—249.8 FTE positions		29,481,200
Southeastern region clinical complexes—602.9 FTE positions		93,540,500
Southwestern region clinical complexes—304.3 FTE positions		38,004,700
GROSS APPROPRIATION	$	259,647,300
Appropriated from:		
Special revenue funds:		
Prisoner health care co-payments		336,300
State general fund/general purpose	$	259,311,000

Sec. 108. NORTHERN REGION CORRECTIONAL FACILITIES

Average population	12,917	
Full-time equated classified positions	3,174.4	
Alger maximum correctional facility - Munising—268.0 FTE positions	$	27,231,400
Average population	889	
Baraga maximum correctional facility - Baraga—332.1 FTE positions		31,363,100
Average population	884	
Chippewa correctional facility - Kincheloe—475.3 FTE positions		47,349,800
Average population	2,282	
Kinross correctional facility - Kincheloe—357.3 FTE positions		35,813,100
Average population	1,799	
Marquette branch prison - Marquette—352.1 FTE positions		37,630,100
Average population	1,201	
Newberry correctional facility - Newberry—281.9 FTE positions		26,846,800
Average population	978	
Oaks correctional facility - Eastlake—309.0 FTE positions		33,808,200
Average population	1,156	
Ojibway correctional facility - Marenisco—209.9 FTE positions		19,361,100
Average population	1,090	
Pugsley correctional facility - Kingsley—218.0 FTE positions		20,300,600
Average population	1,158	
Saginaw correctional facility - Freeland—314.8 FTE positions		31,177,000
Average population	1,480	
Northern region administration and support—56.0 FTE positions		3,622,900
GROSS APPROPRIATION	$	314,504,100
Appropriated from:		
Special revenue funds:		
Public works user fees		512,900
State general fund/general purpose	$	313,991,200

Sec. 109. SOUTHEASTERN REGION CORRECTIONAL FACILITIES

Average population	16,193	
Full-time equated classified positions	4,017.0	
Cooper street correctional facility - Jackson—275.9 FTE positions	$	28,503,700
Average population	1,752	
G. Robert Cotton correctional facility - Jackson—405.5 FTE positions		38,843,000
Average population	1,854	
Charles E. Egeler correctional facility - Jackson—357.3 FTE positions		39,222,400
Average population	1,376	
Gus Harrison correctional facility - Adrian—450.7 FTE positions		45,323,300
Average population	2,342	
Huron Valley correctional complex - Ypsilanti—651.6 FTE positions		67,180,900
Average population	1,872	
Macomb correctional facility - New Haven—285.6 FTE positions		27,464,000
Average population	1,228	
Maxey/Woodland Center correctional facility - Whitmore Lake—186.3 FTE positions		15,850,100
Average population	328	

		For Fiscal Year Ending Sept. 30, 2010
Mound correctional facility - Detroit—300.5 FTE positions	$	26,309,100
Average population	1,051	
Parnall correctional facility - Jackson—260.8 FTE positions		26,377,800
Average population	1,712	
Ryan correctional facility - Detroit—293.8 FTE positions		29,261,000
Average population	1,059	
Thumb correctional facility - Lapeer—288.0 FTE positions		29,147,500
Average population	1,219	
Special alternative incarceration program (Camp Cassidy Lake)—120.0 FTE positions		10,892,600
Average population	400	
Southeastern region administration and support—141.0 FTE positions		21,461,400
GROSS APPROPRIATION	$	405,836,800
Appropriated from:		
Federal revenues:		
DOJ, state criminal alien assistance program		1,409,200
Special revenue funds:		
Public works user fees		1,295,900
State general fund/general purpose	$	403,131,700

Sec. 110. SOUTHWESTERN REGION CORRECTIONAL FACILITIES

Average population	16,113	
Full-time equated classified positions	3,478.3	
Bellamy Creek correctional facility - Ionia—399.4 FTE positions	$	36,767,300
Average population	1,850	
Earnest C. Brooks correctional facility - Muskegon—454.2 FTE positions		45,346,500
Average population	2,440	
Carson City correctional facility - Carson City—459.8 FTE positions		46,464,800
Average population	2,440	
Richard A. Handlon correctional facility - Ionia—237.4 FTE positions		23,238,300
Average population	1,320	
Ionia maximum correctional facility - Ionia—306.7 FTE positions		29,583,600
Average population	707	
Lakeland correctional facility - Coldwater—473.8 FTE positions		46,167,900
Average population	2,392	
Michigan reformatory - Ionia—311.1 FTE positions		26,179,100
Average population	1,338	
Pine River correctional facility - St. Louis—211.7 FTE positions		20,713,200
Average population	1,200	
St. Louis correctional facility - St. Louis—524.2 FTE positions		50,425,800
Average population	2,426	
Southwestern region administration and support—100.0 FTE positions		16,706,200
GROSS APPROPRIATION	$	341,592,700
Appropriated from:		
Special revenue funds:		
Public works user fees		371,700
State general fund/general purpose	$	341,221,000

Sec. 111. INFORMATION TECHNOLOGY

Information technology services and projects	$	22,582,000
GROSS APPROPRIATION	$	22,582,000
Appropriated from:		
Special revenue funds:		
Correctional industries revolving fund		154,900
Parole and probation oversight fees set-aside		606,300
State general fund/general purpose	$	21,820,800

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2009-2010 is $1,921,115,000.00 and state spending from state resources to be paid to local units of government for fiscal year 2009-2010 is $88,287,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF CORRECTIONS

Field operations - assumption of county probation staff	$	48,783,900
Public service work projects		4,859,800
Community corrections comprehensive plans and services		12,758,000
Community corrections residential services		18,075,500
Community corrections public education and training		50,000
Felony drunk driver jail reduction and community treatment program		1,740,100
Community re-entry centers		2,019,600
Regional jail program		100
TOTAL	$	88,287,000

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

Sec. 203. As used in this act:

(a) "DAG" means the United States department of agriculture.

(b) "DAG-FNS" means the DAG food and nutrition service.

(c) "DED" means the United States department of education.

(d) "DED-OESE" means the DED office of elementary and secondary education.

(e) "DED-OSERS" means the DED office of special education and rehabilitative services.

(f) "DED-OVAE" means the DED office of vocational and adult education.

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

(h) "DOJ" means the United States department of justice.

(i) "DOJ-BOP" means the DOJ bureau of prisons.

(j) "DOJ-OJP" means the DOJ office of justice programs.

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

(*l*) "GED" means general educational development certificate.

(m) "GPS" means global positioning system.

(n) "HIV" means human immunodeficiency virus.

(o) "IDG" means interdepartmental grant.

(p) "IDT" means intradepartmental transfer.

(q) "MDCH" means the Michigan department of community health.

(r) "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.

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

(t) "MPRI" means the Michigan prisoner reentry initiative.

(u) "OCC" means the office of community corrections.

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

(w) "SSA" means the United States social security administration.

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

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

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

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

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

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

Sec. 207. At least 120 days before beginning any effort to privatize, except for the current effort to privatize and contract for prisoner mental health services which is necessitated by the critical need for prisoner mental health treatment staff, the department shall submit a complete project plan to the appropriate senate and house appropriations subcommittees and the senate and house fiscal agencies. The plan shall include the criteria under which the privatization initiative will be evaluated. The evaluation shall be completed and submitted to the appropriate senate and house appropriations subcommittees and the senate and house fiscal agencies within 30 months. In the case of the current effort to privatize and contract for prisoner mental health services, the department shall submit a complete project plan to the appropriate senate and house appropriations committee chairs and appropriate senate and house appropriations subcommittee chairs as well as the senate and house fiscal agencies and state budget office 10 days prior to beginning the effort.

Sec. 207a. (1) Before privatizing any services or activities currently provided by state employees in the department, except for the privatization of prisoner mental health services which is necessitated by a critical shortage of mental health professional staff, the department shall submit to the senate and house appropriations committees a preprivatization cost-benefit analysis. This analysis shall utilize accurate, reliable, and objective data. Included in this analysis shall be a comparative estimate of the costs that will be incurred by this state over the life of the contract if 1 or both of the following occur:

(a) The service or activity continues to be provided by state employees.

(b) The service or activity is privatized. The costs of privatizing these services shall include the costs of all necessary monitoring and oversight of the private entity by this state.

(2) The department shall not commence any efforts to privatize the services or activities currently provided by state employees under part 1, except for prisoner mental health services, until the cost-benefit analysis prescribed by subsection (1) has been sent to both the senate and house appropriations committees 14 days prior to the efforts to privatize, and proves a cost savings equivalent to the savings specified in civil service rules for disbursement for personal services outside the civil service. Before awarding a contract for the provision of prisoner mental health treatment services, a cost-benefit analysis shall be completed as specified in subsection (1) and submitted to the appropriate senate and house appropriations committee chairs and appropriate senate and house appropriations subcommittee chairs as well as the senate and house fiscal agencies and state budget office not less than 7 days prior to awarding a contract.

(3) In all cases in which a service or activity is privatized, including the provision of prisoner mental health services, the private entity shall be adequately bonded, so as not to expose the state to any potential future liability or legal causes of action.

(4) A private contractor with a contract with this state that expends state or federal tax dollars shall have all records pertinent to state contracts, including all records detailing compliance with section 209, be subject to disclosure to the department or the department of management and budget.

(5) State employees shall be given the opportunity to bid on contracts that privatize services that are or were provided by state employees. If the contract is awarded to any state employee, he or she ceases being an employee of the state.

Sec. 208. The department shall use the Internet to fulfill the reporting requirements of this act. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement or it may include placement of reports on an Internet or Intranet site. There shall be at least 1 separate and distinct electronic file for each section that includes a reporting requirement.

Sec. 209. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if comparable quality American goods or services, or both, that do not cost more than 5% greater than foreign goods or services are available. Preference shall be given to produce, goods or services, or both, grown, processed, manufactured, or provided by Michigan businesses if they are of comparable quality and do not cost more than 5% greater than

non-Michigan manufactured or provided goods or services. 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. (1) Individuals seeking employment with the department shall submit to a controlled substance test administered by the department under civil service rules and regulations and applicable collective bargaining agreements.

(2) The department shall deny employment to individuals seeking employment with the department who violate subsection (1) or who submit to testing under subsection (1) but test positive for the illicit use of a controlled substance.

Sec. 211. (1) 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, and union steward activities. The revenues and fees collected are appropriated for all expenses associated with these services and activities.

(2) If a parolee or probationer has been ordered to pay restitution, the department shall ensure that payment is a condition of his or her community supervision. Restitution payments shall be made as provided in section 22 of chapter XV of the code of criminal procedure, 1927 PA 175, MCL 775.22. The department shall collect not more than 50% of all money collected from parolees and probationers for payments other than victim payments, as that term is defined in section 22 of chapter XV of the code of criminal procedure, 1927 PA 175, MCL 775.22.

Sec. 213. By February 15, 2010, the department shall provide the members of the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director with a report detailing non-general fund/general purpose sources of revenue, including, but not limited to, federal revenues, state restricted revenues, local and private revenues, offender reimbursements and other payments, revolving funds, and 1-time sources of revenue, whether or not those revenues were appropriated. The report shall include statements detailing for each account the total amount of revenue received during fiscal year 2008-2009, the amount by which the revenue exceeded any applicable appropriated fund source, the amount spent during fiscal year 2008-2009, the account balance at the close of fiscal year 2008-2009, and the projected revenues and expenditures for fiscal year 2009-2010.

Sec. 214. From the funds appropriated in part 1 for information technology, the department shall pay user fees to the department of information technology for technology-related services and projects. These user fees shall be subject to provisions of an interagency agreement between the department and the department of information technology.

Sec. 215. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support department of corrections technology projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 216. (1) Due to the current budgetary problems of this state, out-of-state travel for the fiscal year ending September 30, 2010 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 for similar reasons.

(c) The travel is necessary to produce budgetary savings or to increase state revenues, or both, 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) Not later than January 1, 2010, each department shall prepare a travel report listing all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the senate and house standing committees on appropriations, the senate and house 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. 217. 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 deprived and depressed communities for services, supplies, or both.

Sec. 219. Any contract for prisoner telephone services entered into after the effective date of this act shall include a condition that fee schedules for prisoner telephone calls, including rates and any surcharges other than those necessary to meet special equipment costs, be the same as fee schedules for calls placed from outside of correctional facilities.

Sec. 221. (1) The department shall report no later than March 1, 2010 on each specific policy change made to implement a public act affecting the department that took effect during the previous calendar year to the senate and house appropriations subcommittees on corrections, the joint committee on administrative rules, and the senate and house fiscal agencies.

(2) Funds appropriated in part 1 shall not be used to adopt a rule that will apply to a small business and that will have a disproportionate economic impact on small businesses because of the size of those businesses if the department fails to reduce the disproportionate economic impact of the rule on small businesses as provided under section 40 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

(3) As used in this section:

(a) "Rule" means that term as defined under section 7 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.207.

(b) "Small business" means that term as defined under section 7a of the administrative procedures act of 1969, 1969 PA 306, MCL 24.207a.

Sec. 222. 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. 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 this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $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 this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(4) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $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 this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 224. By March 1, 2010, the department shall provide a litigation report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director. The report shall identify all lawsuits adjudicated through the trial court phase in which the department or an employee acting on behalf of the department was a defendant and in which trial court proceedings resulted in a decision of $250,000.00 or more against the department.

Sec. 225. (1) The department shall make every effort to place employees displaced by any reductions in force within other positions in the department.

(2) It is the intent of the legislature that all employees displaced by any reductions in force who are not placed within other positions in the department be given priority in state programs for job retraining or education, such as the no worker left behind program.

Sec. 230. (1) From the funds appropriated in part 1, the department shall complete the study required by section 230 of 2008 PA 245. The study shall cover at least 1 county jail in each of the department's 3 administrative regions within the state and at a minimum shall be based on a representative random sample of county jail inmates. To the extent that such information would not conflict with state law on confidentiality for inmates included in the study, at a minimum, the study shall be sufficient to provide all of the information required by subsection (2). In the process of study design, development, and implementation, the department shall assure involvement of and consultation from counties, sheriffs, prosecutors, victims, and consumer, family, advocacy, provider, and professional groups concerned with mental health and justice issues. The methodological basis for the study shall include all of the following:

(a) Diagnostic clinical interviews with all of the inmates in the study.

(b) Reviews of the criminal history records of all of the inmates in the study.

(c) Reviews of the medical and mental health records of all of the inmates in the study, as available.

(2) By September 1, 2010, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director on the results and findings of the study, including, at a minimum, information on all of the following, to the extent that the information does not conflict with state law on confidentiality for the inmates included in the study:

(a) Study methodology, including information on the sample size and counties sampled.

(b) The proportion of county jail inmates with a primary diagnosis of mental illness, the proportion of inmates with a primary diagnosis of addiction disorder, and the proportion of inmates with a dual diagnosis of mental illness and addiction disorder.

(c) For each category of inmates listed in subdivision (b), all of the following information:

(*i*) The proportion considered to currently require treatment and the percentage in need of treatment who are currently receiving it. Information on inmates currently receiving treatment shall identify whether the inmates are receiving inpatient, residential, or outpatient treatment. Treatment information on inmates with a dual diagnosis shall identify whether inmates are receiving mental health inpatient, mental health residential, mental health outpatient, substance abuse residential, or substance abuse outpatient treatment.

(*ii*) Data indicating how many inmates previously had been hospitalized in a state or private psychiatric hospital for persons with mental illness.

(*iii*) Data indicating whether and with what frequency inmates previously had been incarcerated in a jail or committed to the department of corrections.

(*iv*) Data indicating whether inmates previously had received services managed by a community mental health program or substance abuse coordinating agency.

Sec. 231. 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.

Sec. 232. By April 1, 2010, the department shall report to the senate and house of representatives appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director with a listing of Michigan vendors whose contracts were canceled or reduced in favor of single-source contracts from vendors based outside of Michigan. The report shall provide information for fiscal years 2007-2008 and 2008-2009 and shall include pertinent contract amounts.

Sec. 233. (1) The negative appropriation for correctional cost savings in part 1 equates to an $841.00 reduction in the department's cost per prisoner and shall be satisfied by cost savings realized through departmental savings and efficiencies directly or indirectly affecting its cost per offender.

(2) Appropriation authorization adjustments required due to negative appropriations for correctional cost savings shall be made only after the approval of transfers by the legislature under section 393 of the management and budget act, 1984 PA 431, MCL 18.1393.

(3) By March 1, 2010, the department shall report to the senate and house of representatives appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the status of actions taken to meet the savings identified in this section.

EXECUTIVE

Sec. 301. (1) 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.

(2) Information removed from the offender tracking information system due to the expiration of 3 years following release of an offender from the department's jurisdiction shall be retained by the department and maintained in a password-protected archive. Effective October 1, 2009, information in the archive shall be made available upon payment of a fee as determined by the department. Revenue collected under this section is appropriated for the costs of the offender tracking information system, and any revenue collected in excess of the costs of maintaining the offender tracking information system is appropriated for information technology costs. The department shall report on March 1, 2010 to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the fees charged and revenue collected under this section.

Sec. 302. A report on the mental health study required under section 302 of 2007 PA 124, together with any recommendations contained in the study and response from the department, shall be provided to the members of the senate and house appropriations subcommittees on corrections and community health, the senate and house fiscal agencies, MDCH, and the state budget director no later than 30 days after the receipt of the completed study. The report shall include all of the information specified in section 302(2)(a) to (j) of 2007 PA 124. The report also shall include a plan by the department to implement those recommendations with which it agrees and an explanation of any disagreements with recommendations. It is the intent of the legislature to review the department's implementation plan and, in coordination with the department, to identify funds with which to implement the plan, as appropriate.

Sec. 303. It is the intent of the legislature that the quantity of database systems in use by the department be optimal for efficient data usage and communications. By March 1, 2010, 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 status of the plan to implement secure, encrypted, Internet-based database systems that can electronically communicate with each other and with other law-enforcement-related databases by September 30, 2010.

Sec. 304. The director of the department shall maintain a staff savings initiative program to invite employees to submit suggestions for saving costs for the department. The department shall report semiannually to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the suggestions submitted under this section, the implementation plan for those suggestions with which the department agrees, and an explanation of any disagreements with suggestions.

Sec. 305. By March 1, 2010, 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 number of prisoners who committed suicide during the previous calendar year. To the extent permitted by law, the report shall include all of the following information:

(a) The prisoner's age, offense, sentence, and admission date.

(b) Each prisoner's facility and unit.

(c) A description of the circumstances of the suicide.

(d) The date of the suicide.

(e) Whether the suicide occurred in a housing unit, a segregation unit, a mental health unit, or elsewhere on the grounds of the facility.

(f) Whether the prisoner had been denied parole and the date of any denial.

(g) Whether the prisoner had received a mental health evaluation or assessment.

(h) Details on the department's responses to each suicide, including immediate on-site responses and subsequent internal investigations.

(i) A description of any monitoring and psychiatric interventions that had been undertaken prior to the prisoner's suicide, including any changes in placement or mental health care.

(j) Whether the prisoner had previously attempted suicide.

PLANNING AND COMMUNITY SUPPORT

Sec. 401. The department shall submit 3-year and 5-year prison population projection updates by February 1, 2010 to the senate and house appropriations subcommittees on corrections, 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. It is the intent of the legislature that the funds appropriated in part 1 for prisoner reintegration programs be expended for the purpose of reducing victimization by reducing repeat offending through the following prisoner reintegration programming:

(a) The provision of employment or employment services and job training.

(b) The provision of housing assistance.

(c) Referral to mental health services.

(d) Referral to substance abuse services.

(e) Referral to public health services.

(f) Referral to education.

(g) Referral to any other services necessary for successful reintegration.

Sec. 403. By March 1, 2010, the department shall provide a report on MPRI expenditures and allocations to the members of the senate and house appropriations subcommittees on corrections, 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 projected expenditures for each project funded and for each project to be funded, itemized by service to be provided and service provider.

Sec. 403a. (1) In collaboration with a technical committee composed of representatives from the department, designees of the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the justice center of the council of state governments, the department shall develop a performance-based dashboard tracking and reporting system that establishes key indicators of the success and failure of offenders. Indicators shall reflect the status of and trends in key program elements, behavior improvements on the part of offenders, and whether targeted goals are being met.

(2) By April 1, 2010, the department shall report dashboard data to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director.

Sec. 404. (1) The department shall screen and assess each prisoner for alcohol and other drug involvement to determine the need for further treatment. The assessment process shall be designed to identify the severity of alcohol and other drug addiction and determine the treatment plan, if appropriate.

(2) The department shall provide substance abuse treatment to prisoners with priority given to those prisoners who are most in need of treatment and who can best benefit from program intervention based on the screening and assessment provided under subsection (1).

Sec. 405. (1) In expending residential substance abuse treatment services funds appropriated under this act, the department shall ensure to the maximum extent possible that residential substance abuse treatment services are available statewide.

(2) By March 1, 2010, 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 allocation, distribution, and expenditure of all funds appropriated by the substance abuse testing and treatment line item during fiscal year 2008-2009 and projected for fiscal year 2009-2010. The report shall include, but not be limited to, an explanation of an anticipated year-end balance, the number of participants in substance abuse programs, and the number of offenders on waiting lists for residential substance abuse programs. Information required under this subsection shall, where possible, be separated by MDOC administrative region and by offender type, including, but not limited to, a distinction between prisoners, parolees, and probationers.

(3) By March 1, 2010, 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 substance abuse testing and treatment program objectives, outcome measures, and results, including program impact on offender behavior and success as defined in section 409.

Sec. 405a. It is the intent of the legislature that the department work cooperatively with MDCH and substance abuse coordinating agencies in referring offenders as appropriate to intensive substance abuse services, including residential services.

Sec. 407. (1) By June 30, 2010, the department shall place the 2009 statistical report on an Internet site. The statistical report shall include, but not be limited to, the information as provided in the 2004 statistical report.

(2) It is the intent of the legislature that starting with calendar year 2009, the statistical report be placed on an Internet site within 6 months after the end of each calendar year.

Sec. 408. The department shall measure the repeat offense rates of offenders using at least a 3-year period following their release from prison.

Sec. 409. The office of community corrections shall provide and coordinate the delivery and implementation of services in communities to facilitate successful offender reintegration into the community. Programs and services to be offered shall include, but are not limited to, technical assistance for comprehensive corrections plan development, new program start-up funding, program funding for those programs delivering services for eligible offenders in geographic areas identified by the office of community corrections as having a shortage of available services, technical assistance, referral services for education, employment services, and substance abuse and family counseling. As used in this act:

(a) "Alternative to incarceration in a state facility or jail" means a program that involves offenders who receive a sentencing disposition that appears to be in place of incarceration in a state correctional facility or jail based on historical local sentencing patterns or that amounts to a reduction in the length of sentence in a jail.

(b) "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.

(c) "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.

(d) "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.

(e) "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.

(f) "Offender target population" means felons or misdemeanants who would likely be sentenced to imprisonment in a state correctional facility or jail, who would not likely increase the risk to the public safety based on an objective risk and needs assessment that indicates that the offender can be safely treated and supervised in the community.

(g) "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.

(h) "Success" means that an offender has done all of the following:

(*i*) Regularly reported to his or her assigned field agent.

(*ii*) Is participating in or has successfully completed all required substance abuse, mental health, sex offender, or other treatment as approved by the field agent.

(*iii*) Obtained employment, has enrolled or participated in a program of education or job training, or has investigated all bona fide employment opportunities.

(*iv*) Obtained housing.

(*v*) Obtained a state identification card.

(*vi*) Not sent or returned to prison for the conviction of a new crime or the revocation of probation or parole.

(*vii*) Not been sentenced to a jail term for a new criminal offense.

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 have otherwise received an active sentence, 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.

(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.

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, which contribute to the success of offenders. The plans shall also include, where appropriate, provisions that detail how the local communities plan to respond to sentencing guidelines found in chapter XVII of the code of criminal procedure, 1927 PA 175, MCL 777.1 to 777.69, and use the county jail reimbursement program under section 414. The state community corrections board shall encourage local community corrections advisory boards to include in their comprehensive corrections plans strategies to collaborate with local alcohol and drug treatment agencies of the MDCH for the provision of alcohol and drug screening, assessment, case management planning, and delivery of treatment to alcohol- and drug-involved offenders.

Sec. 412. (1) As part of the March biannual report specified in section 12(2) of the community corrections act, 1988 PA 511, MCL 791.412, that requires an analysis of the impact of that act on prison admissions and jail utilization, the department shall submit to the senate and house appropriations subcommittees on corrections, the 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, 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 basic state-required jail data.

(2) The department is responsible for the collection, analysis, and reporting of state-required jail data.

(3) As a prerequisite to participation in the programs and services offered through the department, counties shall provide basic 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 felons who otherwise would have been sentenced to prison.

(2) The county jail reimbursement program shall reimburse counties for housing and custody of convicted felons 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 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.

(3) State reimbursement under this section for prisoner housing and custody expenses per diverted offender shall be $43.50 per diem for up to a 1-year total.

(4) The department, the state budget office, the Michigan association of counties, and the Michigan sheriffs' association shall, if appropriate, recommend modification of the criteria for reimbursement contained in subsection (2) at meetings convened by the chairs of the house and senate appropriations subcommittees on corrections.

(5) The department shall reimburse counties for offenders in jail based upon the reimbursement eligibility criteria in place on the date the offender was originally sentenced for the reimbursable offense.

(6) 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. The department shall by October 15, 2008 distribute the documentation requirements to all counties.

Sec. 415. (1) As a condition of receipt of the funds appropriated in part 1 for community corrections plans and services and residential services, the department shall only award those funds requested under a properly prepared and approved comprehensive corrections plan submitted under section 8 of the community corrections act, 1988 PA 511, MCL 791.408, or directly applied for under section 10 of the community corrections act, 1988 PA 511, MCL 791.410.

(2) The department shall only halt funding for an entity funded under section 8 of the community corrections act, 1988 PA 511, MCL 791.408, in instances of substantial noncompliance during the period covered by the plan.

Sec. 416. (1) Funds included in part 1 for the felony drunk driver jail reduction and community treatment program are appropriated for and may be expended for any of the following purposes:

(a) To increase availability of treatment options to reduce drunk driving and drunk driving-related deaths by addressing the alcohol addiction of felony drunk drivers who otherwise likely would be sentenced to jail or a combination of jail and other sanctions.

(b) To divert from jail sentences or to reduce the length of jail sentences for felony drunk drivers who otherwise would have been sentenced to jail and whose recommended minimum sentence ranges under sentencing guidelines established under chapter XVII of the code of criminal procedure, 1927 PA 175, MCL 777.1 to 777.69, have upper limits of 18 months or less, through funding programs that may be used in lieu of incarceration and that increase the likelihood of rehabilitation.

(c) To provide a policy and funding framework to make additional jail space available for housing convicted felons whose recommended minimum sentence ranges under sentencing guidelines established under chapter XVII of the code of criminal procedure, 1927 PA 175, MCL 777.1 to 777.69, have lower limits of 12 months or less and who likely otherwise would be sentenced to prison, with the aim of enabling counties to meet or exceed amounts received through the county jail reimbursement program during fiscal year 2002-2003 and reducing the numbers of felons sentenced to prison.

(2) Expenditure of funds included in part 1 for the felony drunk driver jail reduction and community treatment program shall be by grant awards consistent with standards developed by a committee of the state community corrections advisory board. The chairperson of the committee shall be the board member representing county sheriffs. Remaining members of the committee shall be appointed by the chairperson of the board.

(3) In developing annual standards, the committee shall consult with interested agencies and associations. Standards developed by the committee shall include application criteria, performance objectives and measures, funding allocations, and allowable uses of the funds, consistent with the purposes specified in this section.

(4) Allowable uses of the funds 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.

(5) The standards developed by the committee shall assign each county a maximum funding allocation based on the amount the county received under the county jail reimbursement program in fiscal year 2001-2002 for housing felony drunk

drivers whose recommended minimum sentence ranges under the sentencing guidelines described in subsection (1)(c) had upper limits of 18 months or less.

(6) Awards of funding under this section shall be provided consistent with the local comprehensive corrections plans developed under the community corrections act, 1988 PA 511, MCL 791.401 to 791.414. Funds awarded under this section may be used in conjunction with funds awarded under grant programs established under that act. Due to the need for felony drunk drivers to be transitioned from county jails to community treatment services, it is the intent of the legislature that local units of government utilize funds received under this section to support county sheriff departments.

(7) As used in this section, "felony drunk driver" means a felon convicted of operating a motor vehicle under the influence of intoxicating liquor or a controlled substance, or both, third or subsequent offense, under section 625(9)(c) of the Michigan vehicle code, 1949 PA 300, MCL 257.625, or its predecessor statute, punishable as a felony.

Sec. 417. (1) By March 1, 2010, the department shall report to the members of the senate and house appropriations subcommittees on corrections, 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 ensure that each prisoner make all reasonable efforts to obtain the documents necessary to obtain a state operator's license or state identification card prior to a prisoner's discharge or parole hearing. The process for prisoners to acquire this documentation shall be part of the department's operating procedure.

(2) The department shall cooperate with MDCH to maintain a process by which prisoners can obtain their birth certificates. By March 1, 2010, 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 process developed under this section.

Sec. 419. (1) The department shall provide weekly electronic mail reports to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on prisoner, parolee, and probationer populations by facility, and prison capacities.

(2) The department shall provide monthly electronic mail reports to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director. The reports shall include information on end-of-month prisoner populations in county jails, the net operating capacity according to the most recent certification report, identified by date, and end-of-month data, year-to-date data, and comparisons to the prior year for the following:

(a) Community residential program populations, separated by centers and electronic monitoring.

(b) Parole populations.

(c) Probation populations, with identification of the number in special alternative incarceration.

(d) Prison and camp populations, with separate identification of the number in special alternative incarceration and the number of lifers.

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

(f) Prisoner exits, identifying transfers to community placement, paroles from prisons and camps, paroles from community placement, total movements to parole, prison intake, prisoner deaths, prisoners discharging on the maximum sentence, and other prisoner exits.

(g) Prison intake and returns, including probation violators, new court commitments, violators with new sentences, escaper new sentences, total prison intake, returns from court with additional sentences, community placement returns, technical parole violator returns, and total returns to prison and camp.

Sec. 420. By March 1, 2010, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house judiciary committees, the senate and house fiscal agencies, and the state budget director on performance data and efforts to improve efficiencies relative to departmental staffing, health care services, food service, prisoner transportation, mental health care services, and pharmaceutical costs.

Sec. 421. Of the funds appropriated in part 1, $100,000.00 is appropriated for the purpose of providing an IDG to the MDSP for the purpose of providing grants for training teams of law enforcement officers and mental health treatment providers. The teams shall be trained in effective and safe ways of assisting people with mental illness during law enforcement contacts and directing people with mental illness to treatment programs. It is the intent of the legislature that mental health awareness training be incorporated into continuing education for all law enforcement officers in the state.

Sec. 422. It is the intent of the legislature that MPRI programs as measured by success as identified in section 409 are maintained as standard operating procedure in the department.

Sec. 424. (1) From the funds appropriated in part 1 for residential services, the department shall develop and implement, in collaboration with the judiciary and as approved by the state court administrative office, a demonstration project based on evidence-based practices related to judicial and case management interventions that have been proven to increase public safety for high-risk, high-need probationers as determined by a validated risk and need assessment instrument. As used in this section, "probationer" means a circuit court probationer serving a probation sentence for a crime.

(2) The demonstration project shall be implemented in 4 areas of the state identified jointly by the department and the state court administrative office. Preference shall be given to locations that are representative of areas with high rates of violent crimes as described in the council of state governments' justice center report on analyses of crime, community corrections, and sentencing policies in this state.

(3) The primary goal of the demonstration project is to reduce crime and revictimization by high-risk, high-need probationers. The secondary goal of the demonstration project is to reduce expenditures for long-term incarceration.

(4) The demonstration project may provide up to 6 months of residential services, and treatment methods, and interventions that are evidence-based, including, but not limited to, the following:

(a) Risk/needs assessment.

(b) Motivational techniques.

(c) Type, intensity, and duration of treatment based on each probationer's risk and needs and delivered consistent with evidence-based practices.

(5) The department shall implement the evidence-based practice of collaborative case management and utilize the services of the department and of local community corrections consistent with the local comprehensive corrections plan developed under the community corrections act, 1988 PA 511, MCL 791.401 to 791.414.

(6) The department shall assign a probation officer to the demonstration project to supervise a specialized caseload for high-risk, high-need probationers. All probation officers supervising a specialized caseload under this section shall receive substantial education and training on issues of substance abuse, mental health, and drug and alcohol testing.

(7) The probation officer shall work in cooperation with the local judiciary and the community corrections advisory board in a collaborative effort toward the goals of promoting probationer success and reducing crime and revictimization.

(8) The probation officer assigned to the demonstration project shall comply with supervision requirements established for the demonstration project by the field operations administration deputy director.

(9) The department shall identify and coordinate information for each local jurisdiction selected for the demonstration project regarding the rate of incarceration of high-risk, high-need probationers to ensure that appropriate probationers are targeted for the demonstration project.

(10) From the funds appropriated in part 1 for public education and training, the department shall collaborate with the local judiciary, community corrections advisory board, and service providers to develop and provide appropriate training for all local stakeholders involved in the demonstration project described in this section.

(11) From the funds provided to the local jurisdiction for the demonstration project, the department shall collaborate with the local judiciary and the community corrections advisory board to develop and implement an evaluation of the demonstration project that will show the impact of the project on the arrests, convictions, technical violations, and commitments to prison of the demonstration project participants. This evaluation shall be performed in accordance with

department of corrections policy and procedure on evaluation design in cooperation with the office of research and planning.

(12) By May 1, 2010, 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 status of the demonstration project prescribed under this section, including information on all of the following:

(a) Demonstration project locations and participating courts.

(b) The number of probationers participating in the pilot categorized by location and offense.

(c) Evaluation status and methodology.

(d) Preliminary results, if any.

Sec. 426. It is the intent of the legislature that the department cooperate with nonprofit agencies to establish recycling programs for the purpose of employing at-risk youth and offenders on parole. The programs shall be administered by Michigan-chartered nonprofit corporations. The nonprofit corporations must have expertise in recycling and expertise in creating employment opportunities for parolees.

Sec. 429. It is the intent of the legislature that the department work with other state departments and agencies to implement the policy options provided to the state by the council of state governments in January 2009.

Sec. 430. The department shall ensure that each prisoner has the opportunity to meet with his or her transition team prior to release from prison. If applicable, community providers shall enter the prison to meet with the prisoner prior to release.

Sec. 431. The department shall ensure that prior to release from prison, each offender has possession of all of the following:

(a) All documents necessary to obtain a state operator's license or state identification card.

(b) A set of clothing that would be appropriate and suitable for wearing to an interview for employment.

Sec. 433. The department shall report quarterly on January 1, 2010, April 1, 2010, July 1, 2010, and September 30, 2010 to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the status of any contracts entered into under the June 2009 request for proposals for the re-entry initiative project for offenders with special needs. The report shall include information on all of the following:

(a) The number of prisoners and participating parolees in each of the target population subgroups, including medically fragile, mentally ill, developmentally disabled, and youthful offenders.

(b) Descriptions of the key services being provided to each subgroup under the contract or contracts.

(c) Estimates of the average per-offender costs of services for each target population subgroup under each contract, compared to the average cost of prison incarceration for those populations.

Sec. 434. (1) The negative appropriation for county jail reimbursement program savings in part 1 shall be satisfied by savings realized through departmental savings and efficiencies.

(2) Appropriation authorization adjustments required due to negative appropriations for county jail reimbursement program savings shall be made only after the approval of transfers by the legislature according to section 393 of the management and budget act, 1984 PA 431, MCL 18.1393.

OPERATIONS AND SUPPORT 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. Funds appropriated in part 1 for administrative hearings officers are appropriated as an interdepartmental grant to the department of energy, labor, and economic growth for the purpose of funding administrative hearings officers for adjudication of grievances pertaining to the department of corrections. The department shall not expend appropriations from part 1 to satisfy charges from the department of energy, labor, and economic growth for administrative hearings officers in excess of the amount expressly appropriated by this act for the administrative hearings officers unless funding is transferred into this line under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 504. Of the funds appropriated in part 1, $50,000.00 is appropriated to provide an interdepartmental grant to the judiciary for use of the judicial data warehouse by department employees.

Sec. 505. The department shall train 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.

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 results of the audit shall be submitted to the senate and house appropriations subcommittees on corrections and the senate and house fiscal agencies, and the state budget office by March 1, 2010.

(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. (1) Of the amount appropriated in part 1 for field operations, a sufficient amount shall be allocated for the community service work program and shall be used for salaries and wages and fringe benefit costs of community service coordinators employed by the department to supervise offenders participating in work crew assignments. Funds shall also be used to cover motor transport division rates on state vehicles used to transport offenders to community service work project sites.

(2) The community service work program shall provide offenders with community service work of tangible benefit to a community while fulfilling court-ordered community service work sanctions and other postconviction obligations.

(3) As used in this section, "community service work" means work performed by an offender in an unpaid position with a nonprofit or tax-supported or government agency for a specified number of hours of work or service within a given time period.

Sec. 603. (1) All prisoners, probationers, and parolees involved with the electronic tether program shall reimburse the department for costs associated with their participation in the program. The department may require community service work reimbursement as a means of payment for those able-bodied individuals unable to pay for the costs of the equipment.

(2) Program participant contributions and local community tether program reimbursement for the electronic tether program appropriated in part 1 are related to program expenditures and may be used to offset expenditures for this purpose.

(3) Included in the appropriation in part 1 is adequate funding to implement the community tether program to be administered by the department. The community tether program is intended to provide sentencing judges and county sheriffs in coordination with local community corrections advisory boards access to the state's electronic tether program to reduce prison admissions and improve local jail utilization. The department shall determine the appropriate distribution of the tether units throughout the state based upon locally developed comprehensive corrections plans under the community corrections act, 1988 PA 511, MCL 791.401 to 791.414.

(4) For a fee determined by the department, the department shall provide counties with the tether equipment, replacement parts, administrative oversight of the equipment's operation, notification of violators, and periodic reports regarding county program participants. Counties are responsible for tether equipment installation and service. For an additional fee as determined by the department, the department shall provide staff to install and service the equipment. Counties are responsible for the coordination and apprehension of program violators.

(5) Any county with tether charges outstanding over 60 days shall be considered in violation of the community tether program agreement and lose access to the program.

Sec. 604. Community-placement prisoners and parolees shall reimburse the department for the total costs of the program. As an alternative method of payment, the department may develop a community service work schedule for those individuals unable to meet reimbursement requirements established by the department.

Sec. 606. It is the intent of the legislature that the department shall ensure that parolees and probationers may timely contact their parole or probation agents and maintain procedures that preclude any necessity for an offender to have access to an agent's home telephone number or other personal information pertaining to the agent.

Sec. 608. By March 1, 2010, 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 use of electronic monitoring. At a minimum, the report shall include all of the following:

(a) Details on the failure rate of parolees for whom GPS tether is utilized, including the number and rate of parolee technical violations, including specifying failures due to committing a new crime that is uncharged but leads to parole termination, and the number and rate of parolee violators with new sentences.

(b) Information on the factors considered in determining whether an offender is placed on active GPS tether, passive GPS tether, radio frequency tether, or some combination of these or other types of electronic monitoring.

(c) Monthly data on the number of offenders on active GPS tether, passive GPS tether, radio frequency tether, and any other type of tether.

Sec. 609. By March 1, 2010, 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 use of kiosk reporting stations. At a minimum, the report shall include all of the following:

(a) Factors considered in determining whether an offender is assigned to report at a kiosk.

(b) Information on the location, costs, safety features, and other features of kiosks used for offender reporting.

(c) Information on demonstration project outcome measures.

(d) An evaluation of the kiosk reporting demonstration project, including any need for improvement and an assessment of the potential for expanded use of kiosk reporting stations.

Sec. 611. The department shall prepare by March 1, 2010 individual reports for the community reentry program, the electronic tether program, and the special alternative to incarceration program. The reports shall be submitted to the house and senate appropriations subcommittees on corrections, the house and senate fiscal agencies, and the state budget director. Each program's report shall include information on all of the following:

(a) Monthly new participants by type of offender. Community re-entry program participants shall be categorized by reason for placement. For technical rule violators, the report shall sort offenders by length of time since release from prison, by the most recent violation, and by the number of violations occurring since release from prison.

(b) Monthly participant unsuccessful terminations, including cause.

(c) Number of successful terminations.

(d) End month population by facility/program.

(e) Average length of placement.

(f) Return to prison statistics.

(g) Description of each program location or locations, capacity, and staffing.

(h) Sentencing guideline scores and actual sentence statistics for participants, if applicable.

(i) Comparison with prior year statistics.

(j) Analysis of the impact on prison admissions and jail utilization and the cost effectiveness of the program.

Sec. 612. (1) The department shall review and revise as necessary policy proposals that provide alternatives to prison for offenders being sentenced to prison as a result of technical probation violations and technical parole violations. To the extent the department has insufficient policies or resources to affect the continued increase in prison commitments among these offender populations, the department shall explore other policy options to allow for program alternatives, including department or OCC-funded programs, local level programs, and programs available through private agencies that may be used as prison alternatives for these offenders.

(2) To the extent policies or programs described in subsection (1) are used, developed, or contracted for, the department may request that funds appropriated in part 1 be transferred under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393, for their operation.

(3) The department shall continue to utilize parole violator processing guidelines that require parole agents to utilize all available appropriate community-based, nonincarcerative postrelease sanctions and services when appropriate. The

department shall periodically evaluate such guidelines for modification, in response to emerging information from the demonstration projects for substance abuse treatment provided under this act and applicable provisions of prior budget acts for the department.

(4) The department shall provide quarterly reports to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the number of all parolees returned to prison and probationers sentenced to prison for either a technical violation or new sentence during the preceding calendar quarter. The reports shall include the following information each for probationers, parolees after their first parole, and parolees who have been paroled more than once:

(a) The numbers of parole and probation violators returned to or sent to prison for a new crime with a comparison of original versus new offenses by major offense type: assaultive, nonassaultive, drug, and sex.

(b) The numbers of parole and probation violators returned to or sent to prison for a technical violation and the type of violation, including, but not limited to, zero gun tolerance and substance abuse violations. For parole technical rule violators, the report shall list violations by type, by length of time since release from prison, by the most recent violation, and by the number of violations occurring since release from prison.

(c) The educational history of those offenders, including how many had a GED or high school diploma prior to incarceration in prison, how many received a GED while in prison, and how many received a vocational certificate while in prison.

(d) The number of offenders who participated in the MPRI 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. 613. Subject to the appropriations in part 1, the department is encouraged to expand the use of continuous remote alcohol monitors for parolees and probationers who test positive for alcohol abuse or have alcohol-abuse-related violations of their community supervision.

Sec. 614. (1) As a condition of probation, community control, payment plan for the payment of a fine or restitution, or any other court-ordered supervision, the court may order the posting of a bond to secure the defendant's appearance at any subsequent court proceeding or to otherwise enforce the orders of the court. An appearance bond executed under this section shall be filed with the court or with the sheriff by a licensed professional bail agent who shall provide a copy of the bond to the clerk of court.

(2) The court may issue an order to produce the defendant sua sponte or upon notice by the clerk or the probation officer that the person has violated the terms of probation, community control, court-ordered supervision, or other applicable court order. The court or the clerk of the court shall give the bail agent not less than 72 hours to bring the defendant before the court. If the bail agent fails to produce the defendant in court or to the sheriff at the time noticed by the court or the clerk of court, the appearance bond required under subsection (1) shall be forfeited according to the procedures set forth in section 15 of chapter V of the code of criminal procedure, 1927 PA 175, MCL 765.15. The defendant's failure to appear shall be the sole grounds for forfeiture of the appearance bond.

HEALTH CARE

Sec. 801. The department shall not expend funds appropriated under part 1 for any surgery, procedure, or treatment to provide or maintain a prisoner's sex change unless it is determined medically necessary by the chief medical officer of the department.

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 senate and house fiscal agencies, and the state budget director with all of the following:

(a) Quarterly reports on physical and mental health care detailing the average number of days between a prisoner's diagnosis and commencement of treatment for that diagnosis, quarterly and fiscal year-to-date expenditures itemized by vendor, allocations, status of payments from contractors to vendors, and projected year-end expenditures from accounts for prisoner health care, mental health care, pharmaceutical services, and durable medical equipment.

(b) Regular updates on progress on requests for proposals and requests for information pertaining to prisoner health care and mental health care, until the applicable contract is approved.

Sec. 804. (1) The department shall report quarterly to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on prisoner health care utilization. The

report shall include the number of inpatient hospital days, outpatient visits, and emergency room visits in the previous quarter and since October 1, 2009, by facility.

(2) By March 1, 2010, 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 prisoners receiving off-site inpatient medical care that would have received care in a state correctional facility if beds were available. The report shall include the number of prisoners receiving off-site inpatient medical care and average length of stay in an off-site facility during the period they would have received care in a state correctional facility if beds were available, by month and correctional facilities administration region.

Sec. 805. The bureau of health care services shall develop information on hepatitis C and HIV prevention and the risks associated with exposure to hepatitis C and HIV. The health care providers shall disseminate this information verbally and in writing to each prisoner at the health screening and full health appraisal conducted at admissions, at the annual health care screening 30 days before or after a prisoner's birthday, and prior to release to the community by parole, transfer to community residential placement, or discharge on the maximum sentence.

Sec. 806. (1) From the funds appropriated in part 1, the department shall require a hepatitis C antibody test and an HIV test for each prisoner prior to release to the community by parole, transfer to community residential placement, or discharge on the maximum sentence. The department shall require an HIV test and a hepatitis C risk factor screening for each prisoner at the health screening at admissions. If hepatitis C risk factors are identified, the department shall offer the prisoner a hepatitis C antibody test. An explanation of results of the tests shall be provided confidentially to the prisoner, and if appropriate based on the test results, the prisoner shall also be provided a recommendation to seek follow-up medical attention.

(2) By March 1, 2010, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director on the number of offenders tested and the number of offenders testing positive for HIV, the hepatitis C antibody, or both at prison admission and parole, transfer to community residential placement, or discharge on the maximum sentence. The department shall keep records of those offenders testing positive for HIV, the hepatitis C antibody, or both at prison admission, parole, transfer to community residential placement, and discharge. These records shall clearly state the date each test was performed.

(3) As a condition of expenditure of the funds appropriated in part 1, the department shall keep records of the following:

(a) The number of offenders testing positive for the hepatitis C antibody who do not receive treatment, by reason for not participating.

(b) The number of offenders achieving a sustained viral response from hepatitis C treatment.

(c) Cost and duration of treatment by offender.

Sec. 807. The department shall ensure that all medications for a prisoner be transported with that prisoner when the prisoner is transferred from 1 correctional facility to another. Prisoners being released shall be provided with a supply of medication to allow for continuity of care in the community.

Sec. 808. There are sufficient funds and FTEs appropriated in part 1 to provide a full complement of nurses for clinical complexes working regular pay hours, and it is the intent of the legislature that sufficient nurses be hired or retained to limit the use of overtime other-than-holiday pay.

Sec. 809. The department, in conjunction with efforts to implement the MPRI, shall cooperate with the MDCH to share data and information as they relate to prisoners being released who are HIV positive or positive for the hepatitis C antibody. By March 1, 2010, 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 all of the following:

(a) Programs and the location of programs implemented as a result of the work under this section.

(b) The number of prisoners released to the community by parole, discharge on the maximum sentence, or transfer to community residential placement who are HIV positive, positive for the hepatitis C antibody, or both.

(c) The number of offenders referred to the local public health department, by county.

Sec. 811. By February 1, 2010, 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 status of efforts to implement continuous quality improvement for prisoner health care. At a minimum, the report shall identify the processes that were in place before the start of the fiscal year, the processes undertaken since the beginning of the fiscal year, and plans for future changes.

Sec. 812. (1) It is the intent of the legislature that the department continue to provide the department of human services with a monthly list of prisoners newly committed to the department of corrections. The department and the department of human services shall enter into an interagency agreement under which the department of human services provides the department of corrections with monthly lists of newly committed prisoners who are eligible for Medicaid benefits in order to maintain the process by which Medicaid benefits are suspended rather than terminated. The department shall assist prisoners who may be eligible for Medicaid benefits after release from prison with the Medicaid enrollment process prior to release from prison.

(2) The department shall provide the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director with regular updates on the utilization of Medicaid benefits for prisoners.

CORRECTIONAL FACILITIES ADMINISTRATION

Sec. 902. From the funds appropriated in part 1, the department shall allocate sufficient funds to develop a demonstration children's visitation program. The demonstration program shall teach parenting skills and arrange for day visitation at these facilities for parents and their children, except for the families of prisoners convicted of a crime involving criminal sexual conduct in which the victim was less than 18 years of age or involving child abuse.

Sec. 903. Except as otherwise provided in this section, the department shall prohibit prisoners' access to or use of the Internet or any similar system. Under adequate supervision and with security precautions that ensure appropriate computer use by prisoners, the department may allow a prisoner access to or use of the Internet for the purposes of educational programming, employment training, job searches, or other Internet-based programs and services consistent with programming objectives, efficient operations, and the safety and security of the institution.

Sec. 904. Any department employee who, in the course of his or her job, is determined by a physician to have had a potential exposure to the hepatitis B virus, shall receive a hepatitis B vaccination upon request.

Sec. 905. (1) The inmate housing fund shall be used for the custody, treatment, clinical, and administrative costs associated with the housing of prisoners other than those specifically budgeted for elsewhere in this act. Funding in the inmate housing fund is appropriated into a separate control account. Funding in the control account shall be distributed as necessary into separate accounts created to separately identify costs for specific purposes.

(2) Quarterly reports on all expenditures from the inmate housing fund shall be submitted by the department to the state budget director, the senate and house appropriations subcommittees on corrections, and the senate and house fiscal agencies.

Sec. 906. (1) The department shall establish a uniform rate to be paid by public and private agencies that benefit from public work services provided by special alternative incarceration participants and prisoners.

(2) It is the intent of the legislature that to the degree consistent with public safety and the safety and security of the institutions, public works projects be continued at the level provided in 2006 PA 331.

(3) It is the intent of the legislature that public works fee schedules be maintained at half the rates in effect on September 30, 2008.

(4) The department shall maintain a list of the number of prisoners available for public works crews at each department facility, and the number of prisoners necessary to fulfill current public works contracts at each department facility. The department shall place the list on a publicly accessible Internet site and update the list weekly.

(5) It is the intent of the legislature that pay rates for prisoners classified to public works assignments be increased by 50 cents per day from the rates in effect on September 30, 2009.

Sec. 907. The department shall report quarterly to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on academic/vocational programs. The report shall provide information relevant to an assessment of the department's academic and vocational programs, including, but not limited to, the following:

(a) The number of instructors and the number of instructor vacancies, by program and facility.

(b) The number of prisoners enrolled in each program, the number of prisoners completing each program, the number of prisoners who fail each program, the number of prisoners who do not complete each program and the reason for not completing the program, the number of prisoners transferred to another facility while enrolled in a program and the reason for transfer, the number of prisoners enrolled who are repeating the program by reason, and the number of prisoners on waiting lists for each program, all itemized by facility.

(c) The steps the department has undertaken to improve programs, track records, accommodate transfers and prisoners with health care needs, and reduce waiting lists.

(d) The number of prisoners paroled without a high school diploma and the number of prisoners paroled without a GED.

(e) An explanation of the value and purpose of each program, e.g., to improve employability, reduce recidivism, reduce prisoner idleness, or some combination of these and other factors.

(f) An identification of program outcomes for each academic and vocational program.

(g) An explanation of the department's plans for academic and vocational programs, including plans to contract with intermediate school districts for GED and high school diploma programs.

(h) The number of prisoners not paroled at their earliest release date due to lack of a GED, and the reason those prisoners have not obtained a GED.

Sec. 908. By February 1, 2010, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director, the percent of offenders included in the prison population intake for fiscal years 2007-2008 and 2008-2009 who have a high school diploma or a GED.

Sec. 909. As a condition of expending funds appropriated for academic/vocational programs under part 1, the department shall by January 31, 2009 provide a plan to contract with intermediate school districts for GED and high school diploma programs at correctional facilities to the members of the senate and house appropriations committees, the senate and house fiscal agencies, and the state budget director. The plan shall include detailed information on the development of the curriculum, how the program will be administered, how the program will improve employability, and how the program will be evaluated.

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 to produce high-quality materials for use by the visually impaired.

Sec. 911. (1) From the appropriations in part 1, the department shall ensure that all prisoner activities shall include the presence of a sufficient number of correctional officers needed to maintain the safety and security of the institution.

(2) By March 1, 2010, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director the number of critical incidents occurring each month by type and the number and severity of assaults occurring each month at each facility during calendar year 2009.

(3) The department shall not reduce the ratio of custody officers to prisoners at any correctional facility below the levels that existed October 1, 2008. Any correctional facility that reduces its security level after October 1, 2008 shall not have a ratio of custody officers to prisoners below that of a comparable facility. The department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director if it is unable to comply with this section. The report shall include all of the following:

(a) A list of the correctional facilities that reduced their ratio of custody officers to prisoners in violation of this subsection.

(b) An explanation of why the department is unable to comply with this subsection.

(c) A plan to maintain the safety and security of the facilities or units.

(4) Subsection (3) does not apply to facilities or portions of facilities that have closed.

Sec. 912. The department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director by March 1, 2010 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. The department shall develop and maintain a statewide waiting list for offenders referred for assessment for the assaultive offender program for parole eligibility and, if possible, shall transfer prisoners into facilities where assaultive offender programs are available in order to facilitate timely participation and completion prior to parole eligibility hearings. Nothing in this section should be deemed to make parole denial appealable in court.

Sec. 916. The department shall conduct a feasibility study focusing on the budgetary impact of converting the law library collections at correctional facilities to an electronic medium. The department shall report its findings to the

senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director by April 1, 2010.

Sec. 917. From the funds appropriated in part 1, the department shall allocate sufficient funds to implement evidence-based demonstration projects that change offenders' behaviors, values, beliefs, and attitudes toward victims and the community.

Sec. 918. Following receipt of an auditor general performance audit on offender transportation, the department, in conjunction with the department of management and budget, shall issue a request for information on the possible bidding of all offender transportation services. State employees shall be given the opportunity to respond to a request for information on offender transportation services. Any response to the request for information shall include an explanation of how savings of at least 5% over existing costs of offender transportation would be realized.

Sec. 919. (1) As a condition of expending funds appropriated in part 1 for prison food service, the department shall comply with the provisions of sections 207 and 207a, including, but not limited to, all of the following criteria:

(a) Providing a complete project plan at least 120 days prior to issuing a request for proposals or an invitation to bid for all or a substantial portion of food service, including a contract for food procurement.

(b) Conducting a preprivatization cost-benefit analysis as described by section 207a.

(c) Providing a copy of the cost-benefit analysis to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director before the earliest of the following:

(*i*) Issuance of a request for proposals or invitation to bid.

(*ii*) Filing a contract change request with the state administrative board.

(*iii*) Entering into a contract for all or a substantial portion of prison food service.

(2) As a condition of expending funds appropriated in part 1 for prison food service, any contract for prison food service or prison food procurement shall identify all of the following:

(a) How savings equivalent to the savings specified in civil service rules for personal services outside the civil service would be realized.

(b) How the department will comply with the requirements of sections 209 and 212.

(c) How food quality will be maintained in conjunction with any cost savings.

(d) The impact on local vendors, growers, and processors, identified by facility or region, as appropriate, compared to prior-year purchases.

Sec. 920. The department shall make every effort to operate a garden or horticultural operation at each correctional facility, where practical, in order to provide food for correctional facilities and not-for-profit organizations.

Sec. 921. (1) By April 30, 2010, the department shall report to the chairs of the senate and house appropriations committees, the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the following:

(a) The actual savings realized between October 1, 2009 and April 1, 2010 as a result of closing correctional facilities and correctional camps between June 1, 2009 and January 1, 2010, itemized by correctional facility or correctional camp.

(b) The projected fiscal year 2009-2010 savings by closing correctional facilities and correctional camps between June 1, 2009 and January 1, 2010, itemized by correctional facility or correctional camp.

(2) The report in subsection (1) shall include information on all of the following:

(a) The savings realized or projected to be realized, itemized by program or type of expenditure.

(b) Any cost of field supervision, field operations programs, or prisoner reintegration programs related to the closure of correctional facilities and correctional camps between June 1, 2009 and January 1, 2010.

Sec. 922. It is the intent of the legislature that all prisoners work 40 hours per week in the correctional facility, as part of a public works crew or in private enterprise, or participate in vocational or training programs. Prisoners may be enrolled in GED or education programs in combination with employment. Prisoners not employed shall be enrolled in GED or other educational programs for not less than 20 hours per week. This section does not apply to prisoners classified in level V or administrative segregation.

Sec. 923. The department shall cooperate with the department of education to evaluate the feasibility of local school districts providing education programming to targeted prisoners under the age of 20 who have not received a high school diploma. By June 1, 2010, 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 any plans or evaluations developed under this section.

Sec. 924. The department shall evaluate all prisoners at intake for substance abuse disorders, developmental disorders, and serious mental illness. Prisoners with serious mental illness shall not be confined in administrative segregation due to behavior that is symptomatic of serious mental illness. Under the supervision of a mental health professional, a prisoner with serious mental illness may be secluded in a therapeutic environment for the safety of the prisoner or others. A prisoner in seclusion shall be evaluated every 12 hours by a mental health professional in order to remain in seclusion. As used in this section:

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

Sec. 925. By March 1, 2010, 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 annual number of prisoners in administrative segregation between October 1, 2003 and September 30, 2009, and the annual number of prisoners in administrative segregation between October 1, 2003 and September 30, 2009 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. As used in this section:

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

Sec. 927. It is the intent of the legislature that the department of corrections and the department of human services examine the potential of entering into an intergovernmental agreement to place offenders less than 19 years of age who are committed to the department of corrections in underutilized units of the W.J. Maxey training school. The facilities shall be used to house offenders less than 19 years of age who are currently committed to the department of corrections.

Sec. 928. Funding appropriated in part 1 for consent decree line items is appropriated into separate control accounts created for each line item. Funding in each control account shall be distributed as necessary into separate accounts created for the purpose of separately identifying costs and expenditures associated with each consent decree.

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 19 years of age are adequately trained with regard to the developmental and mental health needs of prisoners less than 19 years of age.

(b) Provide appropriate placement for prisoners less than 19 years of age who have serious mental illness or a developmental disorder and who need to be housed separately from the general population. Prisoners less than 19 years of age who have serious mental illness or a developmental disorder shall not be placed in administrative segregation due to behavior that is symptomatic of serious mental illness. Under the supervision of a mental health professional, a prisoner less than 19 years of age with serious mental illness may be secluded in a therapeutic environment for the safety of the prisoner or others. A prisoner in seclusion shall be evaluated every 12 hours by a mental health professional in order to remain in seclusion. As used in this section:

(*i*) "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.

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

(c) Implement a specialized re-entry program that recognizes the needs of prisoners less than 19 years old for supervised re-entry.

Sec. 930. The department shall not have a shooting range located on property east of 3760 Foco Road, Standish, Michigan.

Sec. 931. (1) Included in the annual cost per prisoner are funds appropriated in part 1 for the following:

(a) Northern, southeastern, and southwestern region correctional facilities.

(b) Northern, southeastern, and southwestern region administration and support.

(c) Northern, southeastern, and southwestern region clinical complexes.

(d) Prisoner health care services.

(e) Health care administration.

(f) Vaccination program.

(g) Prison food service and federal school lunch program.

(h) Transportation.

(i) Inmate legal services.

(j) Correctional facilities administration.

(k) Central records.

(*l*) DOJ psychiatric plan.

(m) Worker's compensation.

(n) New custody staff training.

(o) Housing inmates in federal institutions.

(p) Prison store operations.

(q) Education services and federal education grants.

(r) MPRI education program.

(2) It is the intent of the legislature that the department reduce the annual cost per prisoner by $841.00 in comparison to the annual cost per prisoner in fiscal year 2008-2009.

This act is ordered to take immediate effect.

Richard J. Brown

Clerk of the House of Representatives

Carol Morey Viventi

Secretary of the Senate

Approved .....

.....

Governor

JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
OFFICE OF THE GOVERNOR
LANSING

JOHN D. CHERRY, JR.
LT. GOVERNOR

October 12, 2009

Michigan House of Representatives
State Capitol
Lansing, MI 48909-7514

Ladies and Gentlemen:

Today I have signed Enrolled House Bill 4437, the general appropriations bill for the Department of Corrections for the fiscal year ending September 30, 2010. I have, however, disapproved several items pursuant to Section 19 of Article V of the Michigan Constitution of 1963. The specific item vetoes are detailed in the attached copy of the bill, which has been filed with the Secretary of State.

I have exercised my item veto authority on the following appropriations:

- The proposed negative appropriation for unspecified correctional cost savings and corresponding language included in Section 233. A negative appropriation of the magnitude included in the bill would present a threat to the security and order of the state's correctional facilities. I have therefore directed the Department of Corrections to implement additional efficiencies and economies with the goal of securing $20 million in savings over and above the $120 million in specific reductions already included in this budget. That is an aggressive savings target that must be achieved without jeopardizing prison safety. While further efficiencies and economies may be attainable, the Legislature may not constitutionally delegate to the executive branch the authority and responsibility to reduce or eliminate services or programs mandated by the Legislature, if the amounts appropriated for such services or programs prove insufficient. In such circumstances, the Legislature is obligated to either authorize supplemental appropriations or act to reduce or eliminate programs and services.

- The county jail reimbursement program and the proposed new line item for county jail reimbursement program savings along with corresponding boilerplate in Section 414 and 434. Section 35 of The Code of Criminal Procedure, 1927 PA 175, MCL 769.35, requires the

Printed by members of:

Department of Corrections to operate a jail reimbursement program that provides funding to counties for housing offenders in county jails who otherwise would have been sentenced to prison. I support restoration of the program at Fiscal Year 2009 appropriation levels with reforms that conform with the statutory requirements of the program.

To provide direction regarding the implementation of this new appropriations act, I note the following:

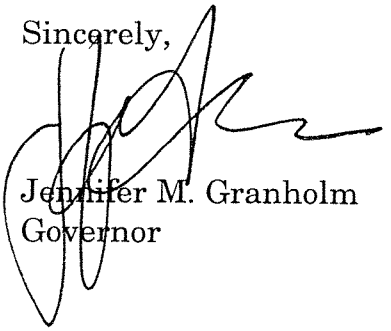
- Section 614 of House Bill 4437 purports to impose requirements on Michigan courts while the bill provides no appropriations for the judiciary. The requirements purportedly imposed by this section cannot then be valid conditions on appropriations, appear to be outside the scope of the title and object of the bill, and may violate Const 1963, art IV, §24.

- Section 812 of the bill purports to impose duties on the Department of Human Services while the bill provides no appropriations for that department. The duties purportedly imposed by this section cannot then be valid conditions on appropriations, appear to be outside the scope of the title and object of the bill, and may violate Const 1963, art IV, §24.

- Section 909 of the bill purports to condition the expenditure of funds appropriated for academic/vocational programs under Part 1 of the bill upon the requirement that the Department of Corrections provide a plan by January 1, 2009. Such a condition cannot be a valid condition as it cannot be satisfied during the fiscal year that began on October 1, 2009.

- Sections 225, 302, 303, 402, 405a, 407, 416, 421, 422, 426, 429, 601, 606, 808, 812, 906, 922, 927, and 931 of the bill include statements of legislative intent. While the Legislature has the right to state its advice, preferences, or wishes through a statement of intent, such statements do not impose conditions upon appropriations and are non-binding.

Sincerely,



Jennifer M. Granholm
Governor

c: Michigan Senate
The Honorable Terri Lynn Land

EDUCATION

Act No. 115
Public Acts of 2009
Approved by the Governor
October 12, 2009

Filed with the Secretary of State
October 12, 2009

EFFECTIVE DATE: October 12, 2009

STATE OF MICHIGAN

95TH LEGISLATURE

REGULAR SESSION OF 2009

Introduced by Rep. Terry Brown

ENROLLED HOUSE BILL No. 4438

AN ACT to make appropriations for the department of education and certain other purposes relating to education for the fiscal year ending September 30, 2010; to provide for the expenditure of the appropriations; and to provide for the disposition of fees and other income received by the state agency.

The People of the State of Michigan enact:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of education and certain state purposes related to education as set forth in this act for the fiscal year ending September 30, 2010, from the following funds:

DEPARTMENT OF EDUCATION

APPROPRIATION SUMMARY		
Full-time equated unclassified positions 6.0		
Full-time equated classified positions 538.5		
GROSS APPROPRIATION	$	112,871,600
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	112,871,600
Federal revenues:		
Federal revenues		68,190,000
Federal indirect funds		2,550,500
IMLS, library services and technology act		5,557,400
Total federal revenues		76,297,900

		For Fiscal Year Ending Sept. 30, 2010
Special revenue funds:		
Local cost sharing (schools for deaf/blind)	$	6,698,500
Local school district service fees		310,200
Total local revenues		7,008,700
Gifts, bequests, and donations		650,600
Private foundations		2,445,900
Total private revenues		3,096,500
Total local and private revenues		10,105,200
Certification fees		5,755,700
Commodity distribution fees		71,700
Student insurance revenues		218,600
Teacher college review fees		54,000
Teacher testing fees		527,900
Tenant rent		261,000
Training and orientation workshop fees		150,000
Total other state restricted revenues		7,038,900
State general fund/general purpose	$	19,429,600

Sec. 102. STATE BOARD OF EDUCATION/OFFICE OF THE SUPERINTENDENT

Full-time equated unclassified positions 6.0		
Full-time equated classified positions 12.0		
State board of education, per diem payments	$	24,400
Unclassified positions—6.0 FTE positions		515,600
State board/superintendent operations—12.0 FTE positions		2,338,800
GROSS APPROPRIATION	$	2,878,800
Appropriated from:		
Federal revenues:		
Federal revenues		610,600
Special revenue funds:		
Private foundations		27,000
Certification fees		611,400
State general fund/general purpose	$	1,629,800

Sec. 103. CENTRAL SUPPORT

Full-time equated classified positions 21.6		
Central support—21.6 FTE positions	$	3,880,000
Worker's compensation		43,900
Building occupancy charges - property management services		2,661,700
Tenant rent		261,000
Training and orientation workshops		150,000
Terminal leave payments		554,700
GROSS APPROPRIATION	$	7,551,300
Appropriated from:		
Federal revenues:		
Federal revenues		2,493,400
Federal indirect funds		1,956,200
Special revenue funds:		
Local cost sharing (schools for deaf/blind)		68,400
Certification fees		398,900
Teacher testing fees		13,200
Tenant rent		261,000
Training and orientation workshop fees		150,000
State general fund/general purpose	$	2,210,200

Sec. 104. INFORMATION TECHNOLOGY SERVICES

Information technology operations	$	3,516,900
GROSS APPROPRIATION	$	3,516,900

		For Fiscal Year Ending Sept. 30, 2010
Appropriated from:		
Federal revenues:		
Federal revenues	$	1,696,500
Federal indirect funds		223,300
Special revenue funds:		
Local cost sharing (schools for deaf/blind)		146,600
Certification fees		226,900
State general fund/general purpose	$	1,223,600

Sec. 105. SPECIAL EDUCATION SERVICES

Full-time equated classified positions 47.0		
Special education operations—47.0 FTE positions	$	11,528,900
GROSS APPROPRIATION	$	11,528,900
Appropriated from:		
Federal revenues:		
Federal revenues		11,097,400
Special revenue funds:		
Private foundations		105,700
Certification fees		38,700
State general fund/general purpose	$	287,100

Sec. 106. MICHIGAN SCHOOLS FOR THE DEAF AND BLIND

Full-time equated classified positions 109.0		
Michigan schools for the deaf and blind operations—108.0 FTE positions	$	13,081,100
Camp Tuhsmeheta—1.0 FTE position		295,100
Private gifts - blind		90,000
Private gifts - deaf		250,000
GROSS APPROPRIATION	$	13,716,200
Appropriated from:		
Federal revenues:		
Federal revenues		6,064,400
Special revenue funds:		
Local cost sharing (schools for deaf/blind)		6,483,500
Local school district service fees		299,100
Gifts, bequests, and donations		650,600
Student insurance revenue		218,600
State general fund/general purpose	$	0

Sec. 107. PROFESSIONAL PREPARATION SERVICES

Full-time equated classified positions 30.5		
Professional preparation operations—30.5 FTE positions	$	6,708,800
Department of attorney general		50,000
GROSS APPROPRIATION	$	6,758,800
Appropriated from:		
Federal revenues:		
Federal revenues		2,797,800
Special revenue funds:		
Certification fees		3,392,300
Teacher college review fees		54,000
Teacher testing fees		514,700
State general fund/general purpose	$	0

Sec. 108. EARLY CHILDHOOD EDUCATION AND FAMILY SERVICES

Full-time equated classified positions 26.0		
Early childhood education and family services operations—26.0 FTE positions	$	4,378,700
GROSS APPROPRIATION	$	4,378,700

		For Fiscal Year Ending Sept. 30, 2010
Appropriated from:		
Federal revenues:		
Federal revenues	$	3,288,100
Special revenue funds:		
Private foundations		193,600
Certification fees		59,200
State general fund/general purpose	$	837,800

Sec. 109. SCHOOL IMPROVEMENT SERVICES

Full-time equated classified positions 81.0		
School improvement operations—81.0 FTE positions	$	18,169,000
GROSS APPROPRIATION	$	18,169,000
Appropriated from:		
Federal revenues:		
Federal revenues		16,077,400
Special revenue funds:		
Private foundations		1,119,600
Certification fees		536,900
State general fund/general purpose	$	435,100

Sec. 110. SCHOOL FINANCE AND SCHOOL LAW SERVICES

Full-time equated classified positions 16.5		
School finance and school law operations—16.5 FTE positions	$	2,835,200
GROSS APPROPRIATION	$	2,835,200
Appropriated from:		
Federal revenues:		
Federal revenues		938,900
Federal indirect funds		371,000
Special revenue funds:		
Certification fees		491,400
State general fund/general purpose	$	1,033,900

Sec. 111. EDUCATION ASSESSMENT AND ACCOUNTABILITY

Full-time equated classified positions 45.6		
Educational assessment operations—45.6 FTE positions	$	9,452,400
GROSS APPROPRIATION	$	9,452,400
Appropriated from:		
Federal revenues:		
Federal revenues		9,452,400
State general fund/general purpose	$	0

Sec. 112. GRANTS ADMINISTRATION AND SCHOOL SUPPORT SERVICES

Full-time equated classified positions 63.3		
Grants administration and school support services operations—63.3 FTE positions	$	8,810,800
Federal and private grants		3,000,000
GROSS APPROPRIATION	$	11,810,800
Appropriated from:		
Federal revenues:		
Federal revenues		10,404,800
Special revenue funds:		
Local school district service fees		11,100
Private foundations		1,000,000
Commodity distribution fees		71,700
State general fund/general purpose	$	323,200

Sec. 113. CAREER AND TECHNICAL EDUCATION

Full-time equated classified positions 25.0		
Career and technical education operations—25.0 FTE positions	$	3,915,800
GROSS APPROPRIATION	$	3,915,800

		For Fiscal Year Ending Sept. 30, 2010
Appropriated from:		
Federal revenues:		
Federal revenues	$	3,268,300
State general fund/general purpose	$	647,500
Sec. 114. LIBRARY OF MICHIGAN		
Full-time equated classified positions 61.0		
Library of Michigan operations—59.0 FTE positions	$	4,601,400
Library services and technology program—2.0 FTE positions		5,557,400
State aid to libraries		6,000,000
Book distribution centers		200,000
GROSS APPROPRIATION	$	16,358,800
Appropriated from:		
Federal revenues:		
IMLS, library services and technology act		5,557,400
State general fund/general purpose	$	10,801,400

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for the fiscal year ending September 30, 2010 is $26,468,500.00 and state spending from state resources to be paid to local units of government for the fiscal year ending September 30, 2010 is $6,000,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF EDUCATION		
State aid to libraries	$	6,000,000
Total department of education	$	6,000,000

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

Sec. 203. As used in this act:

(a) "Department" means the Michigan department of education.

(b) "District" means a local school district as defined in section 6 of the revised school code, 1976 PA 451, MCL 380.6, or a public school academy as defined in section 5 of the revised school code, 1976 PA 451, MCL 380.5.

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

(d) "IMLS" means institute of museum and library services.

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

Sec. 205. The department shall use the Internet to fulfill the reporting requirements of this act. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on an Internet or Intranet site.

Sec. 206. The department shall provide through the Internet the state board of education agenda and all supporting documents, and shall notify the state budget director and the senate and house fiscal agencies that the agenda and supporting documents are available on the Internet, at the time the agenda and supporting documents are provided to state board of education members.

Sec. 207. (1) Upon receipt of the federal drug-free grant, the department shall allocate $225,000.00 of the grant to the safe school program within the department. The safe school program shall work with local school boards, parents of

enrolled students, law enforcement agencies, community leaders, and the office of drug control policy for the prevention of school violence. The safe school program shall develop and implement, and serve as coordinator of, a statewide clearinghouse for information, program development, model programs and policies, and technical assistance on school violence prevention.

(2) To accomplish its functions under this section, the safe school program shall do all of the following:

(a) Coordinate with the office of drug control policy in the department of community health to ensure that there is a meaningful linkage between the efforts under this act to provide safe schools and the initiatives undertaken through that office, including, but not limited to, school districts' safe and drug-free school plans, and to facilitate timely applications for and distribution of available grant money.

(b) Provide through the Internet the availability to access, and provide through the Internet information regarding, the state model policy on locker searches, the state model policy on firearm safety and awareness, and any other state or local safety policies that the office considers exemplary.

(c) Advance, promote, and encourage the awareness and use of the state police antiviolence hotline.

Sec. 208. The department shall require all public school districts to maintain complete records within the personnel file of a teacher or school employee of any disciplinary actions taken by the local school board against the teacher or employee for sexual misconduct. The records shall not be destroyed or removed from the teacher's or employee's personnel file except as required by a court order.

Sec. 209. From the funds appropriated in part 1 for information technology, departments and agencies shall pay user fees to the department of information technology for technology-related services and projects. Such user fees shall be subject to provisions of an interagency agreement between the departments and agencies and the department of information technology.

Sec. 210. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 211. Before publishing a list of schools or districts determined to have failed to make adequate yearly progress as required by the no child left behind act of 2001, Public Law 107-110, the department shall allow a school or district to appeal that determination. The department shall consider and act upon the appeal within 30 days after it is submitted and shall not publish the list until after all appeals have been considered and decided.

Sec. 212. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and comparable quality American goods or services, or both, are available. Preference shall be given to goods or services, or both, manufactured or provided by Michigan businesses if they are competitively priced and of comparable quality. In addition, preference should be given to goods or services, or both, manufactured or provided by Michigan businesses owned and operated by veterans if they are competitively priced and of comparable quality.

Sec. 213. (1) A hiring freeze is imposed on the state classified civil service. State departments and agencies are prohibited from hiring any new full-time state classified civil service employees and prohibited from filling any vacant state classified civil service positions. This hiring freeze does not apply to internal transfers of classified employees from 1 position to another within a department.

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

Sec. 214. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2010 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) Not later than January 1 of each year, each department shall prepare a travel report listing all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the 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 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. 215. 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 the 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.

Sec. 216. The department shall not take disciplinary action against an employee who communicates truthfully and factually with a member of the legislature or his or her staff.

Sec. 217. 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. 219. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $5,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $250,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

Sec. 220. The department shall provide data requested by a member of the legislature, his or her staff, or the house and senate fiscal agencies in a timely manner.

Sec. 221. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those activities that the attorney general authorizes.

Sec. 222. (1) The department shall report no later than April 1, 2010 on each specific policy change made by the department to implement a public act affecting that department that took effect during the preceding calendar year. The department shall report to the house and senate appropriations subcommittees on the budget for the department, the joint committee on administrative rules, and the senate and house fiscal agencies.

(2) Funds appropriated in part 1 shall not be used by the department to adopt a rule that will apply to a small business and that will have a disproportionate economic impact on small businesses because of the size of those businesses if the department fails to reduce the disproportionate economic impact of the rule on small businesses as provided under section 40 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

(3) As used in this section:

(a) "Rule" means that term as defined under section 7 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.207.

(b) "Small business" means that term as defined under section 7a of the administrative procedures act of 1969, 1969 PA 306, MCL 24.207a.

Sec. 223. Beginning November 1, 2009 and continuing quarterly thereafter, the department shall report on the number of FTEs in pay status by civil service classification to the house and senate appropriations subcommittees responsible for the department budget and the house and senate fiscal agencies.

Sec. 225. It is the intent of the legislature that not later than 60 days after the state receives audited membership counts from intermediate school districts, the state superintendent of public instruction shall investigate and report to the legislature on the scope of and proposed solutions to pupil membership fraud and the incidence of students counted in membership in a district and not remaining in that district for the balance of the school year.

Sec. 226. Not later than October 15, 2010, the department shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the office of the state budget, the chairpersons of the senate and house appropriations committees, and the senate and house fiscal agencies.

STATE BOARD/OFFICE OF THE SUPERINTENDENT

Sec. 301. (1) The appropriations in part 1 may be used for per diem payments to the state board for meetings at which a quorum is present or for performing official business authorized by the state board. The per diem payments shall be at a rate as follows:

(a) State board of education - president - $110.00 per day.

(b) State board of education - member other than president - $100.00 per day.

(2) A state board of education member shall not be paid a per diem for more than 30 days per year.

(3) The state board executive shall report to the public, the senate and house fiscal agencies, and the state budget director the previous quarter's expenses by fund source for members of the state board of education.

Sec. 302. From the amount appropriated in part 1 to the state board of education, not more than $35,000.00 shall be expended for in-state travel and out-of-state travel directly related to the duties of the state board of education.

MICHIGAN SCHOOLS FOR THE DEAF AND BLIND

Sec. 401. The employees at the Michigan schools for the deaf and blind who work on a school year basis shall be considered annual employees for purposes of service credits, retirement, and insurance benefits.

Sec. 402. For each student enrolled at the Michigan schools for the deaf and blind, the department shall assess the intermediate school district of residence 100% of the cost of operating the student's instructional program. The amount shall exclude room and board related costs and the cost of weekend transportation between the school and the student's home.

Sec. 404. (1) The department may assess rent or lease excess property located on the campus of the Michigan schools for the deaf and blind in Flint to private or publicly funded organizations.

(2) In addition to those funds appropriated in part 1, the department may receive and expend additional funds from lease agreements at the Michigan schools for the deaf and blind Flint campus that have been negotiated with the approval of the department of management and budget. These funds are appropriated to the department for the operation, maintenance, and renovation expenses associated with the leased space.

(3) From the unexpended balances of appropriations for the schools for the deaf and blind operations, up to $250,000.00 of any unexpended and unencumbered funds remaining on September 30, 2010 may be carried forward as a work project and expended for special maintenance and repairs of facilities at the campus of the Michigan schools for the deaf and blind in Flint. The work shall be carried out by state employees, or by contract as necessary, at an estimated cost of $250,000.00. The estimated completion date of the work is September 30, 2011.

(4) From the tenant rent appropriation for Fay hall, up to $100,000.00 of any unexpended and unencumbered funds remaining on September 30, 2010 may be carried forward as a work project or as restricted revenue and expended for special maintenance and repairs of facilities at Fay hall. The work project may be performed by state employees, or by contract when necessary, at an estimated cost of $100,000.00. The estimated completion date of the work project is September 30, 2011.

Sec. 405. The department may assist the department of community health, other departments, and local school districts to secure reimbursement for eligible services provided in Michigan schools from the federal Medicaid program. The department may submit reports of direct expenses related to this effort to the department of community health for reimbursement.

Sec. 406. (1) The Michigan schools for the deaf and blind may promote its residential program as a possible appropriate option for children who are deaf or hard of hearing or who are blind or visually impaired. The Michigan schools for the deaf and blind shall distribute information detailing its services to all intermediate school districts in the state.

(2) Upon knowledge of or recognition by an intermediate school district that a child in the district is deaf or hard of hearing or blind or visually impaired, the intermediate school district shall provide to the parents of the child the literature distributed by the Michigan schools for the deaf and blind to intermediate school districts under subsection (1).

(3) Parents will continue to have a choice regarding the educational placement of their deaf or hard-of-hearing children.

Sec. 407. Revenue received from gifts, bequests, and donations that is unexpended at the end of the state fiscal year may be carried over to the succeeding fiscal year and shall not revert to the general fund.

PROFESSIONAL PREPARATION SERVICES

Sec. 501. From the funds appropriated in part 1 for professional preparation services, the department shall maintain the professional personnel register and certificate revocation/felony conviction files.

Sec. 502. The department shall authorize teacher preparation institutions to provide an alternative program by which up to 1/2 of the required student internship or student teaching credits may be earned through substitute teaching. The department shall require that teacher preparation institutions collaborate with school districts to ensure that the quality of instruction provided to student teachers is comparable to that required in a traditional student teaching program.

Sec. 506. Revenue received from teacher testing fees that is unexpended at the end of the state fiscal year may be carried over to the succeeding fiscal year and shall not revert to the general fund.

OFFICE OF SCHOOL IMPROVEMENT

Sec. 601. From the amount appropriated in part 1 for the office of school improvement, there is allocated $350,000.00 and 3.5 FTE positions to operate a charter school office to administer charter school legislation and associated regulations, and to coordinate the activities of the department relating to charter schools.

INFORMATION TECHNOLOGY

Sec. 701. The department shall work in collaboration with the center for educational performance and information to support the comprehensive educational information system and all data collection and reporting efforts of the department.

LIBRARY OF MICHIGAN

Sec. 801. In addition to the funds appropriated in part 1, the funds collected by the department for document reproduction and services; conferences, workshops, and training classes; and the use of specialized equipment, facilities, and software are appropriated for all expenses necessary to provide the required services. These funds are available for expenditure when they are received and may be carried forward into the next succeeding fiscal year.

Sec. 802. The funds appropriated in part 1 for book distribution centers shall be distributed equally to the public enrichment foundation and the Michigan friends of education.

Sec. 803. It is the intent of the legislature that the library of Michigan and the component programs currently within the library of Michigan shall be kept together in a state department.

GRANTS ADMINISTRATION AND SCHOOL SUPPORT SERVICES

Sec. 901. Within 10 days of the receipt of a grant appropriated in the federal and private grants line item in part 1, the department shall notify the house and senate chairpersons of the appropriations subcommittees responsible for the department budget, the house and senate fiscal agencies, and the state budget director of the receipt of the grant, including the funding source, purpose, and amount of the grant.

Sec. 903. The department shall work with the legislature to examine the feasibility of removing the barriers to operation of cyber schools that focus on special student populations such as dropouts or expelled students. Not later than December 31, 2009, the department shall prepare and submit to the appropriations subcommittees on education and K-12 school aid a report on these matters.

This act is ordered to take immediate effect.

Richard J. Brown

Clerk of the House of Representatives

Carol Morey Viventi

Secretary of the Senate

Approved .....

.....

Governor

ENERGY, LABOR, AND ECONOMIC GROWTH

Act No. 130
Public Acts of 2009
Approved by the Governor*
October 29, 2009
Filed with the Secretary of State
October 30, 2009
EFFECTIVE DATE: October 30, 2009

*Item Vetoes

Sec. 106. MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
Michigan housing and community development fund ..... $ 59,000 (Page 3)

Sec. 114. DEPARTMENT GRANTS
Agriculture economic development ..... $ 300,000 (Page 7)

Sec. 342.
Entire Section. (Page 14)

Sec. 364.
Entire Section. (Page 14)

Sec. 501.
Entire Section. (Page 15)

Sec. 704.
Entire Section. (Page 17)

Sec. 813.
Entire Section. (Page 19)

Sec. 818.
Entire Section. (Page 19)

STATE OF MICHIGAN
95TH LEGISLATURE
REGULAR SESSION OF 2009

Introduced by Senator Jansen

ENROLLED SENATE BILL No. 243

AN ACT to make appropriations for the department of energy, labor, and economic growth and certain other state purposes for the fiscal year ending September 30, 2010; to provide for the expenditure of those appropriations; to provide for the imposition of certain fees; to provide for the disposition of fees and other income received by the state agencies; to provide for reports to certain persons; and to prescribe powers and duties of certain state departments and certain state and local agencies and officers.

The People of the State of Michigan enact:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. The amounts listed in this part are appropriated for the department of energy, labor, and economic growth, subject to the conditions set forth in this act, for the fiscal year ending September 30, 2010, from the funds identified in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF ENERGY, LABOR, AND ECONOMIC GROWTH

APPROPRIATION SUMMARY		
Full-time equated unclassified positions	58.5	
Full-time equated classified positions	4,680.5	
GROSS APPROPRIATION		$ 1,424,391,200
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		29,465,100
ADJUSTED GROSS APPROPRIATION		$ 1,394,926,100
Federal revenues:		
Total federal revenues		918,286,200
Special revenue funds:		
Total local revenues		15,921,000
Total private revenues		5,314,300
Total other state restricted revenues		400,261,500
State general fund/general purpose		$ 55,143,100

Sec. 102. DEPARTMENTAL ADMINISTRATION

Full-time equated unclassified positions	58.5	
Full-time equated classified positions	153.0	
Unclassified salaries		$ 4,590,200
Executive director programs—49.0 FTE positions		5,852,700

		For Fiscal Year Ending Sept. 30, 2010
Regulatory efficiency improvements/backlog reduction initiative	$	475,600
Property management		11,694,600
Rent		15,199,300
Worker's compensation		844,600
Special project advances		940,000
Administrative services—104.0 FTE positions		10,923,300
GROSS APPROPRIATION	$	50,520,300
Appropriated from:		
Interdepartmental grant revenues:		
IDG from department of community health		300,000
Federal revenues:		
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants		4,688,900
DOL-ETA, unemployment insurance		11,220,300
DOL-ETA, workforce investment act		830,500
DOL, federal funds		1,999,100
DOL, multiple grants for safety and health		753,900
Federal revenues		511,600
HHS, temporary assistance for needy families		333,400
HHS, titles XVIII and XIX		43,000
Special revenue funds:		
Private - special project advances		940,000
Local revenues		131,300
Bank fees		387,200
Boiler fee revenue		249,800
Construction code fund		1,088,100
Consumer finance fees		116,200
Contingent fund, penalty and interest account		842,500
Corporation fees		4,499,800
Credit union fees		267,900
Deferred presentment service transaction fees		2,900
Elevator fees		264,000
Fees and collections/asbestos		100,200
Fire service fees		748,700
Insurance continuing education fees		28,000
Insurance licensing and regulation fees		1,521,700
Insurance bureau fund		828,200
Licensing and regulation fees		794,200
Liquor license revenue		100,000
Liquor purchase revolving fund		4,492,200
MBLSLA fund		116,400
Mobile home code fund		257,700
Michigan state housing development authority fees and charges		3,999,200
Motor carrier fees		206,400
Public utility assessments		2,170,300
Private occupational school license fees		14,000
Retired engineers technical assistance program fund		343,000
Safety education and training fund		601,100
Second injury fund		261,800
Securities fees		2,392,600
Self-insurers security fund		92,100
Silicosis and dust disease fund		114,800
Tax tribunal fund		177,600
State general fund/general purpose	$	1,689,700

Sec. 103. OFFICE OF FINANCIAL AND INSURANCE REGULATION

Full-time equated classified positions 349.0		
Administration—35.0 FTE positions	$	7,007,800
Regulatory compliance and consumer assistance—99.0 FTE positions		15,743,400

		For Fiscal Year Ending Sept. 30, 2010
Financial evaluation—215.0 FTE positions	$	30,952,200
GROSS APPROPRIATION	$	53,703,400
Appropriated from:		
Federal revenues:		
Federal regulatory project revenue		50,400
Special revenue funds:		
Bank fees		7,997,700
Captive insurance regulatory and supervision fund		236,900
Consumer finance fees		4,264,500
Credit union fees		5,886,000
Deferred presentment service transaction fees		2,161,700
Insurance bureau fund		19,526,500
Insurance continuing education fees		974,200
Insurance licensing and regulation fees		4,519,200
MBLSLA fund		4,793,400
Multiple employer welfare arrangement		73,700
Securities fees		3,219,200
State general fund/general purpose	$	0

Sec. 104. PUBLIC SERVICE COMMISSION AND ENERGY SYSTEMS

Full-time equated classified positions 209.0		
Public service commission—186.0 FTE positions	$	25,291,900
Bureau of energy systems—18.0 FTE positions		6,972,200
METRO authority—5.0 FTE positions		325,000
GROSS APPROPRIATION	$	32,589,100
Appropriated from:		
Federal revenues:		
DOE-OEERE, multiple grants		4,688,100
DOT-RSPA, gas pipeline safety		430,000
Special revenue funds:		
Private - oil overcharge		30,000
Children's protection registry fund		272,600
Motor carrier fees		1,689,100
Public utility assessments		23,474,300
Retired engineers technical assistance program fund		1,605,000
Video franchise assessments		400,000
State general fund/general purpose	$	0

Sec. 105. LIQUOR CONTROL COMMISSION

Full-time equated classified positions 152.0		
Management support services—28.0 FTE positions	$	3,570,800
Liquor licensing and enforcement—124.0 FTE positions		12,609,200
GROSS APPROPRIATION	$	16,180,000
Appropriated from:		
Special revenue funds:		
Direct shipper enhancement revolving fund		120,000
Liquor license revenue		6,526,500
Liquor purchase revolving fund		9,533,500
State general fund/general purpose	$	0

Sec. 106. MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

Full-time equated classified positions 289.0		
Payments on behalf of tenants	$	156,000,000
Housing and rental assistance program—266.0 FTE positions		37,997,700
Michigan housing and community development fund		59,000
State historic preservation programs—22.0 FTE positions		2,079,000
Lighthouse preservation program—1.0 FTE position		251,000
GROSS APPROPRIATION	$	196,386,700

		For Fiscal Year Ending Sept. 30, 2010
Appropriated from:		
Federal revenues:		
DOI-NPS, historic preservation grants-in-aid	$	950,000
HUD, lower income housing assistance program		156,000,000
Special revenue funds:		
Michigan lighthouse preservation fund		251,000
Michigan state housing development authority fees and charges		39,126,700
State general fund/general purpose	$	59,000

Sec. 107. OCCUPATIONAL REGULATION

Full-time equated classified positions 435.0		
Boiler inspection program—25.0 FTE positions	$	2,803,800
Bureau of fire services—57.0 FTE positions		6,052,700
Code enforcement—120.0 FTE positions		13,373,900
Commercial services—170.0 FTE positions		19,662,600
Elevator inspection program—30.0 FTE positions		2,984,500
Local manufactured housing communities inspections		250,000
Manufactured housing and land resources program—22.0 FTE positions		3,248,900
Property development group—11.0 FTE positions		1,599,500
GROSS APPROPRIATION	$	49,975,900
Appropriated from:		
Interdepartmental grant revenues:		
IDG from department of community health, inspection contract		100,000
IDG from department of state police, homeland security		709,800
Federal revenues:		
DOT		60,000
FEMA		28,000
HHS, titles XVIII and XIX		700,000
Special revenue funds:		
Accountancy enforcement fund		403,600
Boiler fee revenue		3,216,100
Builder enforcement fund		400,000
Construction code fund		13,247,600
Corporation fees		5,957,700
Elevator fees		3,368,500
Fire alarm fees		101,700
Fire service fees		1,753,200
Homeowner construction lien recovery fund		1,846,500
Land sales fees		40,000
Licensing and regulation fees		10,569,500
Mobile home code fund		2,828,900
Property development fees		288,300
Real estate appraiser continuing education fund		47,000
Real estate education fund		272,100
Real estate enforcement fund		350,000
Survey and remonumentation fund		723,100
Security business fund		314,600
Unarmed combat fund		49,700
State general fund/general purpose	$	2,600,000

Sec. 108. MICHIGAN OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION

Full-time equated classified positions 229.0		
Occupational safety and health—229.0 FTE positions	$	26,805,500
GROSS APPROPRIATION	$	26,805,500
Appropriated from:		
Federal revenues:		
DOL, multiple grants for safety and health		12,487,100

		For Fiscal Year Ending Sept. 30, 2010
Special revenue funds:		
Corporation fees	$	3,539,500
Fees and collections/asbestos		865,900
Safety education and training fund		8,035,000
Securities fees		1,878,000
State general fund/general purpose	$	0

Sec. 109. BUREAU OF WORKER'S AND UNEMPLOYMENT COMPENSATION

Full-time equated classified positions 1,551.0		
Administration—96.6 FTE positions	$	9,349,600
Board of magistrates and appellate commission—19.4 FTE positions		2,870,100
Wage and hour division—35.0 FTE positions		3,167,000
Insurance funds administration—28.0 FTE positions		4,692,600
Supplemental benefit fund		820,000
Unemployment programs—1,302.7 FTE positions		129,322,100
Advocacy assistance program		1,500,000
Special audit and collections program—34.0 FTE positions		2,912,700
Training program for agency staff—2.1 FTE positions		1,813,500
Expanded fraud control program—33.2 FTE positions		3,314,400
GROSS APPROPRIATION	$	159,762,000
Appropriated from:		
Federal revenues:		
DOL-ETA, employment and training administration		711,700
DOL-ETA, unemployment insurance		119,098,800
Federal Reed act funds		4,494,500
Special revenue funds:		
Corporation fees		3,247,100
Contingent fund, regular penalty and interest account		14,557,700
Second injury fund		2,526,200
Securities fees		2,438,600
Self-insurers security fund		1,194,500
Silicosis and dust disease fund		971,900
Worker's compensation administrative revolving fund		2,697,000
State general fund/general purpose	$	7,824,000

Sec. 110. STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES

Full-time equated classified positions 178.0		
Administrative hearings and rules—178.0 FTE positions	$	24,680,900
GROSS APPROPRIATION	$	24,680,900
Appropriated from:		
Interdepartmental grant revenues:		
IDG from department of community health		1,753,600
IDG from department of corrections		3,897,600
IDG from department of education		1,119,300
IDG from department of environmental quality		537,200
IDG from department of human services		5,559,300
IDG from department of management and budget		43,300
Federal revenues:		
DOL-ETA, unemployment insurance		6,910,500
DOL, multiple grants for safety and health		208,500
Special revenue funds:		
Construction code fund		301,300
Corporation fees		385,800
Insurance bureau fund		357,200
Licensing and regulation fees		832,000
Liquor purchase revolving fund		123,200
Mobile home code fund		147,500
Public utility assessments		1,309,600

		For Fiscal Year Ending Sept. 30, 2010
Safety education and training fund	$	201,300
Securities fees		914,400
Tax tribunal fund		79,300
State general fund/general purpose	$	0

Sec. 111. INFORMATION TECHNOLOGY

Information technology services and projects	$	44,907,200
GROSS APPROPRIATION	$	44,907,200
Appropriated from:		
Federal revenues:		
DOL-ETA, unemployment insurance		21,538,900
DOL, multiple grants for safety and health		273,700
Federal revenues		6,173,500
HHS, temporary assistance for needy families		176,300
Special revenue funds:		
Bank fees		304,500
Boiler fee revenue		340,500
Construction code fund		957,300
Consumer finance fees		144,100
Corporation fees		2,721,400
Credit union fees		211,100
Deferred presentment service transaction fees		5,700
Elevator fees		271,300
Fees and collections/asbestos		11,000
Fire service fees		623,500
Insurance continuing education fees		56,700
Insurance bureau fund		893,500
Land bank fast track fund		157,500
Licensing and regulation fees		1,050,100
Liquor purchase revolving fund		2,490,500
MBLSLA fund		144,200
Mobile home code fund		82,600
Michigan state housing development authority fees and charges		3,125,200
Motor carrier fees		120,800
Public utility assessments		937,000
Retired engineers technical assistance program fund		23,200
Safety education and training fund		544,300
Second injury fund		158,600
Securities fees		1,133,500
Self-insurers security fund		71,500
Silicosis and dust disease fund		61,500
State general fund/general purpose	$	103,700

Sec. 112. WORKFORCE DEVELOPMENT

Full-time equated classified positions 929.5		
Employment services—246.0 FTE positions	$	48,918,200
Jobs, education and training program—57.0 FTE positions		15,445,000
Labor market information—52.0 FTE positions		6,449,500
Michigan rehabilitation services—513.5 FTE positions		70,817,100
Workforce programs administration—61.0 FTE positions		12,858,300
GROSS APPROPRIATION	$	154,488,100
Appropriated from:		
Interdepartmental grant revenues:		
IDG from department of human services		15,445,000
Federal revenues:		
DAG, employment and training		178,700
DED-OPSE, multiple grants		1,222,900
DED-OSERS, centers for independent living		58,200
DED-OSERS, rehabilitation long-term training		316,900

		For Fiscal Year Ending Sept. 30, 2010
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants	$	54,315,700
DED-OSERS, state grants for technical-related assistance		59,200
DOL-ETA, workforce investment act		7,655,700
DOL, federal funds		48,882,200
HHS-SSA, supplemental security income		3,770,800
HHS, temporary assistance for needy families		3,371,600
Special revenue funds:		
Private - gifts, bequests, and donations		816,000
Local revenue		4,305,900
Local vocational rehabilitation match		2,684,500
Contingent fund, penalty and interest account		1,853,100
Rehabilitation services fees		1,350,300
Second injury fund		51,500
State general fund/general purpose	$	8,149,900

Sec. 113. CAREER EDUCATION PROGRAMS

Full-time equated classified positions 30.0		
Postsecondary education—14.0 FTE positions	$	2,964,400
Adult education—16.0 FTE positions		2,534,400
GROSS APPROPRIATION	$	5,498,800
Appropriated from:		
Federal revenues:		
Federal revenues		3,867,500
Special revenue funds:		
Private occupational school license fees		648,500
Defaulted loan collection fees		100,000
State general fund/general purpose	$	882,800

Sec. 114. DEPARTMENT GRANTS

Adult basic education	$	20,000,000
Agriculture economic development		300,000
Carl D. Perkins grants		19,000,000
Gear-up program grants		3,000,000
Workforce training programs subgrantees		244,528,600
Personal assistance services		459,500
Vocational rehabilitation client services/facilities		55,919,000
Vocational rehabilitation independent living		3,329,700
Welfare-to-work programs		107,333,600
Fire protection grants		10,910,500
Low-income energy efficiency assistance		90,000,000
Liquor law enforcement grants		6,600,000
Remonumentation grants		5,300,000
Michigan nursing corps		300,000
Private grant programs		3,000,000
Subregional libraries state aid		451,800
GROSS APPROPRIATION	$	570,432,700
Appropriated from:		
Federal revenues:		
DAG, employment and training		7,000,000
DED-OESE, gear-up		3,000,000
DED-OSERS, centers for independent living		450,200
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants		35,797,900
DED-OSERS, rehabilitation services facilities		2,272,500
DED-OSERS, supported employment		1,541,300
DED-OSERS, state grants for technical-related assistance		2,240,800
DED-OVAE, adult education		20,000,000
DED-OVAE, basic grants to states		19,000,000
DOL-ETA, workforce investment act		225,602,700
DOL, federal funds		24,425,900

		For Fiscal Year Ending Sept. 30, 2010
HHS, temporary assistance for needy families	$	72,299,000
HHS-SSA, supplemental security income		3,480,600
Special revenue funds:		
Private - gifts, bequests, and donations		400,000
Private revenues		3,000,000
Local vocational rehabilitation match		7,000,000
Local vocational rehabilitation facilities match		1,278,300
Contingent fund, penalty and interest account		1,000,000
Low-income energy efficiency fund		90,000,000
Fire protection fund		8,500,000
Liquor purchase revolving fund		2,410,500
Liquor license revenue		6,600,000
Survey and remonumentation fund		5,300,000
State general fund/general purpose	$	27,833,000
Sec. 115. BOARDS, AUTHORITIES AND COMMISSIONS		
Full-time equated classified positions 176.0		
MES board of review program—18.0 FTE positions	$	2,445,400
Land bank fast-track authority—6.0 FTE positions		1,834,400
Commission on Spanish-speaking affairs—2.0 FTE positions		259,500
Commission on disability concerns—7.0 FTE positions		1,157,000
Commission for the blind—107.0 FTE positions		25,287,000
Utility consumer representation		950,000
Youth low-vision program		241,800
Tax tribunal operations—15.0 FTE positions		2,790,000
Employment and labor relations—21.0 FTE positions		3,495,500
GROSS APPROPRIATION	$	38,460,600
Appropriated from:		
Federal revenues:		
Federal revenues		19,659,800
DOL-ETA, unemployment insurance		2,445,400
EEOC, federal funds		10,000
Special revenue funds:		
Private revenues		128,300
Local revenues		521,000
Land bank fast-track fund		1,834,400
Securities fees		3,485,500
State restricted revenues		635,200
Tax tribunal fund		2,790,000
Utility consumer representation fund		950,000
State general fund/general purpose	$	6,001,000

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2009-2010 is $455,404,600.00 and state spending from state resources to be paid to local units of government for fiscal year 2009-2010 is $43,175,600.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF ENERGY, LABOR, AND ECONOMIC GROWTH		
Fire protection grants	$	10,910,500
Liquor law enforcement		6,600,000
Local manufactured housing inspections		250,000

Remonumentation grants	$	5,300,000
Fire fighters training council		1,628,700
Welfare-to-work programs		18,034,600
Subregional state aid		451,800
Total department of energy, labor, and economic growth	$	43,175,600

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

Sec. 203. As used in this act:

(a) "DAG" means the United States department of agriculture.

(b) "DED" means the United States department of education.

(c) "DED-OESE" means the DED office of elementary and secondary education.

(d) "DED-OPSE" means the DED office of postsecondary education.

(e) "DED-OSERS" means the DED office of special education rehabilitation services.

(f) "DED-OVAE" means the DED office of vocational and adult education.

(g) "Department" means the department of energy, labor, and economic growth.

(h) "Director" means the director of the department of energy, labor, and economic growth.

(i) "DOE" means the United States department of energy.

(j) "DOE-OEERE" means the DOE office of energy efficiency and renewable energy.

(k) "DOI-NPS" means the United States department of interior, national park service.

(*l*) "DOL" means the United States department of labor.

(m) "DOL-ETA" means the DOL employment and training administration.

(n) "DOL-ODEP" means the DOL office of disability employment policy.

(o) "DOT" means the United States department of transportation.

(p) "DOT-RSPA" means the DOT research and special programs administration.

(q) "EEOC" means equal employment opportunity commission.

(r) "FEMA" means federal emergency management agency.

(s) "Fiscal agencies" means Michigan house fiscal agency and Michigan senate fiscal agency.

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

(u) "HHS" means the United States department of health and human services.

(v) "HHS-SSA" means HHS social security administration.

(w) "HUD" means the United States department of housing and urban development.

(x) "IDG" means interdepartmental grant.

(y) "MARVIN" means Michigan's automated response voice interactive network.

(z) "MBLSLA" means mortgage brokers, lenders, and servicers licensing act.

(aa) "MES" means Michigan employment security.

(bb) "METRO" means metropolitan extension telecommunications rights-of-way oversight.

(cc) "MIOSHA" means Michigan occupational safety and health administration.

(dd) "MSHDA" means Michigan state housing development authority.

(ee) "SOAHR" means the state office of administrative hearings and rules.

(ff) "Subcommittees" means all members of the subcommittees of the house and senate appropriations committees with jurisdiction over the budget for the department.

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

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

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

Sec. 208. The department shall use the Internet to fulfill the reporting requirements of this act. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on 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 that businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. The director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

Sec. 211. The department shall establish and maintain affirmative action programs based on the guidelines developed by the state equal opportunity and diversity council which was created by Executive Order No. 2008-22 in order to receive general fund/general purpose dollars in compliance with section 26 of article I of the state constitution of 1963.

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

Sec. 215. (1) The department shall report no later than April 1, 2010 on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year to the house and senate appropriations subcommittees on the budget for the department, the joint committee on administrative rules, and the senate and house fiscal agencies.

(2) Funds appropriated in part 1 shall not be used by the department to adopt a rule that will apply to a small business and that will have a disproportionate economic impact on small businesses because of the size of those businesses if the department fails to reduce the disproportionate economic impact of the rule on small businesses as provided under section 40 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

(3) As used in this section:

(a) "Rule" means that term as defined under section 7 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.207.

(b) "Small business" means that term as defined under section 7a of the administrative procedures act of 1969, 1969 PA 306, MCL 24.207a.

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

Sec. 217. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2010 shall be limited to situations in which 1 or more of the following conditions apply:

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

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

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

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

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

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

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

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

(a) The 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. 219. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 221. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those activities that the attorney general authorizes.

Sec. 222. The department shall review the determinations of the legislative commission on governmental efficiency for applicability to the operations of the department and the estimated costs and benefits of implementing the recommendations.

Sec. 223. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $31,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $26,000,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $8,200,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(4) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $600,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 224. 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.

Sec. 225. Within 10 days after the receipt of a grant appropriated in the private grant funded projects line item in part 1, the department shall notify the house and senate chairpersons of the subcommittees, the fiscal agencies, and the state budget director of the receipt of the grant, including the funding source, purpose, and amount of the grant.

Sec. 226. Not later than October 15, 2010, the department shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the office of the state budget, the chairpersons of the senate and house appropriations committees, and the fiscal agencies.

Sec. 227. The department shall sell documents at a price not to exceed the cost of production and distribution. Money received from the sale of these documents shall revert to the department. The funds are available for expenditure when they are received by the department of treasury and may only be used for costs directly related to the continued updating and distribution of the documents pursuant to this section. This section applies only for the following documents:

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

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

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

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

(e) Labor law books.

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

(g) Construction code manuals.

(h) Copies of transcripts from administrative law hearings.

Sec. 230. From the funds appropriated in part 1, the department shall use an amount not to exceed $10,000.00 to develop, post, and maintain, on a publicly accessible Internet site, all expenditures made by the department within a fiscal year. The posting shall include the purpose for which each expenditure is made. The department is not required to hire additional employees in order to comply with this section.

REGULATORY

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

Sec. 301a. Cities, villages, and townships receiving fire protection grant funds in accordance with 1977 PA 289, MCL 141.951 to 141.956, shall submit a report to the department detailing the expenditures made by the local unit from fire protection grant funds, the fire-related activities of the local unit's police and fire departments on state property, and the costs of such activities. The local unit shall provide a report no later than January 1, 2010, covering the state fiscal years ending September 30, 2008 and September 30, 2009, and a report no later than January 1, 2011 covering the state fiscal year ending September 30, 2010.

Sec. 302. Money appropriated under this act for the bureau of fire services shall not be expended unless, in accordance with section 2c of the fire prevention code, 1941 PA 207, MCL 29.2c, inspection and plan review fees will be charged according to the following schedule:

Operation and maintenance inspection fee

Facility type	Facility size	Fee
Hospitals	Any	$8.00 per bed

Plan review and construction inspection fees for hospitals and schools

Project cost range	Fee
$101,000.00 or less	minimum fee of $155.00
$101,001.00 to $1,500,000.00	$1.60 per $1,000.00
$1,500,001.00 to $10,000,000.00	$1.30 per $1,000.00
$10,000,001.00 or more	$1.10 per $1,000.00 or a maximum fee of $60,000.00.

Sec. 302a. The bureau of fire services shall work with the fire safety board and interested stakeholders to recommend to the governor and the legislature a schedule of fees to be charged by the bureau for acts and services performed by the bureau, including, but not limited to, inspections, review of plans and specifications, issuance of certificates of acceptability, testing and evaluation of new products, methods, and processes of construction or alteration, inspection of construction and alteration, inspection of construction undertaken pursuant to a permit, the issuance of certificates of use and occupancy, and the hearing of appeals. The fee schedule proposed by the bureau shall bear a direct relationship

to the cost of the service or act, including overhead expenses. The bureau shall submit a report to the state budget office, the fiscal agencies, and the subcommittees detailing the recommended fee schedule no later than January 15, 2010. The report shall also recommend the necessary statutory and administrative rule changes necessary to implement the recommended fee schedule.

Sec. 303. The funds collected by the department for licenses, permits, and other elevator regulation fees set forth in the Michigan administrative code and as determined under section 8 of 1976 PA 333, MCL 338.2158, and section 16 of 1967 PA 227, MCL 408.816, that are unexpended at the end of the fiscal year shall carry forward to the subsequent fiscal year. The department shall submit a report on an annual basis to the state budget director and the subcommittees on the amount of funds available under this section.

Sec. 304. The department may make available to interested entities otherwise unavailable customized listings of nonconfidential information in its possession, such as names and addresses of licensees, and charge for this information as follows: base fee for 1 to 1,000 records at the cost to the department; 1,001 to 10,000 records at 2.5 cents per record; and 10,001 or more records at .5 cents per record. The revenue received from this service may be used to offset expenses of programs as appropriated in part 1. The balance of this revenue collected and unexpended at the end of the fiscal year shall revert to the appropriate restricted revenue account or fund or, in absence of such an account or fund, to the general fund. The department shall submit an annual report on or before December 1 of each year to the state budget director and the subcommittees that states the amount of revenue received from the sale of information.

Sec. 320. If the revenue collected by the department from licensing and regulation fees collected by the office of commercial services exceeds the amount expended from appropriations in part 1, the revenue may be carried forward into the subsequent fiscal year. The revenue carried forward under this section shall be used as the first source of funds in the subsequent fiscal year.

Sec. 321. The department may resume printing the real estate law and rules book (red book). The red book shall include, but is not limited to, real estate laws and regulations and related statutes. The red book will be provided at no charge to actively licensed real estate brokers, associate brokers, and salespersons. Any other party seeking a copy of the red book may purchase the book from the bureau of commercial services at the bureau's cost to produce the book or may print the bureau's Internet version of the red book at no cost.

Sec. 322. The real estate education fund created in section 37 of the state license fee act, 1979 PA 152, MCL 338.2237, and administered by the department shall allow prelicensure and postlicensure education to be delivered through online courses by a community college, university, or private school, after licensure and approval by the department. Expenditures from this fund may also be made to support department grants for educational providers to establish online courses that would be made available to students throughout the year.

Sec. 323. Of the funds appropriated in part 1 for the department, up to $200,000.00 may be used for administration and enforcement of unarmed combat regulation in Michigan.

Sec. 330. Funds earned or authorized by the United States department of labor in excess of the gross appropriation in part 1 for the unemployment insurance agency and the employment service agency from the United States department of labor are appropriated and may be expended for staffing and related expenses incurred in the operation of its programs. These funds may be spent after the department notifies the state budget director and the subcommittees of the purpose and amount of each grant award.

Sec. 332. No later than October 1, 2009, the department shall complete the request for proposal process for the modernization of the unemployment insurance computer system and be in the process of awarding and approving the contract for computer system modernization.

Sec. 333. The department shall report quarterly to the members of the house and senate committees on appropriations, the fiscal agencies, and the state budget director on the percentage of unemployment claimants that meet the certification requirements for receiving benefits by using the Internet MARVIN system. The department shall implement improvements to the Internet MARVIN system that promote greater ease of access and security with a goal of reaching 50% of users certifying by using the Internet MARVIN system by July 1, 2010.

Sec. 340. MIOSHA shall provide an annual report by February 1 of each year to the state budget director, the fiscal agencies, and the subcommittees on the number of individuals killed and the number of individuals injured on the job within industries regulated by the bureau during the most recent year for which data are available.

Sec. 341. (1) Of the funds appropriated in part 1, no funds shall be used to support the development of, staffing of, or activities promoting the development of guidelines, rules, standards, protocols, or other similar mandates that are more stringent than federal voluntary ergonomics guidelines. This section does not prohibit any person from adopting, or working with the state to develop, voluntary ergonomics standards.

(2) On March 1, 2010 and September 1, 2010, the department shall provide a report to the fiscal agencies and subcommittees of any staffing time or activities regarding the development of a voluntary or mandatory, or both, ergonomic standard, whether contained in rules, guidelines, policy directives, or bulletins.

(3) The directions in this section are given in accordance with OAG, 2009, No. 7,225 (February 27, 2009).

Sec. 342. From the funds appropriated in part 1 for Michigan occupational safety and health consultation education and training (CET) grants, not less than $40,000.00 shall be allocated to nonprofit organizations representing the aggregate industry in Michigan.

Sec. 350. In addition to the funds appropriated in part 1, funds collected by the department under sections 55, 57, 58, and 59 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.255, 24.257, 24.258, and 24.259, and section 203 of the legislative council act, 1986 PA 268, MCL 4.1203, are appropriated for all expenses necessary to provide for the cost of publication and distribution. The funds appropriated under this section are allotted for expenditure when they are received by the department of treasury and shall not lapse to the general fund at the end of the fiscal year.

Sec. 351. It is the intent of the legislature that the SOAHR work with the center for civil justice to implement and maintain a system of public access to Medicaid, cash, emergency, and food assistance decisions and orders via the Internet.

Sec. 352. The department shall report by October 31, 2010, regarding the teacher tenure cases considered by the SOAHR. The department shall report the number of cases that have been filed and are waiting final disposition as of September 30, 2009 and September 30, 2010.

Sec. 360. The video franchise assessment fund is created within the state treasury and shall receive revenue as provided in the uniform video services local franchise act, 2006 PA 480, MCL 484.3301 to 484.3314. All interest and earnings of the fund may be retained by the fund per the direction of the state treasurer. Money in the fund at the close of the fiscal year may carry forward to the new fiscal year and be used as the first source of funds in the subsequent fiscal year.

Sec. 361. (1) The public service commission shall implement a process for the low-income energy efficiency fund grants that shall require an application deadline of May 1 and the award announcements on October 1 of each year.

(2) The public service commission shall report by November 1, 2009 to the subcommittees, the state budget office, and the fiscal agencies on the distribution of funds appropriated in part 1 for the low-income/energy efficiency assistance program.

Sec. 364. The appropriation in part 1 for agriculture economic development is for an interdepartmental grant to the Michigan department of agriculture to foster and promote growth in the food and agriculture sector. By September 30, 2010, the department and the department of agriculture shall report to the subcommittees, the fiscal agencies, and the state budget director on the use of these funds and how the funds facilitated further growth in the food and agriculture sector.

Sec. 366. It is the intent of the legislature that the metropolitan extension telecommunications rights-of-way oversight authority established in section 3 of the metropolitan extension telecommunications rights-of-way oversight act, 2002 PA 48, MCL 484.3103, be transferred to, and organized within, the public service commission.

Sec. 368. No later than March 1, 2010, the department shall submit a report to the state budget office, the fiscal agencies, and the subcommittees, providing expenditure and revenue data and statistical data on licensing and regulatory activities of the bureau of commercial services and the bureau of construction codes during the fiscal years ending September 30, 2008 and September 30, 2009. To the extent possible, the data required shall be reported for each individual occupation, trade, or industry regulated.

Sec. 370. Local units of government receiving liquor law enforcement grant funds in accordance with section 543 of the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1543, shall submit a report to the liquor control commission detailing the expenditures made by the local unit in enforcing the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1101 to 436.2303, and rules promulgated under that act. Local units shall also provide a report to the liquor control commission listing, for the local unit's most recently completed fiscal year, each liquor-related fee imposed by the local unit and the amount of revenue generated by each fee. Both reports required by this section shall be due to the liquor control commission not later than February 15, 2010.

Sec. 372. The Michigan tax tribunal shall work with interested stakeholders to recommend to the governor and the legislature a schedule of fees to be charged by the tribunal to sufficiently meet the expenses of the tribunal. The fee schedule recommended by the tribunal shall include, but not be limited to, filing fees for all cases heard before the entire tribunal and the small claims division. The tribunal shall submit a report to the state budget office, the fiscal agencies, and the subcommittees detailing the recommended fee schedule no later than January 15, 2010. The report shall also recommend the necessary statutory and administrative rule changes necessary to implement the recommended fee schedule. It is the intent of the legislature that the tribunal continue the processing of the rule, as that term is defined in section 5 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.205, relative to the fee schedule established in proposed administrative rules 2006-069 LG, in order to expeditiously implement a revised fee schedule in the fiscal year ending September 30, 2010. It is further the intent of the legislature that the recommended fee schedule be included as part of the executive budget recommendation for the fiscal year ending September 30, 2011.

OFFICE OF FINANCIAL AND INSURANCE REGULATION

Sec. 401. In addition to the funds appropriated in part 1, the funds collected by the office of financial and insurance regulation in connection with a conservatorship pursuant to section 32 of the mortgage brokers, lenders, and servicers licensing act, 1987 PA 173, MCL 445.1682, shall be appropriated for all expenses necessary to provide for the required services. Funds are available for expenditure when they are received by the department of treasury and shall not lapse to the general fund at the end of the fiscal year.

Sec. 402. In addition to the funds appropriated in part 1, the funds collected by the department from corporations being liquidated pursuant to the insurance code of 1956, 1956 PA 218, MCL 500.100 to 500.8302, shall be appropriated for all expenses necessary to provide for the required services. Funds are available for expenditure when they are received by the department of treasury and shall not lapse to the general fund at the end of the fiscal year.

Sec. 403. (1) The department shall allocate funds to promote awareness of the right of a policyholder, subscriber, member, enrollee, or other individual participating in a health benefit plan, after the covered person has exhausted the health carrier's internal grievance process provided for by law, to request an external review for an adverse determination.

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

Sec. 405. The department shall provide the subcommittees, fiscal agencies, and state budget director with a report on or before December 1 outlining actual expenditures for the last completed fiscal year for each division within the office of financial and insurance regulation.

Sec. 406. The department shall not expend funds from the appropriations in part 1 for the office of financial and insurance regulation for the purpose of implementing prohibitions on the use of credit scoring in establishing insurance premiums by insurance companies until the legislature has, by statute, authorized such a prohibition. This direction is given in accordance with OAG, 2009, No. 7,225 (February 27, 2009).

Sec. 407. The office of financial and insurance regulation shall make available on its Internet website in a timely manner copies of the quarterly and annual financial filings of health maintenance organizations.

HOUSING AND COMMUNITY DEVELOPMENT

Sec. 501. (1) From the funds appropriated in part 1 to the Michigan housing and community development fund, $59,000.00 is hereby appropriated from the fund to the Michigan state housing development authority (MSHDA) for projects as described in sections 58c and 58d of the state housing development authority act of 1966, 1966 PA 346, MCL 125.1458c and 125.1458d.

(2) It is the intent of the legislature that not less than $2,104,400.00 of available federal revenue from the American recovery and reinvestment act of 2009 and/or the national affordable housing trust fund shall be allocated for eligible purposes of the Michigan housing and community development fund and distributed according to sections 58c and 58d of the state housing development act of 1966, 1966 PA 346, MCL 125.1458c and 125.1458d.

(3) MSHDA shall report by May 1 to the subcommittees, fiscal agencies, and the state budget director on the status of the projects described in subsections (1) and (2), including the statewide allocation plan, number of applicants, amounts requested, description of projects, amounts awarded, number of housing units that have been or are projected to be created, and income levels of the households that have been or are projected to be served.

Sec. 502. 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. 503. The department and MSHDA shall report to the subcommittees, the state budget director, and the fiscal agencies by December 1 on the status of the loans entered into by the Michigan broadband development authority.

Sec. 504. MSHDA shall provide a report to the subcommittees, the fiscal agencies, and the state budget director by December 1 on the cities of promise blight elimination program. The report shall include:

(a) The amount awarded to each designated city.

(b) A description of the projects in each designated city.

(c) The amount of private or local funds that were used as match for these projects.

Sec. 510. In addition to the amounts appropriated in part 1 for the administration of the land bank fast track authority, the authority may expend revenues received under the land bank fast track act, 2003 PA 258, MCL 124.751 to 124.774, for the purposes authorized by the act including, but not limited to, the acquisition, lease, management, demolition, maintenance, or rehabilitation of real or personal property, payment of debt service for notes or bonds issued by the authority, and other expenses to clear or quiet title property held by the authority.

Sec. 511. 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.

MICHIGAN REHABILITATION SERVICES AND MICHIGAN COMMISSION FOR THE BLIND

Sec. 601. The Michigan career and technical institute may receive equipment and in-kind contributions for the direct support of staff services through the Pine Lake fund, the Delton-Kellogg school district or other local or intermediate school district, or any combination of local or intermediate school districts in addition to those authorized in part 1.

Sec. 602. The Michigan rehabilitation service shall make every effort to ensure that all sources of matching funds in this state are used to obtain federal vocational rehabilitation funds. All sources include, but are not limited to, privately raised funds to support public nonprofit rehabilitation centers as permitted by the rehabilitation act of 1973, Public Law 93-112.

Sec. 603. The local match requirements for vocational rehabilitation facilities establishment grants shall not exceed 21.3% for the fiscal year ending September 30.

Sec. 604. Of the funds appropriated in part 1 for vocational rehabilitation independent living, all general fund/general purpose revenue not used to match federal funds shall be used for the support of centers for independent living that are in compliance with federal standards for such centers, for technical assistance to centers, by existing sites to assist in serving underserved areas, and for projects to build capacity of centers to deliver independent living services. Applications for such funds shall be reviewed in accordance with criteria and procedures established by the statewide independent living council, the Michigan rehabilitation services unit within the department, and the Michigan commission for the blind. Funds must be used in a manner consistent with the priorities established in the state plan for independent living. The department is directed to work with the Michigan disability network and the local workforce development boards to identify other competitive sources of funding.

Sec. 610. (1) The appropriation in part 1 for the Michigan commission for the blind includes funds for case services. These funds may be used for tuition payments for blind clients.

(2) Revenue collected by the Michigan commission for the blind and from private and local sources that is unexpended at the end of the fiscal year may carry forward to the subsequent fiscal year.

Sec. 611. The Michigan commission for the blind shall work collaboratively with service organizations and government entities to identify qualified match dollars to maximize use of available federal funds.

Sec. 612. The youth low-vision program is considered the payer of last resort. Other available public or private insurance coverage, including Medicaid or MIChild, and special education funds, shall be exhausted prior to using any funds appropriated in part 1 to purchase low-vision devices or equipment for an individual.

Sec. 613. In order to receive subregional state aid as appropriated in part 1, a regional or subregional library's fiscal agency shall agree to maintain local funding support at the same level in the current fiscal year as in the fiscal agency's preceding fiscal year. If a reduction in expenditures equally affects all agencies in a local unit of government that is the regional or subregional library's fiscal agency, that reduction shall not be interpreted as a reduction in local support and shall not disqualify a regional or subregional library from receiving state aid under part 1. If a reduction in income affects a library cooperative or district library that is a regional or subregional library's fiscal agency or a reduction in expenditures for the regional or subregional library's fiscal agency, a reduction in expenditures for the regional or subregional library shall not be interpreted as a reduction in local support and shall not disqualify a regional or subregional library from receiving state aid under part 1.

Sec. 614. The funds appropriated in part 1 for a regional or subregional library shall not be released until a budget for that regional or subregional library has been approved by the department for expenditures for library services directly serving the blind and persons with disabilities.

CAREER EDUCATION

Sec. 701. From the appropriations in part 1, the department is appropriated an amount not to exceed $100,000.00 from collection of defaulted loans under the future faculty program in the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks programs to offset costs of administering the loan collections.

Sec. 704. (1) The department shall collaborate with the state board of education, the department of human services, and the department of community health, to extend the duration of the Michigan after-school partnership, and oversee its efforts to implement the policy recommendations and strategic next steps identified in the Michigan after-school initiative's report of December 15, 2003.

(2) From the funds appropriated in part 1, $25,000.00 may be used to support the Michigan after-school partnership. Funds shall be used to leverage other private and public funding to engage the public and private sectors in building and sustaining high-quality out-of-school-time programs and resources. The cochairs, representing the department, the state board of education, the department of human services, and the department of community health shall name a fiduciary agent and may authorize the fiduciary to expend funds and hire people to accomplish the work of the Michigan after-school partnership.

(3) Participation in the Michigan after-school partnership shall be expanded beyond the membership of the initial Michigan after-school initiative to increase the representation of parents, youth, foundations, employers, and others with experience in education, child care, after-school and youth development services, and crime and violence prevention, and to include representation from the department. Each year, on or before December 31, the Michigan after-school partnership shall report its progress in reaching the recommendations set forth in the Michigan after-school initiative's report to the legislature and governor.

WORKFORCE DEVELOPMENT

Sec. 801. The department shall administer the jobs, education, and training program in accordance with the requirements of the social security act, title IV, section 407(d), the state social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, and all other applicable laws and regulations.

Sec. 802. (1) Using all relevant state data sources, the department shall conduct a 3-year longitudinal study of all former work first and jobs, education, and training participants, whose department of human services program cases closed due to earnings during fiscal year 1999 and in succeeding fiscal years. The data will include the following:

(a) The number and percentage employed.

(b) The average hourly wage of those employed.

(c) The current hourly wage of those employed.

(d) The range of wages earned by those employed.

(e) The number of individuals that earned each wage amount.

(f) The number and percentage receiving health care benefits from their employer.

(g) The number and percentage receiving tuition reimbursement from their employer.

(h) The number and percentage receiving training benefits from their employer.

(i) The type of jobs obtained by former participants in general categories.

(j) The length of time former participants have retained their jobs, or if participants have had more than 1 job, the length of time employed at each job.

(k) The number and percentage continuing to receive any type of public assistance.

(*l*) If the former recipient has children, whether the children are enrolled in and attending school.

(m) The extent to which the former participant feels that he or she and his or her family are better off now than when he or she was on cash assistance with regard to household income, housing, food and nutritional needs, child health care, and access to health insurance coverage.

(2) The department shall notify the subcommittees, fiscal agencies, and state budget director electronically by March 15 of the location of the Internet site where the report containing the identified data is located.

(3) The department shall cooperate with the department of human services in formulating and acquiring the identified data.

(4) The department may retain a third party to conduct the studies to obtain the data identified under this section.

Sec. 803. (1) The department shall use all relevant data sources available to compile data on participants in the jobs, education, and training program. The report shall include the following:

(a) How many participants were enrolled in training.

(b) How many participants completed training.

(c) How many participants completed training and were employed as a result of that training.

(d) How many cases were closed.

(e) How many cases were referred to Michigan rehabilitation services.

(f) How many case referrals were opened for service by Michigan rehabilitation services.

(2) Data collection shall be for the period October 1, 2009 through September 30, 2010.

(3) The report shall be submitted by March 1 to the subcommittees and the fiscal agencies.

(4) The department shall cooperate with the department of human services in formulating and acquiring the identified data.

(5) The department may retain a third party to conduct the studies to obtain data identified under this section.

Sec. 804. Of the funds appropriated in part 1 for welfare-to-work programs, the department may utilize a portion of the temporary assistance for needy family funds for a statewide noncustodial parent program.

Sec. 810. State and federal funds allocated to local workforce development boards for disbursement shall not be expended unless the local workforce development boards maintain a partnership with governmental agencies, public school districts, and public colleges located within the local service delivery area. Each board shall appoint an education advisory group made up of high-level administrators within local educational institutions, workforce development board members, other employers, labor, academic educators, parents of public school pupils, and, at the board's discretion, representatives of organizations that provide school-based curriculum and youth programs focusing on entrepreneurship, work-readiness skills, and financial literacy.

Sec. 811. (1) The department 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.

(2) The department shall ensure that each Michigan works! service center shall have the necessary equipment to allow the disabled veterans outreach specialist or local veterans employment representative to perform his or her duties.

(3) The department shall require each Michigan works! service center to have an employee available to ask each individual who requires intensive services beyond core services, as defined by section 134 of the workforce investment act of 1998, 29 USC 2864, whether that individual is a veteran. The employee shall refer any veteran needing or requesting veterans services to the disabled veterans outreach program specialist or local veterans employment representative assigned to the center.

(4) The department shall require that each Michigan works! service center shall have posted in a conspicuous place within the office a notice advising veterans that a disabled veterans outreach program specialist or a local veterans employment representative is available to assist him or her.

(5) The department shall require each Michigan works! service center to provide free mediated services to employers wishing to hire a veteran.

(6) The department shall continue to make the appropriate placement of veterans and disabled veterans a priority.

Sec. 812. (1) In addition to the funds appropriated in part 1, any unencumbered and unrestricted federal workforce investment act or trade adjustment assistance funds available from prior fiscal years are appropriated for the purposes originally intended.

(2) The department shall report by January 15 to the subcommittees, the fiscal agencies, and the state budget office on the amount by fiscal year of federal workforce investment act funds appropriated under this section.

Sec. 813. Of the funds appropriated in part 1 for workforce training program subgrantees, $200,000.00 shall be allocated for not more than 1 grant for the expansion of an existing innovative, employer lead, private/public workforce development program. Grants may be used for program operating expenses such as staffing, rent, equipment, and other expenses. To be eligible for this grant funding, a program must meet the following criteria:

(a) Focus on retaining low-wage workers receiving public assistance.

(b) Meet or exceed 80% retention rate.

(c) Include more than 1 employer.

(d) Employer-sited department of human services caseworker.

(e) Receive federal TANF to pay for 50% of on-site caseworker.

(f) Employer must contribute 50% of on-site department of human services worker costs.

(g) Provide life skill and skills training toward advancing workers to mid-skill jobs.

(h) Has regional impact across more than 3 counties.

(i) Include strategic partnerships with counties, community colleges, and other nonprofits.

Sec. 814. It is the intent of the legislature that the department work with career alliance and other interested Michigan works! agencies to implement the career prep program developed pursuant to section 437 of 2007 PA 118.

Sec. 815. Local Michigan works! agencies may utilize a portion of the funds received under part 1 for services provided by local libraries that serve as access points, service centers, or local partners serving high-demand service areas or underserved areas.

Sec. 816. From the funds appropriated in part 1 in the line item for workforce training programs subgrantees, not less than $5,860,200.00 of federal funds shall be allocated to Focus: HOPE.

Sec. 817. It is the intent of the legislature that a portion of the workforce investment act, statewide activities funds be allocated to support coordinated efforts between local Michigan works! agencies and police and sheriff departments to create programs that offer gang diversion activities and support services to at-risk youth in Wyoming, Benton Harbor, Saginaw, and Detroit.

Sec. 818. From the funds appropriated in part 1 for workforce training program subgrantees, $150,000.00 may be allocated for not more than 1 grant for a job training and job preparation program that meets the following criteria:

(a) Involves prospective employers as community partners.

(b) Retrains displaced workers for health care industry jobs including pharmacy technician and medical coding in programs that require participants to complete at least 90 hours of field experience.

(c) Provides training at either no cost to participants or at a cost to participants of not more than 25% of the per student cost of offering the training program.

(d) Demonstrates a placement rate of 80% or more.

Sec. 820. By December 1, 2009, the department shall submit a report to the state budget director, the senate and house appropriations committees, and the fiscal agencies on the status of nursing education in Michigan. The report shall include, but is not limited to, the number of nursing degree programs offered at Michigan public and private nursing education institutions, the type of nursing degrees and certificates offered (practical nurse, associate, bachelor's, master's, doctoral), the number of Michigan board of nursing approved nursing seats for nursing students, the number and type of faculty needed to maintain and expand nursing education, and any barriers there may be to the employment of more nurses in the state of Michigan.

Sec. 821. (1) From the appropriation in part 1 for the Michigan nursing corps, grants shall be awarded to Michigan institutions of higher education consisting of public 4-year institutions, public 2-year institutions, independent colleges and universities, and tribally controlled community colleges with existing, accredited nursing baccalaureate or postgraduate education programs. The purpose of the grants is to prepare registered nurses and increase the number of nursing faculty. The department may also award grants on a cash or in-kind matching basis to licensed hospitals that agree to provide nurse educators and related clinical training to additional student nurses in partnership with institutions of higher education described in this subsection. Awards shall be made in a manner and form as determined by the department, in collaboration with the department of community health.

(2) One or more grants may be awarded to educational institutions for preparation of additional nurse faculty in programs that meet 1 or more of the following:

(a) Preparation of master's-degreed nursing faculty in a nationally accredited, accelerated program. Grants for this program may include program tuition, a stipend for student living expenses, and other education-related costs.

(b) Preparation of doctoral-degreed nursing faculty in an accelerated program within an existing, accredited doctor of philosophy in nursing program or doctorate of nursing practice program. Participants must be currently enrolled doctoral students who will be able to complete their doctoral degree program within 2 years. Grants for this program may include program tuition, a stipend for student living expenses, and other education-related costs.

(c) Preparation of clinical instructors for nursing education programs. A common statewide curriculum will be developed by a consortium of the grantee institutions. The program shall include classroom instruction plus a practicum with students and patients. This program shall require collaborative agreements between nursing education programs and hospitals. It is expected that each graduate will provide clinical instruction for at least 1 cohort of nursing students per year.

(3) A program receiving a grant under subsection (2) shall provide that eligible participating students under subsection (2) are registered nurses willing to participate full-time in accredited programs and become employed in Michigan as nursing faculty or clinical instructors for a minimum number of years, as determined by the department of community health, upon completion of the program. The department of community health shall establish procedures for recovery of funds from students who do not remain employed in Michigan for the prescribed time period.

(4) One or more grants may be awarded for preparation of registered nurses in accredited, accelerated bachelor's in nursing programs. These programs shall be targeted toward Michigan workers who have been displaced from employment and who possess a bachelor's degree in a science-related area. Grants for this program may include program tuition, a stipend for student living expenses, and other education-related costs.

(5) Program management, data management, and evaluation for these projects shall be the responsibility of the department of community health, in collaboration with the department.

(6) The department and the department of community health shall work to increase the amount of federal funds for nurse education available to the state, eligible grantees described in subsection (1), and nursing students.

(7) The funds appropriated in part 1 for the Michigan nursing corps are designated as work project appropriations and shall not lapse at the end of the fiscal year. Any unencumbered and unexpended funds shall continue to be available for the expenditure of grants until the project has been completed. The total cost of the work project is estimated at $300,000.00 and the tentative completion date is September 30, 2011.

Sec. 830. (1) Of the funds appropriated in part 1 for the workforce training programs subgrantees, the department shall provide a report by December 15, 2010 to the house and senate chairs of the subcommittees, the state budget director, and the fiscal agencies on the status of the no-worker-left-behind program. The report shall include the following:

(a) The amount of funding allocated to each Michigan works! agency and the total funding allocated to the no-worker-left-behind program statewide by fund source.

(b) The number of participants enrolled in the program by each Michigan works! agency.

(c) The average duration of training for 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 no-worker-left-behind training program.

(j) The number of participants who completed a no-worker-left-behind training program and secured employment in a field related to their training.

(k) The average wage earned by participants who completed a no-worker-left-behind training program and secured employment within 1 year.

(2) Data collection for the report shall be for the period October 1, 2009 through September 30, 2010.

Sec. 831. (1) The general fund/general purpose revenue appropriated in part 1 for workforce training programs subgrantees shall be used for the no-worker-left-behind program, to be allocated for the following purposes as determined by the department:

(a) To provide adult basic education, remedial education, or other training for individuals not ready for postsecondary education, in order to prepare these individuals for postsecondary training and new careers.

(b) To increase the capacity of community colleges and other public associate's degree-granting institutions in this state to provide education and training to individuals receiving assistance under the program. Funding shall be provided to these educational institutions based on a competitive bidding process. The department shall establish criteria for awarding grants pursuant to a competitive bidding process.

(c) To provide individuals with direct training in in-demand occupations, as determined by local workforce investment boards. These funds shall be distributed to local Michigan works! agencies based on demonstrated need. In distributing these funds, the department shall ensure funds are used for individuals who are ready for training in in-demand occupations and for whom training slots are available. The Michigan works! agencies may prioritize the training programs provided under this subdivision that are accessible by persons displaced from manufacturing and related automobile industry jobs. Any Michigan works! agency receiving these funds shall reserve a portion, or otherwise assure that it has sufficient resources, to pay for the full course of approved training for each individual served.

(2) No later than March 1, the department shall submit a report to the senate and house of representatives standing committees on appropriations, the fiscal agencies, and the state budget office on the distribution of the $4,500,000.00 general fund/general purpose appropriation. The report shall include:

(a) The total amount distributed under subsection (1)(a) and (c) by Michigan works! agency.

(b) The total amount distributed under subsection (1)(b) by community colleges.

(c) The balance remaining in the work project account.

(3) The $4,500,000.00 general fund/general purpose revenue appropriated in part 1 for the no-worker-left-behind program is designated as work project appropriations and shall not lapse at the end of the fiscal year. Any unencumbered and unexpended funds shall continue to be available for expenditure until September 30, 2011.

Sec. 832. The department shall ensure that school districts and career preparation programs operated by school districts are eligible education providers under the no-worker-left-behind program and programs funded by the federal workforce investment act.

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate

Richard J. Brown

Clerk of the House of Representatives

Approved .....

.....

Governor

JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
OFFICE OF THE GOVERNOR
LANSING

JOHN D. CHERRY, JR.
LT. GOVERNOR

October 29, 2009

Michigan Senate
State Capitol
Lansing, Michigan 48909-7536

Ladies and Gentlemen:

Today I have signed Enrolled Senate Bill 243 authorizing expenditures by the Department of Energy, Labor, and Economic Growth for the fiscal year ending September 30, 2010. I have, however, disapproved six items pursuant to Section 19 of Article V of the Michigan Constitution of 1963. The item vetoes are detailed in the attached copy of the bill, which has been filed with the Secretary of State.

I have disapproved a proposed appropriation of $300,000 for agriculture economic development and related boilerplate in Section 364, which diverts out of this budget limited general funds for activities in the Michigan Department of Agriculture. I also have disapproved proposed appropriations totaling $415,000 for an occupational safety training grant, an allocation for the Michigan After-School Partnership, and two workforce training grants under Sections 342, 704, 813, and 818, respectively. These earmarks would undermine the Department's competitive process for awarding grants and impede the prioritization of workforce training funds needed to help improve the job skills of displaced workers. Finally, given scare general fund resources, I have disapproved a proposed appropriation of $59,000 for the Michigan Housing and Community Development Fund and related boilerplate in Section 501.

To provide direction regarding the implementation of this appropriations act, I note the following:

- Section 332 of the bill requires the Department of Energy, Labor, and Economic Growth to complete a request for proposal and contracting process related to unemployment insurance computer system by October 1, 2009. This condition cannot be satisfied as the bill was not presented for enactment until October 20, 2009. Furthermore, existing law vests such procurement authority in the Department of Management and Budget.

Printed by members of:

- Consistent with my duty to assure that laws are faithfully executed under Section 8 of Article V of the Michigan Constitution of 1963, when a governor is concerned that a provision in an appropriations bill is unconstitutional, it is appropriate to express that concern. See OAG, 2009-2010, No 7,225 (February 27, 2009). A governor has no less a solemn obligation than does the judiciary to consider the constitutionality of his or her every act. Accordingly, to the extent that Section 341 of the bill modifies or amends the provisions of the Michigan Occupational Safety and Health Act, 1974 PA 154, MCL 408.1001 to 408.1094, and similarly, to the extent that Section 406 modifies or amends the powers and duties vested in the Commissioner of the Office of Financial and Insurance Regulation under Michigan law, these sections are in contravention of Section 25 of Article IV of the Michigan Constitution of 1963 and unenforceable.

- Sections 216, 351, 366, 372, 501(2), 814, and 817 of the bill include statements of legislative intent. While the Legislature has the right to state its advice, preferences, or wishes through a statement of intent, such statements do not impose conditions upon appropriations and are non-binding.

I thank the Michigan Senate for presenting me the fiscal year 2010 budget for the Department of Energy, Labor, and Economic Growth.

Sincerely,

Jennifer M. Granholm
Governor

cc: Michigan House of Representatives
The Honorable Terri Lynn Land, Secretary of State

ENVIRONMENTAL QUALITY AND NATURAL RESOURCES

Act No. 118
Public Acts of 2009
Approved by the Governor*
October 14, 2009

Filed with the Secretary of State
October 14, 2009

EFFECTIVE DATE: October 14, 2009

*Item Vetoes

Sec. 103. DEPARTMENT OF NATURAL RESOURCES
(6) WILDLIFE MANAGEMENT

Cormorant population mitigation program	$	75,000	(Page 10)

(16) CONSOLIDATION SAVINGS

Consolidation savings	$	(350,000)	(Page 15)

Sec. 226.
Entire Section. (Page 20)

Sec. 237. (2)
Entire Subsection. (Page 21)

Sec. 1204.
Entire Section. (Page 25)

Sec. 1701.
Entire Section. (Page 27)

STATE OF MICHIGAN
95TH LEGISLATURE
REGULAR SESSION OF 2009

Introduced by Rep. Lahti

ENROLLED HOUSE BILL No. 4446

AN ACT to make appropriations for the departments of environmental quality and natural resources for the fiscal year ending September 30, 2010; to provide for the expenditure of those appropriations; to create funds and accounts; to require reports; to prescribe certain powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

The People of the State of Michigan enact:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the departments of environmental quality and natural resources for the fiscal year ending September 30, 2010, from the funds indicated in this part. The following is a summary of the appropriations in this part:

TOTAL NATURAL RESOURCE MANAGEMENT AND ENVIRONMENTAL PROTECTION

APPROPRIATION SUMMARY		
Full-time equated unclassified positions	11.0	
Full-time equated classified positions	3,701.0	
GROSS APPROPRIATION		$ 704,288,100
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		12,322,900
ADJUSTED GROSS APPROPRIATION		$ 691,965,200
Federal revenues:		
Total federal revenues		253,070,700
Special revenue funds:		
Total local revenues		0
Total private revenues		6,040,000
Total other state restricted revenues		389,180,100
State general fund/general purpose		$ 43,674,400

		For Fiscal Year Ending Sept. 30, 2010
Sec. 102. DEPARTMENT OF ENVIRONMENTAL QUALITY		
(1) APPROPRIATION SUMMARY		
Full-time equated unclassified positions 5.0		
Full-time equated classified positions 1,491.1		
GROSS APPROPRIATION	$	388,989,600
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		8,520,700
ADJUSTED GROSS APPROPRIATION	$	380,468,900
Federal revenues:		
Total federal revenues		180,218,200
Special revenue funds:		
Total local revenues		0
Total private revenues		658,900
Total other state restricted revenues		172,641,300
State general fund/general purpose	$	26,950,500

FUND SOURCE SUMMARY		
Full-time equated unclassified positions 5.0		
Full-time equated classified positions 1,491.1		
GROSS APPROPRIATION	$	388,989,600
Interdepartmental grant revenues:		
IDG-MDOT - Michigan transportation fund		1,087,100
IDG-MSP		898,600
IDT, interdivisional charges		2,053,400
IDT, laboratory services		4,481,600
Total interdepartmental grants and intradepartmental transfers		8,520,700
ADJUSTED GROSS APPROPRIATION	$	380,468,900
Federal revenues:		
Federal funds		180,218,200
Total federal revenues		180,218,200
Special revenue funds:		
Total local revenues		0
Private funds		658,900
Total private revenues		658,900
Total local and private revenues		658,900
Aboveground storage tank fees		371,200
Air emissions fees		9,661,700
Campground fund		242,900
Clean Michigan initiative fund - clean water fund		3,770,800
Cleanup and redevelopment fund		6,550,800
Community pollution prevention fund		250,000
Electronic waste recycling fund		245,000
Environmental education fund		251,500
Environmental pollution prevention fund		1,284,200
Environmental protection fund		6,103,300
Environmental response fund		11,584,700
Fees and collections		404,100
Financial instruments		5,000,000
Great Lakes protection fund		1,615,700
Groundwater discharge permit fees		1,260,300
Hazardous material transportation permit fund		224,400
Infrastructure construction fund		404,300
Land and water permit fees		1,695,300
Landfill maintenance trust fund		57,300
Medical waste emergency response fund		246,200
Metallic mining surveillance fee revenue		34,300
Mineral well regulatory fee revenue		175,300
Nonferrous metallic mineral surveillance		22,400
NPDES fees		3,548,600

		For Fiscal Year Ending Sept. 30, 2010
Oil and gas regulatory fund	$	8,426,800
Orphan well fund		2,060,200
Public swimming pool fund		553,300
Public utility assessments		791,900
Public water supply fees		4,005,000
Publication revenue		76,900
Refined petroleum fund		32,315,600
Restricted funds		18,366,000
Revitalization revolving loan fund		85,800
Revolving loan revenue bonds		11,400,000
Sand extraction fee revenue		74,100
Scrap tire regulatory fund		4,789,400
Septage waste contingency fund		38,600
Septage waste program fund		778,100
Settlement funds		1,884,600
Sewage sludge land application fees		870,300
Soil erosion and sedimentation control training fund		117,300
Solid waste management fund - staff account		4,606,800
Small business pollution prevention revolving loan fund		110,600
Stormwater permit fees		2,861,200
Strategic water quality initiatives fund		10,000,000
Underground storage tank fees		2,170,200
Waste reduction fee revenue		3,988,600
Wastewater operator training fees		175,000
Water analysis fees		3,311,200
Water pollution control revolving fund		3,128,300
Water quality protection fund		100,000
Water use reporting fees		551,200
Total other state restricted revenues		172,641,300
State general fund/general purpose	$	26,950,500
(2) EXECUTIVE OPERATIONS AND DEPARTMENT SUPPORT		
Full-time equated unclassified positions 5.0		
Full-time equated classified positions 81.0		
Unclassified salaries—5.0 FTE positions	$	487,600
Administrative hearings		457,000
Executive direction—17.0 FTE positions		2,100,500
Central operations—57.0 FTE positions		5,276,500
Office of the Great Lakes—7.0 FTE positions		1,028,400
Great Lakes restoration initiative		50,000,000
Automated data processing		2,053,400
Environmental support projects		5,000,000
Building occupancy charges		6,669,000
Rent - privately owned property		2,145,900
GROSS APPROPRIATION	$	75,218,300
Appropriated from:		
Interdepartmental grant revenues:		
IDG-MSP		113,500
IDT, interdivisional charges		2,053,400
IDT, laboratory services		530,400
Federal revenues:		
Federal funds		50,384,000
Special revenue funds:		
Environmental education fund		251,500
Financial instruments		5,000,000
Great Lakes protection fund		615,700
Restricted funds		11,625,100
Settlement funds		106,700
State general fund/general purpose	$	4,538,000

		For Fiscal Year Ending Sept. 30, 2010
(3) AIR QUALITY		
Full-time equated classified positions 229.0		
Air quality programs—229.0 FTE positions	$	24,555,800
GROSS APPROPRIATION	$	24,555,800
Appropriated from:		
Federal revenues:		
Federal funds		6,473,500
Special revenue funds:		
Air emissions fees		9,262,000
Environmental response fund		108,900
Fees and collections		307,600
Oil and gas regulatory fund		110,400
Refined petroleum fund		2,921,300
State general fund/general purpose	$	5,372,100
(4) OFFICE OF POLLUTION PREVENTION AND COMPLIANCE ASSISTANCE		
Full-time equated classified positions 47.0		
Pollution prevention and technical assistance—47.0 FTE positions	$	5,968,000
GROSS APPROPRIATION	$	5,968,000
Appropriated from:		
Federal revenues:		
Federal funds		818,400
Special revenue funds:		
Private funds		500,000
Air emissions fees		399,700
Settlement funds		227,200
Small business pollution prevention revolving loan fund		110,600
Waste reduction fee revenue		3,912,100
State general fund/general purpose	$	0
(5) OFFICE OF GEOLOGICAL SURVEY		
Full-time equated classified positions 60.0		
Coal and sand dune management—1.0 FTE position	$	132,800
Metallic mining reclamation program—1.0 FTE position		34,300
Mineral wells management—2.0 FTE positions		175,300
Nonferrous metallic mining—1.0 FTE position		22,400
Services to oil and gas programs—53.0 FTE positions		8,393,300
Well plugging - orphan wells—2.0 FTE positions		2,060,200
GROSS APPROPRIATION	$	10,818,300
Appropriated from:		
Federal revenues:		
Federal funds		58,700
Special revenue funds:		
Metallic mining surveillance fee revenue		34,300
Mineral well regulatory fee revenue		175,300
Nonferrous metallic mineral surveillance		22,400
Oil and gas regulatory fund		8,316,400
Orphan well fund		2,060,200
Publication revenue		76,900
Sand extraction fee revenue		74,100
State general fund/general purpose	$	0
(6) LAND AND WATER MANAGEMENT		
Full-time equated classified positions 139.1		
Land and water interface programs—71.0 FTE positions	$	7,880,500
Program direction and project assistance—38.1 FTE positions		2,677,300
Wetlands protection—30.0 FTE positions		1,845,400
GROSS APPROPRIATION	$	12,403,200
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDOT - Michigan transportation fund		1,032,500

		For Fiscal Year Ending Sept. 30, 2010
Federal revenues:		
Federal funds	$	3,690,300
Special revenue funds:		
Land and water permit fees		1,140,100
State general fund/general purpose	$	6,540,300
(7) REMEDIATION AND REDEVELOPMENT		
Full-time equated classified positions 349.0		
Federal cleanup project management—60.0 FTE positions	$	8,517,200
Superfund cleanup		3,000,000
Contaminated site investigations, cleanup and revitalization—230.0 FTE positions		24,007,500
Emergency cleanup action		4,000,000
Refined petroleum product cleanup program		20,000,000
Environmental cleanup support		1,840,000
Laboratory services—59.0 FTE positions		7,368,700
GROSS APPROPRIATION	$	68,733,400
Appropriated from:		
Interdepartmental grant revenues:		
IDT, laboratory services		3,800,300
Federal revenues:		
Federal funds		8,620,200
Special revenue funds:		
Private funds		158,900
Cleanup and redevelopment fund		6,550,800
Environmental protection fund		6,103,300
Environmental response fund		11,305,000
Landfill maintenance trust fund		57,300
Public water supply fees		257,200
Refined petroleum fund		26,932,700
Revitalization revolving loan fund		85,800
Settlement funds		1,550,700
Water analysis fees		3,311,200
State general fund/general purpose	$	0
(8) WASTE AND HAZARDOUS MATERIALS DIVISION		
Full-time equated classified positions 170.0		
Hazardous waste management program—57.0 FTE positions	$	5,987,700
Low-level radioactive waste authority—2.0 FTE positions		791,900
Medical waste program—2.0 FTE positions		246,200
Radiological protection program—12.0 FTE positions		1,036,800
Scrap tire regulatory program—11.0 FTE positions		1,089,400
Solid waste management program—45.0 FTE positions		4,928,300
Underground storage tank program—33.0 FTE positions		3,588,100
Aboveground storage tank program—8.0 FTE positions		774,600
GROSS APPROPRIATION	$	18,443,000
Appropriated from:		
Interdepartmental grant revenues:		
IDG-MDSP		757,100
Federal revenues:		
Federal funds		4,039,600
Special revenue funds:		
Aboveground storage tank fees		371,200
Electronic waste recycling fund		245,000
Environmental pollution prevention fund		1,284,200
Hazardous materials transportation permit fund		224,400
Medical waste emergency response fund		246,200
Public utility assessments		791,900
Refined petroleum fund		1,404,500
Scrap tire regulatory fund		1,089,400
Solid waste management fund - staff account		4,606,800

		For Fiscal Year Ending Sept. 30, 2010
Underground storage tank fees	$	2,170,200
Waste reduction fee revenue		76,500
State general fund/general purpose	$	1,136,000
(9) WATER DIVISION		
Full-time equated classified positions 396.0		
Drinking water and environmental health—120.0 FTE positions	$	15,220,300
Surface water—106.8 FTE positions		15,331,200
NPDES nonstormwater program—98.2 FTE positions		11,253,800
Groundwater discharge—22.0 FTE positions		2,994,500
Municipal assistance—37.0 FTE positions		5,334,700
Sewage sludge land application program—6.0 FTE positions		870,300
Water withdrawal assessment program—3.0 FTE positions		603,000
Expedited water/wastewater permits—3.0 FTE positions		404,300
Fish contaminant monitoring contracts		316,100
GROSS APPROPRIATION	$	52,328,200
Appropriated from:		
Federal revenues:		
Federal funds		21,781,500
Special revenue funds:		
Campground fund		242,900
Clean Michigan initiative fund - clean water fund		3,770,800
Environmental response fund		170,800
Fees and collections		96,500
Groundwater discharge permit fees		1,260,300
Infrastructure construction fund		404,300
Land and water permit fees		555,200
NPDES fees		3,548,600
Public swimming pool fund		553,300
Public water supply fees		2,347,800
Refined petroleum fund		973,400
Septage waste contingency fund		38,600
Septage waste program fund		378,100
Sewage sludge land application fees		870,300
Soil erosion and sedimentation control training fund		117,300
Stormwater permit fees		2,861,200
Strategic water quality initiatives fund		400,000
Wastewater operator training fees		175,000
Water pollution control revolving fund		3,128,300
Water use reporting fees		551,200
State general fund/general purpose	$	8,102,800
(10) CRIMINAL INVESTIGATIONS		
Full-time equated classified positions 20.0		
Environmental investigations—20.0 FTE positions	$	2,605,100
GROSS APPROPRIATION	$	2,605,100
Appropriated from:		
Federal revenues:		
Federal funds		684,000
Special revenue funds:		
Restricted funds		1,163,000
State general fund/general purpose	$	758,100
(11) GRANTS		
Water pollution control and drinking water revolving funds	$	82,943,000
Noncommunity water grants		1,400,000
Grants to counties - air pollution		83,700
Coastal management grants		2,000,000
Federal - nonpoint source water pollution grants		6,500,000
Federal - Great Lakes remedial action plan grants		700,000
Great Lakes research and protection grants		1,000,000

		For Fiscal Year Ending Sept. 30, 2010
Radon grants	$	90,000
Drinking water program grants		1,330,000
Pollution prevention local grants		250,000
Septage waste compliance grants		400,000
Scrap tire grants		3,700,000
Strategic water quality initiative loans		9,600,000
Water quality protection grants		100,000
GROSS APPROPRIATION	$	110,096,700
Appropriated from:		
Federal revenues:		
Federal funds		82,163,000
Special revenue funds:		
Community pollution prevention fund		250,000
Great Lakes protection fund		1,000,000
Public water supply fees		1,400,000
Refined petroleum fund		83,700
Revolving loan revenue bonds		11,400,000
Scrap tire regulatory fund		3,700,000
Septage waste program fund		400,000
Strategic water quality initiatives fund		9,600,000
Water quality protection fund		100,000
State general fund/general purpose	$	0
(12) INFORMATION TECHNOLOGY		
Information technology services and projects	$	7,819,600
GROSS APPROPRIATION	$	7,819,600
Appropriated from:		
Interdepartmental grant revenues:		
IDT, laboratory services		150,900
IDG from MSP		28,000
IDG from MDOT - Michigan transportation fund		54,600
Federal revenues:		
Federal funds		1,505,000
Special revenue funds:		
Restricted funds		5,577,900
State general fund/general purpose	$	503,200

Sec. 103. DEPARTMENT OF NATURAL RESOURCES

(1) APPROPRIATION SUMMARY

Full-time equated unclassified positions 6.0		
Full-time equated classified positions 2,209.9		
GROSS APPROPRIATION	$	315,298,500
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		3,802,200
ADJUSTED GROSS APPROPRIATION	$	311,496,300
Federal revenues:		
Total federal revenues		72,852,500
Special revenue funds:		
Total private revenues		5,381,100
Total other state restricted revenues		216,538,800
State general fund/general purpose	$	16,723,900

FUND SOURCE SUMMARY

Full-time equated unclassified positions 6.0		
Full-time equated classified positions 2,209.9		
GROSS APPROPRIATION	$	315,298,500
Interdepartmental grant revenues:		
IDG, engineering services to work orders		1,972,100
IDG, MacMullan conference center revenue		1,413,100

	For Fiscal Year Ending Sept. 30, 2010
IDG, land acquisition services to work orders	$ 417,000
Total interdepartmental grants and intradepartmental transfers	3,802,200
ADJUSTED GROSS APPROPRIATION	$ 311,496,300
Federal revenues:	
DAG, federal	13,561,900
DOC, federal	71,800
DOE, federal	1,000
DOI, federal	47,271,000
DHS, federal	7,756,900
DOT, federal	3,900,000
EPA, federal	289,900
Total federal revenues	72,852,500
Special revenue funds:	
Private funds	5,268,500
Private - grants and gifts	10,000
Private - Mann house trust fund	102,600
Total private revenues	5,381,100
Aircraft fees	263,000
Cervidae licensing and inspection fees	168,100
Clean Michigan initiative fund	25,500
Commercial forest fund	54,300
Forest recreation account	1,549,600
Forest development fund	32,361,600
Forest land user charges	569,300
Game and fish protection fund	56,749,300
Game and fish protection fund - fisheries settlement	911,500
Game and fish protection fund - deer habitat reserve	3,172,100
Game and fish protection fund - turkey permit fees	1,908,800
Game and fish protection fund - waterfowl fees	111,200
Game and fish - wildlife resource protection fund	1,689,900
Game and fish protection fund - youth hunting and fishing education and outreach	46,700
Land exchange facilitation fund	6,295,500
Mackinac Island state park operation fund	167,000
Mackinac Island state park fund	1,649,200
Marine safety fund	4,823,500
Michigan civilian conservation corps endowment fund	250,000
Michigan heritage publications fund	701,100
Michigan state parks endowment fund	16,844,100
Michigan state waterways fund	23,281,100
Michigan natural resources trust fund	2,855,200
Museum operations fund	513,400
Nongame wildlife fund	707,300
Off-road vehicle trail improvement fund	4,772,100
Off-road vehicle safety education fund	288,600
Park improvement fund	39,019,300
Permanent snowmobile trail easement fund	700,000
Recreation improvement fund	1,472,900
Shop fees	67,300
Snowmobile registration fee revenue	2,328,300
Snowmobile trail improvement fund	9,964,400
Sportsmen against hunger fund	257,600
Total other state restricted revenues	216,538,800
State general fund/general purpose	$ 16,723,900
(2) EXECUTIVE	
Full-time equated unclassified positions 6.0	
Full-time equated classified positions 85.8	
Commission (including travel expense—per diem)	$ 85,400
Unclassified salaries	319,800

		For Fiscal Year Ending Sept. 30, 2010
Communications—62.3 FTE positions	$	4,873,600
Executive direction—18.0 FTE positions		2,251,100
Legal coordination—5.5 FTE positions		549,100
Great Lakes restoration initiative		15,000,000
GROSS APPROPRIATION	$	23,079,000
Appropriated from:		
Federal revenues:		
DHS, federal		45,700
DOI, federal		15,937,200
Special revenue funds:		
Private funds		75,900
Forest development fund		375,500
Forestland user charges		2,100
Forest recreation account		44,000
Game and fish protection fund		2,482,200
Game and fish protection fund - deer habitat reserve		81,500
Game and fish protection fund - turkey permit fees		33,700
Game and fish protection fund - waterfowl fees		900
Game and fish - wildlife resource protection fund		35,100
Game and fish protection fund - youth hunting and fishing education and outreach		46,700
Land exchange facilitation fund		117,400
Marine safety fund		62,400
Michigan natural resources trust fund		54,200
Michigan state parks endowment fund		175,700
Michigan state waterways fund		332,200
Nongame wildlife fund		18,400
Off-road vehicle trail improvement fund		30,800
Park improvement fund		2,393,500
Recreation improvement fund		19,900
Off-road vehicle safety education fund		50,700
Snowmobile registration fee revenue		58,500
Snowmobile trail improvement fund		56,600
State general fund/general purpose	$	548,200
(3) ADMINISTRATIVE SERVICES		
Full-time equated classified positions 46.0		
Budget and support services—10.0 FTE positions	$	1,172,800
Financial services—23.0 FTE positions		2,453,800
Grants administration—13.0 FTE positions		1,281,100
GROSS APPROPRIATION	$	4,907,700
Appropriated from:		
Federal revenues:		
DOI, federal		204,600
Special revenue funds:		
Clean Michigan initiative fund		25,500
Forest development fund		806,400
Forest recreation account		33,500
Game and fish protection fund		883,800
Game and fish protection fund - deer habitat reserve		25,100
Game and fish protection fund - turkey permit fees		17,100
Game and fish protection fund - waterfowl fees		3,900
Game and fish - wildlife resource protection fund		16,400
Land exchange facilitation fund		41,200
Marine safety fund		129,000
Michigan natural resources trust fund		1,008,600
Michigan state parks endowment fund		125,400
Michigan state waterways fund		206,300

		For Fiscal Year Ending Sept. 30, 2010
Nongame wildlife fund	$	12,600
Off-road vehicle trail improvement fund		13,700
Park improvement fund		588,700
Recreation improvement fund		10,800
Snowmobile registration fee revenue		31,400
Snowmobile trail improvement fund		86,900
State general fund/general purpose	$	636,800
(4) LAND AND FACILITIES		
Full-time equated classified positions 134.2		
Land and facilities—134.2 FTE positions	$	20,239,100
GROSS APPROPRIATION	$	20,239,100
Appropriated from:		
Interdepartmental grant revenues:		
IDG, engineering services to work orders		1,972,100
IDG, land acquisition services to work orders		417,000
IDG, MacMullan conference center revenue		1,413,100
Special revenue funds:		
Forest development fund		1,978,600
Forest land user charges		13,700
Forest recreation fund		11,100
Game and fish protection fund		6,630,700
Game and fish protection fund - deer habitat reserve		200,600
Game and fish protection fund - turkey permit fees		78,300
Game and fish - wildlife resource protection fund		6,200
Land exchange facilitation fund		5,909,600
Marine safety fund		103,900
Michigan natural resources trust fund		5,900
Michigan state parks endowment fund		134,500
Michigan state waterways fund		269,800
Off-road vehicle trail improvement fund		24,200
Park improvement fund		511,000
Snowmobile registration fee revenue		40,600
Snowmobile trail improvement fund		79,900
State general fund/general purpose	$	438,300
(5) DEPARTMENTAL OPERATION SUPPORT		
Building occupancy charges	$	3,222,100
Rent - privately owned property		490,000
Gifts and bequests		500,000
GROSS APPROPRIATION	$	4,212,100
Appropriated from:		
Special revenue funds:		
Private funds		500,000
Forest development fund		583,100
Forest recreation fund		14,900
Game and fish protection fund		841,700
Game and fish protection fund - deer habitat reserve		19,800
Game and fish protection fund - turkey permit fees		18,900
Game and fish - wildlife resource protection fund		7,100
Land exchange facilitation fund		70,900
Marine safety fund		32,000
Michigan natural resources trust fund		39,000
Michigan state parks endowment fund		199,900
Michigan state waterways fund		107,400
Park improvement fund		310,700
Snowmobile trail improvement fund		20,300
State general fund/general purpose	$	1,446,400
(6) WILDLIFE MANAGEMENT		
Full-time equated classified positions 205.0		
Cormorant population mitigation program	$	75,000

		For Fiscal Year Ending Sept. 30, 2010
Wildlife management—196.0 FTE positions	$	28,771,800
Natural resources heritage—9.0 FTE positions		1,263,000
State game and wildlife area maintenance		750,000
GROSS APPROPRIATION	$	30,859,800
Appropriated from:		
Federal revenues:		
DAG, federal		366,500
DOI, federal		13,812,100
EPA, federal		1,000
Special revenue funds:		
Private funds		114,600
Cervidae licensing and inspection fees		103,000
Forest development fund		65,500
Game and fish protection fund		9,039,300
Game and fish protection fund - deer habitat reserve		2,768,300
Game and fish protection fund - turkey permit fees		1,693,000
Game and fish protection fund - waterfowl fees		103,600
Nongame wildlife fund		641,900
Sportsmen against hunger fund		257,600
State general fund/general purpose	$	1,893,400
(7) FISHERIES MANAGEMENT		
Full-time equated classified positions 232.0		
Aquatic resource mitigation—2.0 FTE positions	$	912,500
Fisheries resource management—170.0 FTE positions		18,323,600
Fish production—60.0 FTE positions		8,300,100
GROSS APPROPRIATION	$	27,536,200
Appropriated from:		
Federal revenues:		
DAG, federal		134,400
DOE, federal		1,000
DOC, federal		53,400
DOI, federal		10,067,700
EPA, federal		165,500
Special revenue funds:		
Private funds		116,700
Game and fish protection fund		16,086,000
Game and fish protection fund - fisheries settlement		911,500
State general fund/general purpose	$	0
(8) PARKS AND RECREATION		
Full-time equated classified positions 794.9		
State parks—631.4 FTE positions	$	46,698,700
State park improvement revenue bonds - debt service		1,147,100
Recreational boating—163.5 FTE positions		14,776,100
GROSS APPROPRIATION	$	62,621,900
Appropriated from:		
Federal revenues:		
EPA, federal		122,400
Special revenue funds:		
Private funds		370,300
Michigan civilian conservation corps endowment fund		250,000
Michigan state parks endowment fund		13,293,200
Michigan state waterways fund		14,776,100
Off-road vehicle trail improvement fund		247,400
Park improvement fund		33,562,500
State general fund/general purpose	$	0
(9) MACKINAC ISLAND STATE PARK COMMISSION		
Full-time equated classified positions 39.0		
Mackinac Island park operations—24.0 FTE positions	$	1,588,200

		For Fiscal Year Ending Sept. 30, 2010
Historical facilities system—15.0 FTE positions	$	1,789,000
GROSS APPROPRIATION	$	3,377,200
Appropriated from:		
Special revenue funds:		
Mackinac Island state park operation fund		167,000
Mackinac Island state park fund		1,600,500
State general fund/general purpose	$	1,609,700
(10) MICHIGAN HISTORICAL PROGRAM		
Full-time equated classified positions 62.0		
Archives—8.0 FTE positions	$	732,000
Freedom trail commission—1.0 FTE position		25,000
Heritage publications—5.0 FTE positions		701,200
Historical administration and services—42.0 FTE positions		3,058,200
Museum stores—4.0 FTE positions		513,400
Special programs (Mann house)—1.0 FTE position		112,600
Thunder Bay national marine sanctuary and underwater preserve—1.0 FTE position		150,100
GROSS APPROPRIATION	$	5,292,500
Appropriated from:		
Federal revenues:		
DOI, federal		100
Special revenue funds:		
Private - grants and gifts		10,000
Private - Mann house trust fund		102,600
Michigan heritage publications fund		701,100
Museum operations fund		513,400
State general fund/general purpose	$	3,965,300
(11) FOREST, MINERAL, AND FIRE MANAGEMENT		
Full-time equated classified positions 383.0		
Forest management and timber market development—165.0 FTE positions	$	20,544,200
Adopt-a-forest program		25,000
Wildfire protection—122.0 FTE positions		11,451,500
Forest recreation—51.0 FTE positions		4,924,000
Minerals management—23.0 FTE positions		2,565,400
Cooperative resource programs—12.0 FTE positions		1,034,800
Forest management initiative—10.0 FTE positions		808,900
Forest fire equipment		500,000
GROSS APPROPRIATION	$	41,853,800
Appropriated from:		
Federal revenues:		
DAG, federal		2,436,000
DHS, federal		255,600
DOI, federal		2,000
EPA, federal		1,000
Special revenue funds:		
Private funds		941,000
Aircraft fees		263,000
Commercial forest fund		49,200
Forest development fund		25,730,700
Forestland user charges		536,500
Forest recreation fund		1,240,500
Game and fish protection fund		1,481,000
Michigan natural resources trust fund		1,268,100
Michigan state parks endowment fund		574,700
Michigan state waterways fund		394,200
Off-road vehicle trail improvement fund		742,500
Recreation improvement fund		330,200
Off-road vehicle safety education fund		6,200
Shop fees		67,300

		For Fiscal Year Ending Sept. 30, 2010
Snowmobile registration fee revenue	$	16,900
Snowmobile trail improvement fund		1,629,600
State general fund/general purpose	$	3,887,600
(12) LAW ENFORCEMENT		
Full-time equated classified positions 228.0		
General law enforcement—228.0 FTE positions	$	28,629,000
GROSS APPROPRIATION	$	28,629,000
Appropriated from:		
Federal revenues:		
DHS, federal		4,485,600
DOC, federal		18,400
DOI, federal		563,300
Special revenue funds:		
Cervidae licensing and inspection fees		65,100
Forest recreation account		61,000
Game and fish protection fund		16,467,800
Game and fish protection fund - wildlife resource protection fund		1,566,800
Marine safety fund		1,614,100
Off-road vehicle trail improvement fund		1,251,400
Park improvement fund		61,000
Off-road vehicle safety education fund		81,700
Snowmobile registration fee revenue		991,100
State general fund/general purpose	$	1,401,700
(13) GRANTS		
Accessibility grants	$	1,000,000
Federal - clean vessel act grants		400,000
Federal - forest stewardship grants		3,125,000
Federal - land and water conservation fund payments		2,566,900
Federal - rural community fire protection		300,000
Federal - urban forestry grants		4,000,000
Game and nongame wildlife fund grants		10,000
Grant to counties - marine safety		4,275,000
Grants to communities - federal oil, gas, and timber payments		3,450,000
National recreational trails		3,950,000
Off-road vehicle safety training grants		150,000
Off-road vehicle trail improvement grants		2,454,000
Recreation improvement fund grants		1,100,000
Snowmobile law enforcement grants		1,142,000
Snowmobile local grants program		8,014,000
Trail easements		700,000
GROSS APPROPRIATION	$	36,636,900
Appropriated from:		
Federal revenues:		
DAG, federal		10,625,000
DHS, USCG		1,470,000
DOI, federal		3,116,900
DOT, federal		3,900,000
Special revenue funds:		
Private funds		1,150,000
Marine safety fund		2,805,000
Nongame wildlife fund		10,000
Off-road vehicle trail improvement fund		2,454,000
Permanent snowmobile trail easement fund		700,000
Recreation improvement fund		1,100,000
Off-road vehicle safety education fund		150,000
Snowmobile registration fee revenue		1,142,000
Snowmobile trail improvement fund		8,014,000
State general fund/general purpose	$	0

		For Fiscal Year Ending Sept. 30, 2010
(14) INFORMATION TECHNOLOGY		
Information technology services and projects	$	9,412,100
GROSS APPROPRIATION	$	9,412,100
Appropriated from:		
Special revenue funds:		
Commercial forest fund		5,100
Forest development fund		1,521,800
Forestland user charges		17,000
Forest recreation fund		44,600
Game and fish protection fund		2,836,800
Game and fish protection fund - deer habitat reserve		76,800
Game and fish protection fund - turkey permit fees		67,800
Game and fish protection fund - waterfowl fees		2,800
Game and fish - wildlife resource protection fund		58,300
Land exchange facilitation fund		156,400
Mackinac Island state park fund		48,700
Marine safety fund		77,100
Michigan natural resources trust fund		479,400
Michigan state parks endowment fund		340,700
Michigan state waterways fund		671,000
Nongame wildlife fund		24,400
Off-road vehicle trail improvement fund		8,100
Park improvement fund		1,591,900
Recreation improvement fund		12,000
Snowmobile registration fee revenue		47,800
Snowmobile trail improvement fund		77,100
State general fund/general purpose	$	1,246,500
(15) CAPITAL OUTLAY		
(a) STATE PARK AND FOREST AREA IMPROVEMENTS		
State parks repair and maintenance	$	4,000,000
Forest roads, bridges and facilities		1,400,000
GROSS APPROPRIATION	$	5,400,000
Appropriated from:		
Special revenue funds:		
Private funds		2,000,000
Forest development fund		1,300,000
Forest recreation account		100,000
Michigan state parks endowment fund		2,000,000
State general fund/general purpose	$	0
(b) WATERWAYS BOATING PROGRAM		
Infrastructure improvements - state projects	$	400,000
Land acquisitions		1,000,000
Boating program, state boating access sites:		
Sleepy Hollow State Park, boating access site improvements: new access road and entrance, expansion of launch ramp, new parking area, interpretive kiosk for boating safety and fishing information, universal accessibility (total authorized cost $776,200; Federal share $582,100; state share $194,100)		776,200
Detour, Chippewa County, floating dock repair and replacement (total authorized cost is increased from $4,000,000 to $7,500,000; Federal share is increased from $3,000,000 to $5,235,000; state share is increased from $1,000,000 to $2,265,000)		3,500,000
Port Austin, Huron County, new floating piers, utility upgrades and breakwall improvements (total authorized cost is increased from $500,000 to $5,000,000; Federal share is increased from $0 to $1,100,000; state share is increased from $500,000 to $3,900,000)		4,000,000
Boating program, state harbors and docks:		
Lac La Belle, Keweenaw County, pilings and pier replacement (total authorized cost $1,000,000; federal share $750,000; state share $250,000)		1,000,000
Boating program, local harbors and docks:		
Naubinway, Mackinac County, breakwater protection, dredging and engineering, phase I (total authorized cost $210,000; state share $210,000)		210,000

		For Fiscal Year Ending Sept. 30, 2010
Leland, Leelanau County, dock replacements, utility upgrades, seawall protection (total authorized cost is increased from $4,195,000 to $4,900,000; local share is increased from $990,000 to $1,225,000; state share is increased from $2,970,000 to $3,675,000)	$	705,000
GROSS APPROPRIATION	$	11,591,200
Appropriated from:		
Federal revenues:		
DHS, federal		1,500,000
DOI, federal		3,567,100
Special revenue funds:		
Michigan state waterways fund		6,524,100
State general fund/general purpose	$	0
(16) CONSOLIDATION SAVINGS		
Consolidation savings	$	(350,000)
GROSS APPROPRIATION	$	(350,000)
Appropriated from:		
State general fund/general purpose	$	(350,000)

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2009-2010 is $432,854,500.00 and state spending from state resources to be paid to local units of government for fiscal year 2009-2010 is $10,722,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF ENVIRONMENTAL QUALITY		
GRANTS		
Noncommunity water grants	$	1,400,000
Scrap tire grants		1,850,000
Septage waste compliance program		400,000
SUBTOTAL FOR DEPARTMENT OF ENVIRONMENTAL QUALITY	$	3,650,000
DEPARTMENT OF NATURAL RESOURCES		
CAPITAL OUTLAY		
Waterways boating program	$	2,415,000
GRANTS		
Grants to counties - marine safety		2,805,000
Off-road vehicle safety training grants		150,000
Off-road vehicle trail improvement grants		450,000
Recreation improvement fund grants		110,000
Snowmobile law enforcement grants		1,142,000
SUBTOTAL FOR DEPARTMENT OF NATURAL RESOURCES	$	7,072,000
TOTAL NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION	$	10,722,000

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

Sec. 203. As used in this act:

(a) "Commission" means the commission of natural resources.

(b) "DAG" means the United States department of agriculture.

(c) "DHS" means the United States department of homeland security.

(d) “DOC” means the United States department of commerce.

(e) “DOE” means the United States department of energy.

(f) “DOI” means the United States department of interior.

(g) “DOT” means the United States department of transportation.

(h) “EPA” means the United States environmental protection agency.

(i) “FTE” means full-time equated.

(j) “IDG” means interdepartmental grant.

(k) “IDT” means intradepartmental transfer.

(*l*) “MDOT” means the Michigan department of transportation.

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

(n) “NPDES” means national pollution discharge elimination system.

Sec. 204. The civil service commission shall bill departments of environmental quality and natural resources at the end of the first fiscal quarter for charges authorized by section 5 of article XI of the state constitution of 1963. Payments shall be made for the total amount of the billing by the end of the second fiscal quarter.

Sec. 206. The departments of environmental quality and natural resources shall use the Internet to fulfill the reporting requirements of this act. This requirement can be met if reports are transmitted via electronic mail to the recipients identified for each reporting requirement or it may include placement of reports on an Internet or Intranet site.

Sec. 207. (1) Within 14 days after the release of the executive budget recommendation, the departments of environmental quality and natural resources shall each provide the state budget director, the senate and house appropriations subcommittees on environmental quality and natural resources, respectively, and the senate and house fiscal agencies with an annual report on estimated restricted fund balances, projected revenues, and expenditures for the fiscal years ending September 30, 2009 and September 30, 2010.

(2) Estimates of restricted fund revenues for the fiscal year ending September 30, 2010 shall be reissued on or before September 30, 2009. These revised revenue estimates shall form the basis for determinations of the number of funded positions authorized in this act.

(3) Part 1 of this act provides authorizations to fund 3,701.0 FTE classified positions during the fiscal year ending September 30, 2010. Line-item appropriations include limitations on the number of payroll hours to be funded, on the basis of 2,088 hours per each FTE position. The departments of environmental quality and natural resources shall each report the number of funded FTE positions within 15 days after the effective date of this act. The number of classified employees compensated through each line item is limited by the authorized FTE positions indicated in this act, as adjusted for the number of reported funded FTE positions. Each report shall be provided to the house and senate appropriations subcommittees on environmental quality and natural resources, respectively, and the house and senate fiscal agencies by the deadlines provided in this section.

Sec. 208. (1) From the funds appropriated under this act, the departments of environmental quality and natural resources shall each prepare a report that lists all of the following regarding grant, loan, or grant and loan programs administered by the respective department for the fiscal year ending on September 30, 2010:

(a) The name of each program.

(b) The goals, criteria, filing fees, nominating procedures, eligibility requirements, processes, and deadlines for each program.

(c) The maximum and minimum grant and loan available and whether there is a match requirement for each program.

(d) The amount of any required match, and whether in-kind contributions may be used as part or all of a required match.

(e) Information pertaining to the application process, the timeline for each program, and the contact people within the department.

(f) The source of funds for each program, including the citation of pertinent authorizing acts.

(g) Information regarding plans for the next fiscal year for the phaseout, expansion, or changes for each program.

(h) A listing of all recipients of grants or loans awarded by the department by type and amount of grant or loan during the fiscal year ending September 30, 2009.

(2) The reports required under this section shall be submitted to the state budget director, the senate and house appropriations committees, and the senate and house fiscal agencies by January 1, 2010.

Sec. 209. Appropriations of state restricted game and fish protection funds have been made to the following departments and agencies in their respective appropriation acts. The amounts appropriated to these departments and agencies are listed below:

Civil service commission	$	876,100
Legislative auditor general		21,900
Attorney general		482,800
Department of management and budget		391,200
Department of treasury		1,793,300

Sec. 210. Before January 31, 2010, the department of natural resources, in cooperation with the Michigan state waterways commission, shall provide to the state budget director, the senate and house appropriations subcommittees on natural resources, and the senate and house fiscal agencies a list of projects completed by the commission in fiscal year 2008-2009, including the county and municipality in which each project is located.

Sec. 211. Pursuant to section 43703(3) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.43703, there is appropriated from the game and fish protection trust fund to the game and fish protection account of the Michigan conservation and recreation legacy fund, $6,000,000.00 for the fiscal year ending September 30, 2010.

Sec. 212. From the funds appropriated in part 1 for information technology, the departments of environmental quality and natural resources shall pay user fees to the department of information technology for technology-related services and projects. These user fees shall be subject to provisions of an interagency agreement between each respective department and the department of information technology.

Sec. 213. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2010 shall be limited to situations in which 1 or more of the following conditions apply:

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

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

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

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

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

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

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

(3) Not later than January 1 of each year, the department of environmental quality and the department of natural resources shall each 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 senate and house 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. 214. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and comparable quality American goods or services, or both, are available. Preference should be given to goods or services, or both, manufactured or provided by Michigan businesses if they are competitively priced and of comparable quality. In addition, preference should be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 215. The directors of the departments of environmental quality and natural resources shall each 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 respective department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

Sec. 216. Neither the department of environmental quality nor the department of natural resources shall take disciplinary action against an employee for communicating truthfully and factually with a member of the legislature or his or her staff.

Sec. 217. (1) Funds appropriated in part 1 shall not be used by the department of environmental quality or the department of natural resources to adopt a rule that will apply to a small business and that will have a disproportionate economic impact on small businesses because of the size of those businesses if the department fails to reduce the disproportionate economic impact of the rule on small businesses as provided under section 40 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

(2) As used in this section:

(a) "Rule" means that term as defined under section 7 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.207.

(b) "Small business" means that term as defined under section 7a of the administrative procedures act of 1969, 1969 PA 306, MCL 24.207a.

Sec. 218. 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. 219. The departments of environmental quality and natural resources shall each develop a plan for allocating restricted funds among department administrative support and regulatory activities. Each plan shall be submitted to the house and senate appropriations subcommittees on environmental quality and natural resources, respectively, by January 30, 2010. Each plan shall include a cost allocation plan for financial services support, office space rent and building occupancy charges, and support division service for information systems and technology and a methodology to use information generated through activity reports that identifies the percentage of employee time spent on restricted fund activities.

Sec. 220. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $33,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

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

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

Sec. 221. Neither the department of environmental quality nor the department of natural resources shall 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 the professional development conference or training seminar is funded by a federal or private funding source and requires more than 1 person from the department to attend, or the conference or training seminar includes multiple issues in which 1 employee from the department does not have expertise. This section does not apply to meetings or to the purchase of excess federal equipment.

Sec. 222. Beginning December 2009 and every 2 months thereafter, the department of environmental quality and the department of natural resources shall each promptly report on the number of FTEs in pay status as of the first day of that month, by civil service classification. Each department shall submit the report to the house and senate appropriations subcommittees on environmental quality and natural resources, respectively, and the house and senate fiscal agencies.

Sec. 223. The departments of environmental quality and natural resources, in collaboration with the state budget office, shall each submit to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the house and senate policy offices on or before March 1, 2010 a report on appropriated and supportable FTE positions within the enacted budget for the fiscal year ending September 30, 2010. The report shall contain all of the following information for each individual line item contained in the enacted budget:

(a) The number of FTEs to be funded from the line item.

(b) The amount that is proposed to be allocated to salary and wage and fringe benefit costs from the gross appropriation for the line item.

(c) The amount that is proposed to be allocated to salary and wage and fringe benefit costs from the gross appropriation for the line item on which was based the increase in the executive budget proposal from the amount appropriated for the line item in the department budget for the fiscal year ending September 30, 2010, if different from the amount in subdivision (b).

(d) The portion of the amount described in subdivision (b) that is proposed to be taken from each funding source identified in the budget.

(e) The gross salary and wage expenditures for the line item during the fiscal year ending September 30, 2009 and the estimated salary and wage expenditures for the line item during the fiscal year ending September 30, 2010.

(f) The estimated number of FTE positions supportable by the amount described in subdivision (b).

Sec. 224. (1) The department of environmental quality shall report all of the following information relative to allocations made from appropriations for the environmental cleanup and redevelopment program, state cleanup, emergency actions, superfund cleanup, the revitalization revolving loan program, the brownfield grants and loans program, the leaking underground storage tank cleanup program, the contaminated lake and river sediments cleanup program, the refined petroleum product cleanup program, and the environmental protection bond projects under section 19508(7) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.19508, to the state budget director, the senate and house appropriations subcommittees on environmental quality, and the senate and house fiscal agencies:

(a) The name and location of the site for which an allocation is made.

(b) The nature of the problem encountered at the site.

(c) A brief description of how the problem will be resolved if the allocation is made for a response activity.

(d) The estimated date that site closure activities will be completed.

(e) The amount of the allocation, or the anticipated financing for the site.

(f) A summary of the sites and the total amount of funds expended at the sites at the conclusion of the fiscal year.

(g) The number of sites that would qualify as brownfields that were redeveloped.

(2) The report prepared under subsection (1) shall also include all of the following:

(a) The status of all state-owned facilities that are on the list compiled under part 201 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101 to 324.20142.

(b) The report shall include the total amount of funds expended during the fiscal year and the total amount of funds awaiting expenditure.

(c) The total amount of bonds issued for the environmental protection bond program pursuant to part 193 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.19301 to 324.19306, and bonds issued pursuant to the clean Michigan initiative act, 1998 PA 284, MCL 324.95101 to 324.95108.

(3) The report shall be made available by March 31 of each year.

Sec. 225. (1) The department of environmental quality is authorized to expend amounts remaining from the current and prior fiscal year appropriations to meet funding needs of legislatively approved sites for the environmental cleanup and redevelopment program, the leaking underground storage tank cleanup program, and the refined petroleum product cleanup program.

(2) Unexpended and unencumbered amounts remaining from appropriations from the environmental protection bond fund contained in 2003 PA 173 and 2006 PA 343 are appropriated for expenditure for any site listed in this act and any site listed in the public acts referenced in this section.

(3) Unexpended and unencumbered amounts remaining from appropriations from the cleanup and redevelopment fund contained in 2003 PA 173 are appropriated for expenditure for any site listed in this act and any site listed in the public acts referenced in this section.

(4) Unexpended and unencumbered amounts remaining from appropriations from the clean Michigan initiative fund - response activities contained in 2000 PA 506, 2001 PA 120, 2003 PA 173, 2003 PA 237, 2004 PA 309, 2004 PA 350, 2005 PA 11, 2006 PA 343, and 2007 PA 121 are appropriated for expenditure for any site listed in this act and any site listed in the public acts referenced in this section.

(5) Unexpended and unencumbered amounts remaining from appropriations from the environmental protection fund contained in 2001 PA 43, 2002 PA 520, and 2003 PA 171 are appropriated for expenditure for any site listed in this act and any site listed in the public acts referenced in this section.

(6) Unexpended and unencumbered amounts remaining from appropriations from the refined petroleum fund activities contained in 2005 PA 154, 2007 PA 121, and 2008 PA 247 are appropriated for expenditure for any site listed in this act and any site listed in the public acts referenced in this section.

Sec. 226. Of the money appropriated from the environmental education fund in part 1, $5,000.00 shall be allocated to Michigan State University Extension Service - 4-H Youth Programs to fund the Michigan Youth Conservation Council.

Sec. 227. (1) The appropriation for the department of environmental quality in section 102(2) includes $11,625,100.00 from restricted funds. This funding source shall support the restricted fund requirements, pursuant to subsection (4), for selected line items in the executive operations and administrative support appropriation unit.

(2) The appropriation for the department of environmental quality in section 102(10) includes $1,163,000.00 from restricted funds. This funding shall support the restricted fund requirements, pursuant to subsection (4), for the criminal investigations appropriations.

(3) The appropriation in section 102(12) includes $5,577,900.00 from restricted funds. This funding source shall support the restricted fund requirements, pursuant to subsection (3), for the information technology appropriation.

(4) The department of environmental quality shall adopt a cost allocation plan for revenue sources supporting line items listed in section 102(2), (10), and (12).

(5) The department of environmental quality shall provide a report on or before October 31, 2009 to the house and senate appropriations subcommittees on environmental quality and the house and senate fiscal agencies of the line item amounts and detailed revenue sources which support the restricted fund appropriations in section 102(2), (10), and (12).

Sec. 228. It is the intent of the legislature that the department of natural resources will be the successor agency to the department of environmental quality created by Executive Reorganization Order No. 1995-16, MCL 324.99903. In addition to the powers and duties provided by law to the department of natural resources, the department of natural resources will have the powers and duties provided to the department of environmental quality in Executive Reorganization Order No. 1995-16, MCL 324.99903, and the powers and duties otherwise provided to the department of environmental quality or the director of the department of environmental quality by law.

Sec. 229. The appropriations in this act assume the issuance and acceptance of an executive order by the governor for the purpose of consolidating the responsibilities and functions of the departments of environmental quality and natural resources. Any efficiency savings realized programs supported by general fund appropriations shall lapse and be credited to the state general fund. The amount of efficiency savings potentially to be realized through the consolidation of field offices and elimination of duplicative positions will be approximately $2,000,000.00.

Sec. 230. Effective November 1, 2009, expenditures from section 102 shall not be allowed by the director of the department of environmental quality unless a notice of an intent to spend is provided to the speaker of the house of representatives, not later than 30 days before disbursements from allotted funds.

Sec. 231. Any permit application that has been submitted to and pending with the department of environmental quality for a period of 2 years or more shall be considered administratively complete effective January 1, 2010.

Sec. 232. (1) From the funds appropriated in part 1, the departments of environmental quality and natural resources shall each develop, post, and maintain on a user-friendly and publicly accessible Internet site, all expenditures made by the agency within a fiscal year. The posting must include the purpose for which each expenditure is made.

(2) From the funds appropriated in part 1, neither the department of environmental quality nor the department of natural resources shall spend more than $25,000.00 to implement this section or cause essential services to be diminished.

Sec. 233. The departments of environmental quality and natural resources shall receive and retain copies of all reports funded from appropriations in part 1. These departments shall follow federal and state guidelines for short-term and long-term retention of these reports. To the extent consistent with federal and state guidelines, the requirements of this section are satisfied if the reports funded from appropriations in part 1 are retained in electronic format.

Sec. 234. Unexpended settlement revenues at the end of the fiscal year may be carried forward into the settlement fund in the succeeding fiscal year up to a maximum carryforward of $2,500,000.00.

Sec. 235. The departments of environmental quality and natural resources shall each annually report by December 31 to the state budget director, the senate and house appropriations committees, and the senate and house fiscal agencies an accounting of all civil and criminal fine revenue collected during the previous fiscal year and post its report on its website.

Sec. 236. Not later than September 30, 2010, the departments of environmental quality and natural resources shall each 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. These reports shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. These reports shall be transmitted to the office of the state budget, the chairpersons of the senate and house appropriations committees, and the senate and house fiscal agencies.

Sec. 237. (1) When managing and regulating best available retrofit technologies ("BART") under part 55 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.5501 to 324.5542, the department of environmental quality shall use proven science and representative data based upon professional peer review standards. If the department of environmental quality requests a permit holder to implement BART review, the department shall cite the specific scientific methods and provide data-based evidence to justify using the BART measure.

(2) If the department of environmental quality requests the permit holder to undertake a feasibility study to determine whether to utilize BART, the department of environmental quality shall reimburse the permit holder all costs associated with conducting the feasibility study. Reimbursement shall be made within 30 days of submission of costs by the permit holder.

Sec. 238. By July 1, 2010, the department of environmental quality shall prepare and submit a report to the state budget director, the legislature, the chairs of the standing committees of the senate and house of representatives with primary responsibility for issues related to natural resources and the environment, and the chairs of the subcommittees of the senate and house appropriations committees with primary responsibility for appropriations for the department, outlining the implementation of the Great Lakes water quality bond provided for in part 197 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.19701 to 324.19708, including, but not limited to, the amount of bonds issued and the date they were issued, the number of applications received for loans from the state water pollution control revolving fund created in section 16a of the shared credit rating act, 1985 PA 227, MCL 141.1066a, the total amount of loans requested, a listing of the applicants receiving loans and the total amount of loans provided to those applicants, a listing of applicants whose loan applications were not approved and the reasons why those applications were not approved, the amount of the loans granted that were leveraged from bond proceeds, and the remaining bond proceeds and bond authorization.

Sec. 239. The department of environmental quality shall perform a review of its programs to determine how its programs compare to similar programs in other Great Lakes states. The analysis shall include, but not be limited to, evaluation of permitting time, number of enforcement actions, stringency of the controlling law, and the cost of the relevant permits. The department of environmental quality shall report the findings of this review to the senate and house appropriations committees not later than April 1, 2010.

Sec. 240. The department of environmental quality shall engage in a process to determine efficiencies that can be made in the air permitting program, including renewable operating permits, the NPDES program, and the remediation and redevelopment program. The department of environmental quality shall report the findings of this effort to the senate and house appropriations committees not later than April 1, 2010.

Sec. 241. From the amounts appropriated in part 1, the department of environmental quality shall implement 2008 PA 389.

Sec. 242. Semiannually, the departments of environmental quality and natural resources shall each notify the senate and house appropriations subcommittees with primary responsibility for appropriations to the respective department, the senate and house fiscal agencies, and the state budget director of all requests made of the department under the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246, during the previous 6 months.

DEPARTMENT OF ENVIRONMENTAL QUALITY

LAND AND WATER MANAGEMENT

Sec. 301. It is the intent of the legislature that the level of funding for the wetland protection program under part 303 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.30301 to 324.30323, for the fiscal year ending September 30, 2010, will be augmented to maintain the level of the previous fiscal year by funds from an appropriate restricted use fund through a supplemental appropriation act.

REMEDIATION AND REDEVELOPMENT

Sec. 302. Revenues remaining in the interdepartmental transfers, laboratory services at the end of the fiscal year shall carry forward into the succeeding fiscal year.

Sec. 303. The unexpended funds appropriated in part 1 for emergency cleanup actions and the refined petroleum product cleanup program are considered work project appropriations and any unencumbered or unallotted funds are carried forward into the succeeding fiscal year. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the projects to be carried forward is to provide contaminated site cleanup.

(b) The projects will be accomplished by contract.

(c) The total estimated cost of all projects is identified in each line-item appropriation.

(d) The tentative completion date is September 30, 2014.

Sec. 304. Effective October 1, 2009, surplus funds not to exceed $1,000,000.00 in the cleanup and redevelopment trust fund are hereby appropriated to the environmental protection fund.

Sec. 305. Effective October 1, 2009, surplus funds not to exceed $1,000,000.00 in the community pollution prevention fund are hereby appropriated to the environmental protection fund.

Sec. 306. It is the intent of the legislature to repay the refined petroleum fund for the $70,000,000.00 that was transferred to the environmental protection fund as part of the resolution for the fiscal year 2006-2007 budget.

Sec. 308. The department of environmental quality shall not expend funds appropriated in part 1 if using operational memoranda or other similar documents that are in draft form to impose regulations on individuals or businesses conducting environmental cleanup projects, except as provided in part 213 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.21301 to 324.21331, or when there is written consent between the department of environmental quality and the individual or business.

WASTE AND HAZARDOUS MATERIALS

Sec. 401. Effective October 1, 2009, surplus funds not to exceed $1,500,000.00 in the solid waste management fund perpetual care account are appropriated to the solid waste management fund staff account.

Sec. 402. If a certified health department does not exist in a city, county, or district or does not fulfill its responsibilities under part 117 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11701 to 324.11720, then the department of environmental quality may spend funds appropriated in part 1 under the septage waste compliance program in accordance with section 11716 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11716.

WATER

Sec. 501. By February 1, 2010, the department of environmental quality shall submit a report on the department's use of the national pollutant discharge elimination system fund created in MCL 324.3121 for the previous fiscal year, to the senate and house appropriations subcommittees on environmental quality, the standing committees of the legislature with jurisdiction over issues primarily related to natural resources and the environment, and the senate and house fiscal agencies. The report shall include a summary of how the appropriations in part 1 for the NPDES nonstormwater program were used for the various permissible uses of the fund and shall include specific information on all of the following:

(a) The number of compliance and complaint inspections completed, by category, the number of on-site compliance inspections conducted, and the number of compliance inspections that were not announced in advance to the permittee or licensee.

(b) The number and percent of permit and license inspections that found the permittee or licensee to be in significant noncompliance, by category.

(c) The number of administrative enforcement actions taken for permit or license violations and the results of the enforcement actions, including the amount of fines and penalties collected.

(d) The number of judicial enforcement actions taken for permit or license violations and the results of the enforcement actions, including the amount of fines and penalties collected.

(e) A listing of the supplemental environmental projects agreed to as a result of a consent agreement including all of the following: the case name, the monetary value of the supplemental environmental project, and a description of the project.

GRANTS

Sec. 601. Of the funds appropriated in part 1 for scrap tire grants, $100,000.00 shall be available for grants to communities to cover scrap tire fire suppression costs, provided owner liability bonds and other available funding sources have been exhausted.

DEPARTMENT OF NATURAL RESOURCES

ADMINISTRATIVE SERVICES

Sec. 701. The department of natural resources may charge the appropriations contained in part 1, including all special maintenance and capital projects appropriated for the fiscal year ending September 30, 2010, for engineering services provided, a standard percentage fee to recover actual costs. The department of natural resources may use the revenue derived to support the engineering services charges provided for in part 1.

Sec. 702. The department of natural resources may charge land acquisition projects appropriated for the fiscal year ending September 30, 2010, and for prior fiscal years, a standard percentage fee to recover actual costs, and may use the revenue derived to support the land acquisition service charges provided for in part 1.

Sec. 703. The department of natural resources may charge both application fees and transaction fees related to the exchange or sale of state-owned land or rights in land authorized by part 21 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.2101 to 324.2162. The fees shall be set by the director of the department of natural resources at a rate which allows the department to recover its costs for providing these services.

Sec. 704. The department of natural resources shall prominently display in a prominent place in the fishing guide provided to each licensed fisher and paid for from the funds appropriated in part 1, the website address for the department of community health. In addition, the fishing guide shall include information on alternative sources where interested parties without Internet access may find information on fish advisories issued by the department of community health.

Sec. 705. Within 21 days after the end of the fiscal year ending September 30, 2010, the department of natural resources shall submit to the senate and house appropriations subcommittees on natural resources a report on all land transactions approved by the commission in the previous fiscal year. For each land transaction, the report shall include the size of the parcel, the county and municipality in which the parcel is located, the dollar amount of the transaction, the fund source affected by the transaction, and whether the transaction is by purchase, public auction, transfer, exchange, or conveyance.

WILDLIFE MANAGEMENT

Sec. 801. It is the intent of the legislature that, from the funds appropriated in part 1, the department of natural resources shall reimburse the department of agriculture for costs incurred for indemnification payments for livestock losses caused by wolves, coyotes, or cougars under the animal industry act, 1988 PA 466, MCL 287.701 to 287.745.

Sec. 802. From the funds appropriated in part 1, the department of natural resources shall submit semiannual reports to the state budget director, the senate and house appropriations subcommittees on natural resources, and the senate and house fiscal agencies that provide detail about enforcement actions taken to eradicate bovine tuberculosis, the number of infected deer found, new science it is working on to detect bovine tuberculosis, and other relevant information about the department's efforts to address the presence of bovine tuberculosis in this state.

FISHERIES MANAGEMENT

Sec. 901. As a condition of expenditure of fisheries management appropriations under part 1, the department of natural resources shall not impede the certification process for water control structures on Michigan waterways. The department of natural resources shall fund from funds appropriated in part 1 all non-water-quality studies or requirements that the department requests of either of the following:

(a) The department of environmental quality as a condition for issuance of a certification under the federal water pollution control act, 33 USC 1341.

(b) The federal energy regulatory commission as a condition of licensing under the federal power act, 16 USC 791a to 825r.

Sec. 902. (1) From the appropriation in part 1 for aquatic resource mitigation, not more than $758,000.00 shall be allocated for grants to watershed councils, resource development councils, soil conservation districts, local governmental units, and other nonprofit organizations for stream habitat stabilization and soil erosion control.

(2) The fisheries division in the department of natural resources shall develop priority and cost estimates for all recommended projects.

PARKS AND RECREATION

Sec. 1001. Pursuant to section 1902(2) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.1902, there is appropriated from the Michigan natural resources trust fund to the Michigan state parks endowment fund an amount not to exceed $10,000,000.00 for the fiscal year ending September 30, 2010.

Sec. 1002. The department of natural resources shall notify the house and senate appropriations subcommittees on natural resources and the house and senate fiscal agencies if it intends to reduce operations or reduce recreation opportunities at any state park or recreation area.

Sec. 1003. The department of natural resources shall not alter or halt operations of the ski hill or demolish buildings related to the ski hill, the assistant manager residence, the 3-unit apartment building, or the carpenter's shop and garage in Porcupine Mountains Wilderness State Park. The department shall collaborate with travel Michigan for the marketing and promotion of the ski hill.

Sec. 1004. From the funds appropriated in part 1, the department shall maintain an appropriate number of defibrillators in state parks. State parks shall accept donations of defibrillators.

MACKINAC ISLAND STATE PARK

Sec. 1101. The funds collected by the Mackinac Island State Park commission for admission fees and store sales shall be deposited in the Mackinac Island State Park operation fund. Any funds remaining at the end of the fiscal year shall not lapse to the general fund, but shall carry forward and be available for appropriation in the subsequent fiscal year.

FOREST, MINERAL, AND FIRE MANAGEMENT

Sec. 1201. In addition to the funds appropriated in part 1, $350,000.00 is appropriated to the department of natural resources to cover costs related to any declared emergency involving the collapse of any abandoned mine shaft located on state land. This appropriation shall not be expended unless the state budget director recommends the expenditure and the department of natural resources notifies the house and senate committees on appropriations.

Sec. 1202. The department of natural resources shall spend amounts appropriated in part 1 for forest-related activities to employ or contract for additional foresters to mark timber, pursuant to section 1203.

Sec. 1203. Of the funds appropriated in part 1, the department of natural resources shall, subject to the forest certification process, prescribe treatment on 63,000 acres, prepare appropriate treatment for not less than 58,000 acres at the current average rate of 12.5 to 15 cords per acre, and offer those cords for sale in 2010, provided that the

department shall take into consideration the impact of timber harvesting on wildlife habitat and recreation uses. The department of natural resources shall, subject to the forest certification process, increase marking or treatment of hardwood timber for sale and harvest by 10% over 2009 levels. In addition, the department of natural resources shall take into consideration silvicultural analysis and report annually to the legislature on plans and efforts to address factors limiting management of timber. The department of natural resources shall increase the number of prepared acres if it appears that regional market demand requires increased volumes of harvested timber. The department of natural resources shall provide quarterly reports on the number of acres treated, pursuant to this section, to the senate and house appropriations subcommittees on natural resources and the standing committees of the senate and house of representatives with primary responsibility for natural resources issues. The department of natural resources shall complete and deliver these reports no later than 45 days after the end of the fiscal quarter.

Sec. 1204. From the funds appropriated in part 1, the department of natural resources shall provide for a designated snowmobile route connecting the village of Bellaire to the Jordan River Trail across state-owned land with associated reasonable restrictions that mitigate negative impacts on the natural resources.

Sec. 1205. In addition to the money appropriated in this act, the department of natural resources may receive and expend money from federal sources for the purpose of providing response to wildfires as required by a compact with the federal government. If additional expenditure authorization is required, the department of natural resources shall notify the state budget office that expenditure under this section is required. The department of natural resources shall notify the house and senate appropriations subcommittees on natural resources and the house and senate fiscal agencies of the expenditures under this section by November 1, 2010.

Sec. 1206. The department of natural resources shall continue to work cooperatively with horseback riding interests to maximize riding opportunities in the state.

Sec. 1207. The department of natural resources shall work with the commission and stakeholders to review the current bidding process and implement changes as necessary to ensure that it meets state standards and promotes the purchase of state timber and shall report to the legislature on this issue by March 31, 2010.

LAW ENFORCEMENT

Sec. 1301. The appropriation in part 1 for snowmobile law enforcement grants shall be used by the department of natural resources to provide grants to county law enforcement agencies to enforce part 821 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.82101 to 324.82160, including rules promulgated under that part and ordinances enacted pursuant to that part. The department of natural resources shall consider the number of enforcement hours and the number of miles of snowmobile trails in each county in allocating these grants. Any funds not distributed to counties revert back to the snowmobile registration fee subaccount created under section 82111 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.82111. Counties shall provide semiannual reports to the department of natural resources on the use of grant money received under this section.

Sec. 1302. From the funds appropriated in part 1, not less than 6 months before expiration of a contract or adoption of amendments to an existing contract with the concessionaire at the Island Lake shooting range, the department of natural resources shall notify in the least expensive method possible all residents within 5 miles of the shooting range and the state and local elected officials representing Green Oak Township in Livingston County of the contract expiration date or adoption of amendments to an existing contract. If the department of natural resources intends to extend or amend the contract with the concessionaire, it shall hold 1 public hearing in Livingston County on the matter not less than 60 days before execution.

GRANTS

Sec. 1401. Federal pass-through funds to local institutions and governments that are received in amounts in addition to those included in part 1 for grants to communities - federal oil, gas, and timber payments and that do not require additional state matching funds are appropriated for the purposes intended. By November 30, 2009, the department of natural resources shall report to the senate and house appropriations subcommittees on natural resources, the senate and house fiscal agencies, and the state budget director on all amounts appropriated under this section during the fiscal year ending September 30, 2009.

Sec. 1402. Subject to part 811 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.81101 to 324.81150, from the funds appropriated in part 1 for off-road vehicle trail improvements grants, not less than $980,000.00 shall be spent on the development of new trails in accordance with the off-road vehicle trail expansion plan submitted to the legislature pursuant to section 807 of article 14 of 2005 PA 154.

CAPITAL OUTLAY

Sec. 1501. The appropriation made in this act for the harbors and docks program is for the purpose of participating with the federal government and assisting political entities and subdivisions of this state in the construction and improvement of recreational boating facilities within this state. Subject to the approval of the state administrative board, this money shall be allocated by the department of natural resources to the federal government, or to the political entities or local units of government involved in the particular projects. An allocation shall not exceed the state portion as listed with each project description. The department of natural resources shall take the steps necessary to match federal money available for the construction and improvement of recreational boating facilities within the state, and to meet requirements of the federal government.

Sec. 1502. (1) The director of the department of natural resources shall allocate lump-sum appropriations to the department of natural resources made in this act consistent with statutory provisions and the purposes for which funds were appropriated. Lump-sum allocations shall address priority program or facility needs and may include, but are not limited to, design, construction, remodeling and addition, special maintenance, major special maintenance, energy conservation, and demolition.

(2) The state budget director may authorize that funds appropriated for lump-sum appropriations shall be available for no more than 3 fiscal years following the fiscal year in which the original appropriation was made. Any remaining balance from allocations made in this section shall lapse to the fund from which it was appropriated pursuant to the lapsing of funds as provided in the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 1503. 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.

MICHIGAN HISTORICAL PROGRAM

Sec. 1601. The federal funds appropriated in part 1 for the historic site preservation grants are for work projects and shall not lapse at the end of the fiscal year but shall continue to be available for expenditure until the projects for which the funds were reserved have been completed or are terminated. The purpose of these work projects is the identification, designation, rehabilitation, and preservation of historic resources. The method used will be to solicit applications, score applications based upon established criteria, and award subgrants. The department of natural resources shall execute a grant agreement with each recipient. The total cost is $85,000.00, and the tentative completion date is September 30, 2010.

Sec. 1602. Funds collected by the department of natural resources under sections 6, 7, and 7a of 1913 PA 271, MCL 399.6, 399.7, and 399.7a, are appropriated to the department of natural resources for the purposes for which they were received, upon receipt.

Sec. 1603. For the purposes of administering the museum store as provided in section 7a of 1913 PA 271, MCL 399.7a, the department of natural resources is exempt from section 261 of the management and budget act, 1984 PA 431, MCL 18.1261.

Sec. 1604. From the funds appropriated in part 1 for historical administration and services, $25,000.00 shall be allocated to support the operations of the Michigan freedom trail commission as specified in section 4 of the Michigan freedom trail commission act, 1998 PA 409, MCL 399.84. These funds shall be used to reimburse commission members, to pay for necessary contractual services of the commission, and to hire not more than 1.0 FTE position in the Michigan historical center to support commission operations.

Sec. 1605. Proceeds in excess of costs incurred in the conduct of auctions, sales, or transfers of artifacts no longer considered suitable for the collections of the state historical museum are appropriated to the department of natural resources and may be expended upon receipt for additional material for the collection. The department of natural

resources shall notify the chairpersons, vice chairpersons, and minority vice chairpersons of the senate and house appropriations subcommittees on natural resources 1 week prior to any auctions or sales.

CONSOLIDATION SAVINGS

Sec. 1701. (1) The negative appropriation for department consolidation savings in part 1 shall be satisfied by savings realized through the elimination of duplicative administrative functions, state and private lease space consolidation, and other efficiency savings made possible through a reorganization of the department of environmental quality and the department of natural resources into a single state department.

(2) The negative appropriation for consolidation savings in part 1 shall be satisfied by efficiencies and other savings identified by the department director and approved by the state budget director. The director shall submit a plan to satisfy this negative appropriation 30 days after the effective date of an executive order issued for the purpose of creating a single state department from the functions and units of the departments of environmental quality and natural resources.

(3) Appropriation adjustments required due to negative appropriations for consolidation savings shall be made only after legislative approval of transfers pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

This act is ordered to take immediate effect.

Richard J. Brown

Clerk of the House of Representatives

Carol Morey Viventi

Secretary of the Senate

Approved .....

.....

Governor

JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
OFFICE OF THE GOVERNOR
LANSING

JOHN D. CHERRY, JR.
LT. GOVERNOR

October 14, 2009

Michigan House of Representatives
State Capitol
Lansing, MI 48909-7514

Ladies and Gentlemen:

Today I have signed Enrolled House Bill 4446, which authorizes expenditures by the Departments of Natural Resources and Environmental Quality for the fiscal year ending September 30, 2010. I have, however, disapproved five items and related boilerplate pursuant to Section 19 of Article V of the Michigan Constitution of 1963. The specific item vetoes are detailed in the attached copy of the bill, which has been filed with the Secretary of State.

First, I have disapproved a proposed appropriation of $75,000 for a cormorant population mitigation program as these migratory birds are regulated and controlled by the federal government. The Department of Natural Resources will continue to work with federal agencies to administer a program to control and manage double-crested cormorants as required in Public Acts 47-49 of 2007. Next, I have disapproved Sections 226 and 1204—two earmarks of funds for non-essential services.

I also have disapproved Section 237(2) of the bill, which includes language attempting to require the Department of Environmental Quality to reimburse permit holders for costs associated with conducting feasibility studies to determine whether to utilize best available retrofit technologies. The Department already has adopted by reference federal regulations requiring best available retrofit technologies, and the Department indicates that enactment of this section would jeopardize federal approval of Michigan's regional haze state implementation plan resulting in direct imposition of best available retrofit technologies by the federal government.

Finally, I have vetoed the proposed negative appropriation for department consolidation savings and related boilerplate language included in Section 1701 of the bill. While I have proposed the consolidation of the Departments of Natural Resources and Environmental Quality into a new Department of Natural Resources and Environment in Executive Order 2009-45, as authorized by Const 1963, art 5, § 2, that order is not yet effective and existing law mandates the continued operation of two separate departments. Should Executive Order 2009-45 take effect in

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provision fails to conform with Const 1963, art 4, § 25.

- Sections 228, 301, 306, and 801 of the bill include statements of legislative intent. While the Legislature has the right to state its advice, preferences, or wishes through a statement of intent, such statements do not impose conditions upon appropriations and are non-binding.

I thank the House of Representatives for presenting this budget.

Respectfully,

Jennifer M. Granholm
Governor

Attachment
c: Michigan State Senate
The Honorable Terri Lynn Land

GENERAL GOVERNMENT

Act No. 128
Public Acts of 2009
Approved by the Governor*
October 29, 2009

Filed with the Secretary of State
October 30, 2009

EFFECTIVE DATE: October 30, 2009

*Item Vetoes

Sec. 108. DEPARTMENT OF MANAGEMENT AND BUDGET
(4) SPECIAL PROGRAMS
Census tracking/reapportionment ..... $ 1,200,000 (Page 8)

Sec. 720.
Entire Section. (Page 28)

Sec. 726.
Entire Section. (Pages 28-29)

Sec. 726a.
Entire Section. (Page 29)

Sec. 1034. (1)
The words: “(c) Isabella County.
(h) Oakland County." (Page 49)

Sec. 1034. (4)
The words: “and $250,000.00 shall be awarded to an eligible business incubator within Oakland County." (Page 49)

STATE OF MICHIGAN
95TH LEGISLATURE
REGULAR SESSION OF 2009

Introduced by Senator Pappageorge

ENROLLED SENATE BILL No. 245

AN ACT to make, supplement, and adjust appropriations for the departments of attorney general, civil rights, information technology, management and budget, state, and treasury, the executive office, and the legislative branch for the fiscal year ending September 30, 2010; to provide for the expenditure of these appropriations; to provide for the funding of certain work projects; to provide for the imposition of certain fees; to establish or continue certain funds, programs, and categories; to transfer certain funds; to prescribe certain requirements for bidding on state contracts; to provide for disposition of year-end balances; to prescribe the powers and duties of certain principal executive departments and state agencies, officials, and employees; and to provide for the disposition of fees and other income received by the various principal executive departments and state agencies.

The People of the State of Michigan enact:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the departments of attorney general, civil rights, civil service, information technology, management and budget, state, and treasury, the executive office, the legislative branch, and certain other state purposes, for the fiscal year ending September 30, 2010, from the funds indicated in this part. The following is a summary of the appropriations in this part:

TOTAL GENERAL GOVERNMENT

APPROPRIATION SUMMARY		
Full-time equated unclassified positions	46.0	
Full-time equated classified positions	7,440.7	
GROSS APPROPRIATION		$ 3,006,201,700
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		638,721,400
ADJUSTED GROSS APPROPRIATION		$ 2,367,480,300
Federal revenues:		
Total federal revenues		116,944,500
Special revenue funds:		
Total local revenues		3,554,000
Total private revenues		1,275,700
Total other state restricted revenues		1,618,811,900
State general fund/general purpose		$ 626,894,200

		For Fiscal Year Ending Sept. 30, 2010
Sec. 102. DEPARTMENT OF ATTORNEY GENERAL		
(1) APPROPRIATION SUMMARY		
Full-time equated unclassified positions 6.0		
Full-time equated classified positions 537.0		
GROSS APPROPRIATION	$	73,873,600
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		21,289,800
ADJUSTED GROSS APPROPRIATION	$	52,583,800
Federal revenues:		
Total federal revenues		8,277,800
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		15,521,000
State general fund/general purpose	$	28,785,000
(2) ATTORNEY GENERAL OPERATIONS		
Full-time equated unclassified positions 6.0		
Full-time equated classified positions 537.0		
Attorney general	$	124,900
Unclassified positions—5.0 FTE positions		476,300
Attorney general operations—500.0 FTE positions		67,442,900
Child support enforcement—25.0 FTE positions		2,932,900
Prosecuting attorneys coordinating council—12.0 FTE positions		2,038,700
GROSS APPROPRIATION	$	73,015,700
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDCH, health services		1,906,300
IDG from MDCH, WIC		71,500
IDG from department of corrections		487,000
IDG from MDE		294,100
IDG from MDEQ		1,776,800
IDG from MDHS		3,345,100
IDG from MDELEG, career education services		190,100
IDG from MDELEG, children's protection registry		37,000
IDG from MDELEG, financial and insurance services		1,125,400
IDG from MDELEG, licensing and regulation fees		179,400
IDG from MDELEG, Michigan occupational safety and health administration		100,800
IDG from MDELEG, Michigan state housing development authority		529,500
IDG from MDELEG, remonumentation fees		79,200
IDG from MDMB, civil service commission		306,300
IDG from MDMB, risk management revolving fund		1,362,800
IDG from DMVA		121,500
IDG from MDOT, comprehensive transportation fund		162,400
IDG from MDOT, state aeronautics fund		160,300
IDG from MDOT, state trunkline fund		2,867,300
IDG from MDSP, Michigan justice training fund		325,000
IDG from MDSP		720,000
IDG from treasury		4,818,600
IDG from treasury, strategic fund		131,900
IDG from MDIT		191,500
Federal revenues:		
DAG, state administrative match grant/food stamps		395,900
Federal funds		2,531,300
HHS, medical assistance, medigrant		652,300
HHS-OS, state Medicaid fraud control units		4,598,300
National criminal history improvement program		100,000
Special revenue funds:		
Antitrust enforcement collections		663,800

		For Fiscal Year Ending Sept. 30, 2010
Assigned claims assessments	$	122,600
Attorney general's operations fund		919,500
Auto repair facilities fees		238,500
Franchise fees		305,500
Game and fish protection fund		932,800
Homeowner construction lien recovery fund		566,100
Liquor purchase revolving fund		1,082,000
Manufactured housing fees		200,400
Merit award trust fund		408,600
Michigan employment security act - administrative fund		1,748,400
Prisoner reimbursement		470,600
Prosecuting attorneys training fees		375,000
Public utility assessments		1,839,300
Real estate enforcement fund		552,600
Reinstatement fees		163,400
Retirement funds		770,600
Second injury fund		1,004,500
Self-insurers security fund		178,100
Silicosis and dust disease fund		536,200
State building authority revenue		100,300
State casino gaming fund		1,139,800
State lottery fund		254,000
Utility consumers fund		571,600
Waterways fund		102,400
Worker's compensation administrative revolving fund		274,400
State general fund/general purpose	$	27,927,100
(3) INFORMATION TECHNOLOGY		
Information technology services and projects	$	857,900
GROSS APPROPRIATION	$	857,900
Appropriated from:		
State general fund/general purpose	$	857,900

Sec. 103. DEPARTMENT OF CIVIL RIGHTS

(1) APPROPRIATION SUMMARY		
Full-time equated unclassified positions 5.0		
Full-time equated classified positions 125.0		
GROSS APPROPRIATION	$	13,763,700
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	13,763,700
Federal revenues:		
Total federal revenues		2,057,300
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	$	11,706,400
(2) CIVIL RIGHTS OPERATIONS		
Full-time equated unclassified positions 5.0		
Full-time equated classified positions 125.0		
Unclassified positions—5.0 FTE positions	$	267,100
Civil rights operations—125.0 FTE positions		12,728,600
GROSS APPROPRIATION	$	12,995,700
Appropriated from:		
Federal revenues:		
EEOC, state and local antidiscrimination agency contracts		1,271,700
HUD, grant		770,600
State general fund/general purpose	$	10,953,400

		For Fiscal Year Ending Sept. 30, 2010
(3) INFORMATION TECHNOLOGY		
Information technology services and projects	$	768,000
GROSS APPROPRIATION	$	768,000
Appropriated from:		
Federal revenues:		
EEOC, state and local antidiscrimination agency contracts		15,000
State general fund/general purpose	$	753,000
Sec. 104. EXECUTIVE OFFICE		
(1) APPROPRIATION SUMMARY		
Full-time equated unclassified positions 10.0		
Full-time equated classified positions 74.2		
GROSS APPROPRIATION	$	4,823,700
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	4,823,700
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	$	4,823,700
(2) EXECUTIVE OFFICE OPERATIONS		
Full-time equated unclassified positions 10.0		
Full-time equated classified positions 74.2		
Governor	$	177,000
Lieutenant governor		123,900
Executive office—74.2 FTE positions		3,673,000
Unclassified positions—8.0 FTE positions		849,800
GROSS APPROPRIATION	$	4,823,700
Appropriated from:		
State general fund/general purpose	$	4,823,700
Sec. 105. DEPARTMENT OF INFORMATION TECHNOLOGY		
(1) APPROPRIATION SUMMARY		
Full-time equated unclassified positions 3.0		
Full-time equated classified positions 1,632.0		
GROSS APPROPRIATION	$	423,323,100
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		423,323,100
ADJUSTED GROSS APPROPRIATION	$	0
Federal revenues:		
Total federal revenues		0
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	$	0
(2) ADMINISTRATION		
Full-time equated unclassified positions 3.0		
Full-time equated classified positions 1,632.0		
Unclassified positions—3.0 FTE positions	$	300,000
Enterprisewide services—69.0 FTE positions		22,560,000
Health and human services—694.5 FTE positions		229,080,400
Education services—32.0 FTE positions		3,264,300
Public protection—284.0 FTE positions		58,931,500
Resources services—164.0 FTE positions		18,418,500

		For Fiscal Year Ending Sept. 30, 2010
Transportation services—99.5 FTE positions	$	28,996,900
General services—289.0 FTE positions		61,771,500
GROSS APPROPRIATION	$	423,323,100
Appropriated from:		
Interdepartmental grant revenues:		
IDG from department of agriculture		1,718,900
IDG from department of attorney general		857,900
IDG from department of civil rights		853,700
IDG from civil service commission		4,340,300
IDG from department of community health		52,934,600
IDG from department of corrections		22,984,300
IDG from department of education		3,531,200
IDG from department of environmental quality		7,822,300
IDG from Michigan gaming control board		1,361,300
IDG from department of human services		132,545,400
IDG from department of energy, labor, and economic growth		44,907,200
IDG from bureau of state lottery		4,614,000
IDG from department of management and budget		28,392,400
IDG from department of military and veterans affairs		1,254,300
IDG from department of natural resources		9,412,100
IDG from department of state		25,023,700
IDG from department of state police		33,384,700
IDG from department of transportation		29,313,200
IDG from department of treasury		18,071,600
State general fund/general purpose	$	0

Sec. 106. LEGISLATURE

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	$	106,274,700
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	106,274,700
Federal revenues:		
Total federal revenues		0
Special revenue funds:		
Total local revenues		0
Total private revenues		400,000
Total other state restricted revenues		1,109,800
State general fund/general purpose	$	104,764,900

(2) LEGISLATURE

Senate	$	26,698,100
Senate automated data processing		2,294,600
Senate fiscal agency		2,897,300
House of representatives		42,309,700
House automated data processing		1,822,400
House fiscal agency		2,897,300
GROSS APPROPRIATION	$	78,919,400
Appropriated from:		
State general fund/general purpose	$	78,919,400

(3) LEGISLATIVE COUNCIL

Legislative council	$	9,139,200
Legislative service bureau automated data processing		1,237,300
Worker's compensation		133,000
National association dues		148,900
Legislative corrections ombudsman		369,700
GROSS APPROPRIATION	$	11,028,100
Appropriated from:		
Special revenue funds:		
Private - gifts and bequests revenues		400,000
State general fund/general purpose	$	10,628,100

		For Fiscal Year Ending Sept. 30, 2010
(4) LEGISLATIVE RETIREMENT SYSTEM		
General nonretirement expenses	$	4,533,900
GROSS APPROPRIATION	$	4,533,900
Appropriated from:		
Special revenue funds:		
Court fees		1,109,800
State general fund/general purpose	$	3,424,100
(5) PROPERTY MANAGEMENT		
Capitol building	$	2,552,800
Cora Anderson building		7,424,800
Farnum building and other properties		1,815,700
GROSS APPROPRIATION	$	11,793,300
Appropriated from:		
State general fund/general purpose	$	11,793,300
Sec. 107. LEGISLATIVE AUDITOR GENERAL		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	$	14,961,200
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		1,801,500
ADJUSTED GROSS APPROPRIATION	$	13,159,700
Federal revenues:		
Total federal revenues		0
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		1,539,900
State general fund/general purpose	$	11,619,800
(2) OFFICE OF THE AUDITOR GENERAL		
Unclassified positions	$	313,500
Field operations		14,647,700
GROSS APPROPRIATION	$	14,961,200
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDMB, civil service commission		107,900
IDG from MDELEG, liquor purchase revolving fund		11,300
IDG from MDOT, comprehensive transportation fund		25,200
IDG from MDOT, Michigan transportation fund		204,300
IDG from MDOT, state aeronautics fund		19,600
IDG from MDOT, state trunkline fund		474,600
IDG, single audit act		958,600
Special revenue funds:		
21st century jobs fund		50,000
Clean Michigan initiative implementation bond fund		38,300
Commercial mobile radio system emergency telephone fund		38,300
Construction lien fund		7,400
Contract audit administration fees		53,900
Correctional industries revolving fund		32,000
Fee adequacy, air quality delegated authority		9,600
Legislative retirement system		19,100
Michigan conservation and recreation legacy fund		29,500
Michigan economic development corporation		54,400
Michigan education trust fund		30,700
Michigan justice training commission fund		28,700
Michigan state housing development authority fees		22,600
Michigan strategic fund		89,000
Michigan tobacco settlement authority		27,000
Michigan veterans' trust fund		24,900

		For Fiscal Year Ending Sept. 30, 2010
Motor transport revolving fund	$	4,800
Office services revolving fund		6,900
State disbursement unit, office of child support		25,500
State services fee fund		947,300
State general fund/general purpose	$	11,619,800

Sec. 108. DEPARTMENT OF MANAGEMENT AND BUDGET

(1) APPROPRIATION SUMMARY

Full-time equated unclassified positions 7.0		
Full-time equated classified positions 1,406.0		
GROSS APPROPRIATION	$	548,665,700
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		161,186,300
ADJUSTED GROSS APPROPRIATION	$	387,479,400
Federal revenues:		
Total federal revenues		11,219,800
Special revenue funds:		
Total local revenues		2,027,600
Total private revenues		151,900
Total other state restricted revenues		78,805,800
State general fund/general purpose	$	295,274,300

(2) MANAGEMENT AND BUDGET SERVICES

Full-time equated unclassified positions 7.0		
Full-time equated classified positions 696.5		
Unclassified positions—7.0 FTE positions	$	636,500
Executive operations—10.5 FTE positions		1,407,300
Administrative services—55.5 FTE positions		5,153,700
Budget and financial management—172.5 FTE positions		23,322,200
Office of the state employer—23.0 FTE positions		2,848,200
Design and construction services—40.0 FTE positions		5,443,100
Business support services—96.0 FTE positions		9,128,500
Building operation services—253.0 FTE positions		87,784,000
Building occupancy charges, rent, and utilities		5,049,300
Motor vehicle fleet—46.0 FTE positions		56,994,200
GROSS APPROPRIATION	$	197,767,000
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDOT, comprehensive transportation fund		32,700
IDG from MDOT, state aeronautics fund		23,600
IDG from MDOT, state trunkline fund		1,140,800
IDG from building occupancy and parking charges		90,855,100
IDG from department of energy, labor, and economic growth		100,000
IDG from motor transport fund		56,994,200
IDG from MDCH		438,900
IDG from MDHS		175,500
IDG from user fees		5,406,600
Federal revenues:		
Federal indirect funds		266,700
Special revenue funds:		
Game and fish protection fund		380,500
Health management funds		1,862,100
Marine safety fund		600
Special revenue, internal service, and pension trust funds		11,464,800
State building authority revenue		633,400
State exposition and fairgrounds fund		6,605,300
State lottery fund		334,400
State services fee fund		126,400
Waterways fund		94,600
State general fund/general purpose	$	20,830,800

		For Fiscal Year Ending Sept. 30, 2010
(3) STATEWIDE APPROPRIATIONS		
Professional development fund - MPE, SEIU, scientific and engineering unit	$	125,000
Professional development fund - MPE, SEIU, technical unit		50,000
Professional development fund - AFSCME		50,000
Professional development fund - NEREs		50,000
Professional development fund - MSCs		150,000
GROSS APPROPRIATION	$	425,000
Appropriated from:		
Interdepartmental grant revenues:		
IDG from employer contributions		425,000
State general fund/general purpose	$	0
(4) SPECIAL PROGRAMS		
Full-time equated classified positions 176.0		
Building occupancy charges - property management services for executive/legislative building occupancy	$	1,249,100
Retirement services—164.0 FTE positions		17,234,000
Office of children's ombudsman—12.0 FTE positions		1,397,600
Census tracking/reapportionment		1,200,000
GROSS APPROPRIATION	$	21,080,700
Appropriated from:		
Special revenue funds:		
Deferred compensation		1,542,400
Pension trust funds		15,691,600
State general fund/general purpose	$	3,846,700
(5) INFORMATION TECHNOLOGY		
Information technology services and projects	$	26,536,800
GROSS APPROPRIATION	$	26,536,800
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDOT, comprehensive transportation fund		2,100
IDG from MDOT, state aeronautics fund		1,100
IDG from MDOT, state trunkline fund		47,500
IDG from building occupancy and parking charges		685,500
IDG from user fees		196,400
Special revenue funds:		
Deferred compensation		2,600
Game and fish protection fund		10,700
Health management funds		44,000
MAIN user charges		4,305,600
Pension trust funds		6,568,700
Special revenue, internal service, and pension trust funds		2,635,000
State building authority revenue		10,400
State lottery fund		4,600
Waterways fund		2,000
State general fund/general purpose	$	12,020,600
(6) STATE BUILDING AUTHORITY RENT		
State building authority rent - state agencies	$	54,676,300
State building authority rent - department of corrections		47,090,600
State building authority rent - universities		112,618,300
State building authority rent - community colleges		20,985,400
GROSS APPROPRIATION	$	235,370,600
Appropriated from:		
State general fund/general purpose	$	235,370,600
(7) CIVIL SERVICE COMMISSION		
Full-time equated classified positions 533.5		
Agency services—118.5 FTE positions	$	12,235,400
Executive direction—33.0 FTE positions		8,693,400
Employee benefits—31.0 FTE positions		5,936,500
Training		1,300,000

		For Fiscal Year Ending Sept. 30, 2010
Human resources operations—351.0 FTE positions	$	33,380,000
Information technology services and projects		3,940,300
GROSS APPROPRIATION	$	65,485,600
Appropriated from:		
Interdepartmental grant revenues:		
IDG, training charges		1,300,000
IDG, 1% special funds		1,361,300
Federal revenues:		
Federal funds 1%		6,147,600
Federal indirect funds		4,805,500
Special revenue funds:		
Local funds 1%		2,027,600
Private funds 1%		151,900
State restricted funds 1%		17,759,200
State sponsored group insurance		2,650,000
State sponsored group insurance, flexible spending accounts and COBRA		6,076,900
State general fund/general purpose	$	23,205,600
(8) CAPITAL OUTLAY		
Major special maintenance, remodeling and addition for state agencies	$	2,000,000
GROSS APPROPRIATION	$	2,000,000
Appropriated from:		
Interdepartmental grant revenues:		
IDG from building occupancy charges		2,000,000
State general fund/general purpose	$	0
Sec. 109. DEPARTMENT OF STATE		
(1) APPROPRIATION SUMMARY		
Full-time equated unclassified positions 6.0		
Full-time equated classified positions 1,809.0		
GROSS APPROPRIATION	$	209,130,200
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		20,000,000
ADJUSTED GROSS APPROPRIATION	$	189,130,200
Federal revenues:		
Total federal revenues		1,810,000
Special revenue funds:		
Total local revenues		0
Total private revenues		100
Total other state restricted revenues		169,364,700
State general fund/general purpose	$	17,955,400
(2) EXECUTIVE DIRECTION		
Full-time equated unclassified positions 6.0		
Full-time equated classified positions 30.0		
Secretary of state	$	124,900
Unclassified positions—5.0 FTE positions		453,200
Operations—30.0 FTE positions		3,032,300
GROSS APPROPRIATION	$	3,610,400
Appropriated from:		
Special revenue funds:		
Auto repair facilities fees		60,500
Driver fees		143,800
Expedient service fees		58,500
Parking ticket court fines		8,300
Personal identification card fees		13,800
Reinstatement fees - operator licenses		150,400
Transportation administration collection fund		2,069,100
Vehicle theft prevention fees		35,600
State general fund/general purpose	$	1,070,400

		For Fiscal Year Ending Sept. 30, 2010
(3) DEPARTMENT SERVICES		
Full-time equated classified positions 159.0		
Operations—152.0 FTE positions	$	22,465,200
Assigned claims assessments—7.0 FTE positions		908,600
GROSS APPROPRIATION	$	23,373,800
Appropriated from:		
Special revenue funds:		
Abandoned vehicle fees		468,600
Assigned claims assessments		908,600
Auto repair facilities fees		415,000
Child support clearance fees		34,300
Driver fees		451,100
Expedient service fees		256,800
Marine safety fund		77,100
Off-road vehicle title fees		7,800
Parking ticket court fines		52,700
Personal identification card fees		85,900
Reinstatement fees - operator licenses		556,200
Scrap tire fund		70,700
Snowmobile registration fee revenue		18,100
Transportation administration collection fund		18,804,600
Vehicle theft prevention fees		243,400
State general fund/general purpose	$	922,900
(4) REGULATORY SERVICES		
Full-time equated classified positions 210.5		
Operations—208.5 FTE positions	$	21,671,900
Motorcycle safety education administration—2.0 FTE positions		368,500
Motorcycle safety education grants		1,430,000
County clerk education and training fund		100,000
GROSS APPROPRIATION	$	23,570,400
Appropriated from:		
Special revenue funds:		
Auto repair facilities fees		4,144,800
Driver education provider and instructor fund		72,900
Driver fees		1,978,300
Expedient service fees		35,200
Motorcycle safety fund		1,798,500
Notary education and training fund		100,000
Notary fee fund		314,000
Parking ticket court fines		20,700
Personal identification card fees		50,500
Reinstatement fees - operator licenses		1,803,000
Transportation administration collection fund		10,921,800
Vehicle theft prevention fees		1,330,900
State general fund/general purpose	$	999,800
(5) CUSTOMER DELIVERY SERVICES		
Full-time equated classified positions 1,373.5		
Branch operations—931.5 FTE positions	$	72,417,800
Central operations—415.0 FTE positions		40,959,500
Commemorative license plates—24.0 FTE positions		2,147,300
Specialty license plates—3.0 FTE positions		1,922,000
Olympic center plate		75,700
Organ donor program		104,100
GROSS APPROPRIATION	$	117,626,400
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDOT, Michigan transportation fund		20,000,000

		For Fiscal Year Ending Sept. 30, 2010
Federal revenues:		
Federal funds	$	1,460,000
Special revenue funds:		
Private funds		100
Abandoned vehicle fees		197,600
Auto repair facilities fees		93,100
Restricted funds		5,750,000
Child support clearance fees		295,500
Driver fees		16,141,900
Expedient service fees		2,465,200
Enhanced driver license and enhanced official state personal identification card fund		4,226,700
Marine safety fund		1,210,700
Michigan state police auto theft fund		118,900
Mobile home commission fees		476,000
Off-road vehicle title fees		129,900
Parking ticket court fines		1,490,500
Personal identification card fees		1,614,400
Reinstatement fees - operator licenses		1,209,600
Snowmobile registration fee revenue		348,100
Transportation administration collection fund		58,184,500
Vehicle theft prevention fees		209,500
State general fund/general purpose	$	2,004,200
(6) ELECTION REGULATION		
Full-time equated classified positions 36.0		
Election administration and services—36.0 FTE positions	$	4,989,500
Help America vote act		350,000
Fees to local units		109,800
GROSS APPROPRIATION	$	5,449,300
Appropriated from:		
Federal revenues:		
Federal funds - HAVA-HHS		350,000
State general fund/general purpose	$	5,099,300
(7) DEPARTMENTWIDE APPROPRIATIONS		
Building occupancy charges/rent	$	10,309,100
Worker's compensation		304,300
GROSS APPROPRIATION	$	10,613,400
Appropriated from:		
Special revenue funds:		
Auto repair facilities fees		135,300
Driver fees		630,800
Expedient service fees		26,000
Parking ticket court fines		447,800
Transportation administration collection fund		5,925,000
State general fund/general purpose	$	3,448,500
(8) INFORMATION TECHNOLOGY		
Information technology services and projects	$	24,886,500
GROSS APPROPRIATION	$	24,886,500
Appropriated from:		
Special revenue funds:		
Administrative order processing fee		11,100
Auto repair facilities fees		179,300
Child support clearance fees		16,200
Driver fees		1,548,900
Expedient service fees		1,024,500
Parking ticket court fines		82,600
Personal identification card fees		888,200
Reinstatement fees - operator licenses		503,600
Transportation administration collection fund		16,051,000
Vehicle theft prevention fees		170,800
State general fund/general purpose	$	4,410,300

		For Fiscal Year Ending Sept. 30, 2010
Sec. 110. DEPARTMENT OF TREASURY		
(1) APPROPRIATION SUMMARY		
Full-time equated unclassified positions 9.0		
Full-time equated classified positions 1,857.5		
GROSS APPROPRIATION	$	1,611,385,800
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		11,120,700
ADJUSTED GROSS APPROPRIATION	$	1,600,265,100
Federal revenues:		
Total federal revenues		93,579,600
Special revenue funds:		
Total local revenues		1,526,400
Total private revenues		723,700
Total other state restricted revenues		1,352,470,700
State general fund/general purpose	$	151,964,700
(2) EXECUTIVE DIRECTION		
Full-time equated unclassified positions 9.0		
Full-time equated classified positions 5.0		
Unclassified positions—9.0 FTE positions	$	834,600
Office of the director—5.0 FTE positions		843,600
GROSS APPROPRIATION	$	1,678,200
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:		
State lottery fund		191,000
State services fee fund		210,500
State general fund/general purpose	$	1,211,700
(3) DEPARTMENTWIDE APPROPRIATIONS		
Travel	$	1,215,900
Rent and building occupancy charges - property management services		5,657,300
Worker's compensation insurance premium		153,000
GROSS APPROPRIATION	$	7,026,200
Appropriated from:		
Special revenue funds:		
Delinquent tax collection revenue		3,927,700
State general fund/general purpose	$	3,098,500
(4) LOCAL GOVERNMENT PROGRAMS		
Full-time equated classified positions 87.0		
Supervision of the general property tax law—60.0 FTE positions	$	11,629,200
Property tax assessor training—4.0 FTE positions		430,400
Local finance—23.0 FTE positions		2,402,700
GROSS APPROPRIATION	$	14,462,300
Appropriated from:		
Special revenue funds:		
Local - assessor training fees		830,400
Local - audit charges		606,000
Local - equalization study chargebacks		40,000
Local - revenue from local government		50,000
Delinquent tax collection revenue		408,500
Land reutilization fund		4,049,600
Municipal finance fees		491,000
State education tax collections		50,000
State general fund/general purpose	$	7,936,800
(5) TAX PROGRAMS		
Full-time equated classified positions 747.0		

		For Fiscal Year Ending Sept. 30, 2010
Customer contact—139.0 FTE positions	$	12,070,300
Tax compliance—338.0 FTE positions		34,988,700
Tax and economic policy—81.0 FTE positions		9,279,900
Tax processing—151.0 FTE positions		14,075,100
Michigan business tax implementation—28.0 FTE positions		5,366,600
Home heating assistance		2,618,100
Bottle bill implementation		250,000
Tobacco tax collection—10.0 FTE positions		358,900
GROSS APPROPRIATION	$	79,007,600
Appropriated from:		
Interdepartmental grant revenues:		
IDG, data/collection services fees		50,900
IDG from MDOT, Michigan transportation fund		6,981,600
IDG from MDOT, state aeronautics fund		68,700
Federal revenues:		
HHS-SSA, low-income energy assistance		2,618,100
Special revenue funds:		
Bottle deposit fund		250,000
Delinquent tax collection revenue		58,757,900
Tobacco tax collection and enforcement		358,900
Tobacco tax revenue		591,700
Waterways fund		80,500
State general fund/general purpose	$	9,249,300
(6) BANKING AND MANAGEMENT SERVICES		
Full-time equated classified positions 342.0		
Program management—10.0 FTE positions	$	1,070,900
Departmental and budget services—18.0 FTE positions		1,748,100
Mail operations—28.0 FTE positions		2,028,400
Unclaimed property—21.0 FTE positions		3,534,500
Collections—208.0 FTE positions		20,562,600
Finance and accounting—17.0 FTE positions		1,124,600
Receipts processing—40.0 FTE positions		3,138,800
GROSS APPROPRIATION	$	33,207,900
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDHS, title IV-D		631,000
IDG, levy/warrant cost assessment fees		1,866,800
IDG, state agency collection fees		602,900
IDG, data/collection services fees		206,400
Special revenue funds:		
Delinquent tax collection revenue		19,494,900
Escheats revenue		3,534,500
Garnishment fees		546,100
Justice system fund		653,800
Treasury fees		43,600
State general fund/general purpose	$	5,627,900
(7) FINANCIAL PROGRAMS		
Full-time equated classified positions 225.5		
Investments—82.0 FTE positions	$	16,717,500
Michigan merit award administration—6.0 FTE positions		1,480,000
Common cash and debt management—22.5 FTE positions		1,256,800
Public private partnership investment—2.0 FTE positions		1,458,700
Student financial assistance programs—113.0 FTE positions		35,852,500
GROSS APPROPRIATION	$	56,765,500
Appropriated from:		
Interdepartmental grant revenues:		
IDG, fiscal agent service fees		172,100

		For Fiscal Year Ending Sept. 30, 2010
Federal revenues:		
DED-OPSE, federal lenders allowance	$	10,550,200
DED-OPSE, higher education act of 1965, insured loans		23,485,800
Special revenue funds:		
Defined contribution administrative fee revenue		100,000
Michigan merit award trust fund		1,915,700
Public private partnership investment fund		1,458,700
Retirement funds		15,657,400
School bond fees		623,800
Treasury fees		1,125,900
State general fund/general purpose	$	1,675,900
(8) DEBT SERVICE		
Water pollution control bond and interest redemption	$	2,257,500
Quality of life bond		38,355,100
Clean Michigan initiative		24,418,000
Great Lakes water quality bond		15,146,900
GROSS APPROPRIATION	$	80,177,500
Appropriated from:		
Special revenue funds:		
Refined petroleum fund		15,514,500
State general fund/general purpose	$	64,663,000
(9) GRANTS		
Convention facility development distribution	$	83,850,000
Senior citizen cooperative housing tax exemption program		14,520,000
Commercial mobile radio service payments		27,000,000
Health and safety fund grants		9,000,000
Renaissance zone reimbursement		2,992,000
GROSS APPROPRIATION	$	137,362,000
Appropriated from:		
Special revenue funds:		
Commercial mobile radio service fees		27,000,000
Convention facility development fund		83,850,000
Health and safety fund		9,000,000
State general fund/general purpose	$	17,512,000
(10) STATE LOTTERY		
Full-time equated classified positions 181.0		
Lottery operations—181.0 FTE positions	$	20,847,800
Promotion and advertising		18,622,000
Lottery information technology services and projects		4,614,000
GROSS APPROPRIATION	$	44,083,800
Appropriated from:		
Special revenue funds:		
State lottery fund		44,083,800
State general fund/general purpose	$	0
(11) CASINO GAMING		
Full-time equated classified positions 115.0		
Michigan gaming control board	$	50,000
Casino gaming control administration—115.0 FTE positions		19,650,600
Casino gaming information technology services and projects		1,361,300
GROSS APPROPRIATION	$	21,061,900
Appropriated from:		
Casino gambling agreements		539,600
State services fee fund		20,522,300
State general fund/general purpose	$	0
(12) PAYMENTS IN LIEU OF TAXES		
Commercial forest reserve	$	2,343,100

		For Fiscal Year Ending Sept. 30, 2010
Purchased lands	$	4,386,000
Swamp and tax reverted lands		6,227,300
GROSS APPROPRIATION	$	12,956,400
Appropriated from:		
Interdepartmental grant revenues:		
Special revenue funds:		
Game and fish protection fund		1,787,900
Michigan natural resources trust fund		521,200
Michigan state waterways fund		140,900
State general fund/general purpose	$	10,506,400
(13) MICHIGAN STRATEGIC FUND		
Full-time equated classified positions 155.0		
Administration—22.0 FTE positions	$	2,413,100
Job creation services—127.0 FTE positions		16,301,900
Michigan film office—6.0 FTE positions		721,400
Michigan promotion program		5,402,800
Economic development job training grants		4,705,800
Business incubator program		1,300,000
Community development block grants		53,000,000
Jobs for Michigan investment program: 21st century jobs fund		28,500,000
Arts and cultural grants		2,267,400
GROSS APPROPRIATION	$	114,612,400
Appropriated from:		
Interdepartmental grant revenues:		
IDG, MDEQ, air quality fees		81,200
Federal revenues:		
NFAH-NEA, promotion of the arts, partnership agreements		850,000
HUD-CPD, community development block grant		55,466,500
Special revenue funds:		
Private - special project advances		723,700
Industry support fees		5,300
Jobs for Michigan investment fund - returns to fund		1,300,000
Michigan film promotion fund		550,000
21st century jobs trust fund		28,500,000
State general fund/general purpose	$	27,135,700
(14) REVENUE SHARING		
Constitutional state general revenue sharing grants	$	622,137,900
Statutory state general revenue sharing grants		314,169,900
County revenue sharing		55,291,700
GROSS APPROPRIATION	$	991,599,500
Appropriated from:		
Sales tax		991,599,500
State general fund/general purpose	$	0
(15) INFORMATION TECHNOLOGY		
Treasury operations information technology services and projects	$	17,384,600
GROSS APPROPRIATION	$	17,384,600
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDOT, Michigan transportation fund		459,100
Federal revenues:		
DED-OPSE, federal lenders allowance		544,000
Special revenue funds:		
Delinquent tax collection revenue		11,840,700
Tobacco tax revenue		111,900
Michigan merit award trust fund		415,100
Retirement funds		666,300
State general fund/general purpose	$	3,347,500

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. (1) Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2009-2010 is $2,245,706,100.00 and state spending from state resources to be paid to local units of government for fiscal year 2009-2010 is $1,162,762,400.00. 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		1,144,000
Subtotal	$	1,253,800
DEPARTMENT OF TREASURY		
Senior citizen cooperative housing tax exemption	$	14,520,000
Health and safety fund grants		9,000,000
Constitutional state general revenue sharing grants		622,137,900
Statutory state general revenue sharing grants		314,169,900
Convention facility development fund distribution		83,850,000
Commercial mobile radio service payments		27,000,000
Renaissance zone reimbursements		2,992,000
County revenue sharing payments		55,291,700
Airport parking distribution pursuant to section 909		19,590,700
Payments in lieu of taxes		12,956,400
Subtotal	$	1,161,508,600
TOTAL GENERAL GOVERNMENT	$	1,162,762,400

(2) Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state sources for fiscal year 2009-2010 is estimated at $25,870,314,200.00 in the 2009-2010 appropriations acts and total state spending from state sources paid to local units of government for fiscal year 2009-2010 is estimated at $15,522,188,500.00. The state-local proportion is estimated at 58.9% of total state spending from state resources.

(3) If payments to local units of government and state spending from state sources for fiscal year 2009-2010 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 2009-2010 to the senate and house of representatives standing committees on appropriations within 30 days after the final book-closing for fiscal year 2009-2010.

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

Sec. 203. As used in this act:

(a) "AFSCME" means American federation of state, county, and municipal employees.

(b) "CDBG" means community development block grants.

(c) "COBRA" means the consolidated omnibus budget reconciliation act of 1985, Public Law 99-272, 100 Stat. 82.

(d) "CPI" means consumer price index.

(e) "DAG" means the United States department of agriculture.

(f) "DED-OPSE" means the United States department of education, office of postsecondary education.

(g) "DOL-ETA" means the United States department of labor, employment and training administration.

(h) "DOL-OSHA" means the United States department of labor, occupational safety and health administration.

(i) "EEOC" means the United States equal employment opportunity commission.

(j) "EPA" means the United States environmental protection agency.

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

(*l*) "Fund" means the Michigan strategic fund.

(m) "GF/GP" means general fund/general purpose.

(n) "HHS" means the United States department of health and human services.

(o) "HHS-OS" means the HHS office of the secretary.

(p) “HHS-SSA” means the HHS social security administration.

(q) “HUD” means the United States department of housing and urban development.

(r) “HUD-CPD” means the United States department of housing and urban development – community planning and development.

(s) “IDG” means interdepartmental grant.

(t) “JCOS” means the joint capital outlay subcommittee.

(u) “MAIN” means the Michigan administrative information network.

(v) “MCL” means the Michigan Compiled Laws.

(w) “MDCH” means the Michigan department of community health.

(x) “MDEQ” means the Michigan department of environmental quality.

(y) “MDHS” means the Michigan department of human services.

(z) “MDELEG” means the Michigan department of energy, labor, and economic growth.

(aa) “MDMB” means the Michigan department of management and budget.

(bb) “MDOT” means the Michigan department of transportation.

(cc) “MDSP” means the Michigan department of state police.

(dd) “MEDC” means the Michigan economic development corporation, which is the public body corporate created under section 28 of article VII of the state constitution of 1963 and the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, by contractual interlocal agreement effective April 5, 1999, between local participating economic development corporations formed under the economic development corporations act, 1974 PA 338, MCL 125.1601 to 125.1636, and the Michigan strategic fund.

(ee) “MPE” means the Michigan public employees.

(ff) “MSC” means managerial, supervisory, and confidential.

(gg) “NERE” means nonexclusively represented employees.

(hh) “PA” means public act.

(ii) “PACC” means the prosecuting attorneys coordinating council.

(jj) “SEIU” means service employees international union.

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

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

(2) The attorney general and secretary of state may grant exceptions to the hiring freeze for their respective departments pursuant to the same criteria that the state budget director is able to grant exceptions under this subsection. The state budget director may grant exceptions to this hiring freeze when the state budget director believes that the hiring freeze will result in rendering a state department or agency unable to deliver basic services, cause loss of revenue to the state, result in the inability of the state to receive federal funds, or necessitate additional expenditures that exceed any savings from maintaining a vacancy. The state budget director shall report quarterly to the chairpersons of the senate and house of representatives standing committees on appropriations the number of exceptions to the hiring freeze approved during the previous quarter and the reasons to justify the exception.

Sec. 208. The departments and agencies receiving appropriations in part 1 shall use the Internet to fulfill the reporting requirements of this act. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on 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 receiving appropriations in part 1 shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. Each director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

Sec. 211. Pursuant to section 352 of the management and budget act, 1984 PA 431, MCL 18.1352, which provides for a transfer of state general funds into or out of the countercyclical budget and economic stabilization fund, there is appropriated from the countercyclical budget and economic stabilization fund the sum of $0.00. The calculation required by section 352 of the management and budget act, 1984 PA 431, MCL 18.1352, is determined as follows:

	2009	2010
Michigan personal income (millions)	$393,342	$329,840
less: transfer payments	71,155	74,386
Subtotal	$268,187	$255,454
Divided by: Detroit CPI for 12 months ending June 30	2.042	2.057
Equals: real adjusted Michigan personal income	$131,335	$124,188
Percentage change		-5.4%
Percentage change less than 0%		-5.4%
Multiplied by: estimated GF/GP revenue in FY 2009-2010 (millions)		6,949.7
Equals: countercyclical budget and economic stabilization fund payout calculation for the fiscal year ending September 30, 2010		-$375.3

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.

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, the Initiated Law of 1996, MCL 432.201 to 432.226.

Sec. 214. From the funds appropriated in part 1 for information technology, departments and agencies shall pay user fees to the department of information technology for technology-related services and projects. Such user fees shall be subject to provisions of an interagency agreement between the departments and agencies and the department of information technology.

Sec. 215. A department or state agency shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 216. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2010 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) Not later than January 1 of each year, each department shall prepare a travel report listing all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the state budget director. The report shall include the following information:

(a) The 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. 217. General fund appropriations in this act shall not be expended for items in cases where federal funding is available for the same expenditures.

Sec. 221. (1) Each department shall report no later than April 1, 2010 on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year to the house and senate appropriations subcommittees on the budget for the department, the joint committee on administrative rules, and the senate and house fiscal agencies.

(2) Funds appropriated in part 1 shall not be used by a department to adopt a rule that will apply to a small business and that will have a disproportionate economic impact on small businesses because of the size of those businesses if the department fails to reduce the disproportionate economic impact of the rule on small businesses as provided under section 40 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

(3) As used in this section:

(a) "Rule" means that term as defined under section 7 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.207.

(b) "Small business" means that term as defined under section 7a of the administrative procedures act of 1969, 1969 PA 306, MCL 24.207a.

Sec. 226. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those activities that the attorney general authorizes.

Sec. 227. Departments or agencies in part 1 shall not enter into any no-bid contracts or extensions of contracts greater than $500,000.00 unless a request for information indicates that there are no other bidders. For bundled contracts, the $500,000.00 limit only applies to the individual contracts within the bundle.

Sec. 228. Not later than October 15, each department or agency receiving appropriations in part 1 shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the office of the state budget, the chairpersons of the senate and house appropriations committees, and the senate and house fiscal agencies.

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 this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

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

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

Sec. 302. (1) The attorney general shall perform all legal services, including representation before courts and administrative agencies rendering legal opinions and providing legal advice to a principal executive department or state agency. A principal executive department or state agency shall not employ or enter into a contract with any other person for services described in this section.

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

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

Sec. 303. The attorney general may sell copies of the biennial report in excess of the 350 copies that the attorney general may distribute on a gratis basis. Gratis copies shall not be provided to members of the legislature. Electronic copies of biennial reports shall be made available on the department of attorney general's website. The attorney general shall sell copies of the report at not less than the actual cost of the report and shall deposit the money received into the general fund.

Sec. 304. The department of attorney general is responsible for the legal representation for state of Michigan state employee worker's disability compensation cases. The risk management revolving fund revenue appropriation in part 1 is to be satisfied by billings from the department of attorney general for the actual costs of legal representation, including salaries and support costs.

Sec. 305. In addition to the funds appropriated in part 1, not more than $400,000.00 shall be reimbursed per fiscal year for food stamp fraud cases heard by the third circuit court of Wayne County that were initiated by the department of attorney general pursuant to the existing contract between the department of human services, the prosecuting attorneys association of Michigan, and the department of attorney general. The source of this funding is money earned by the department of attorney general under the agreement after the allowance for reimbursement to the department of attorney general for costs associated with the prosecution of food stamp fraud cases. It is recognized that the federal funds are earned by the department of attorney general for its documented progress on the prosecution of food stamp fraud cases according to the United States department of agriculture regulations and that, once earned by this state, the funds become state funds.

Sec. 306. Any proceeds from a lawsuit initiated by or settlement agreement entered into on behalf of this state against a manufacturer of tobacco products by the attorney general are state funds and are subject to appropriation as provided by law.

Sec. 307. (1) In addition to the antitrust revenues in part 1, antitrust, securities fraud, consumer protection or class action enforcement revenues, or attorney fees recovered by the department, not to exceed $250,000.00, are appropriated to the department for antitrust, securities fraud, and consumer protection or class action enforcement cases.

(2) Any unexpended funds from antitrust, securities fraud, or consumer protection or class action enforcement revenues at the end of the fiscal year, including antitrust funds in part 1, may be carried forward for expenditure in the following fiscal year up to the maximum authorization of $250,000.00.

Sec. 308. (1) In addition to the funds appropriated in part 1, there is appropriated up to $500,000.00 from litigation expense reimbursements awarded to the state.

(2) The funds may be expended for the payment of court judgments or settlements, attorney fees, and litigation expenses not including salaries and support costs, assessed against the office of the governor, the department of the attorney general, the governor, or the attorney general when acting in an official capacity as the named party in litigation against the state. The funds may also be expended for the payment of state costs incurred under section 16 of chapter X of the code of criminal procedure, 1927 PA 175, MCL 770.16.

(3) Unexpended funds at the end of the fiscal year may be carried forward for expenditure in the following year, up to a maximum authorization of $500,000.00.

Sec. 309. From the prisoner reimbursement funds appropriated in part 1, the department may spend up to $470,600.00 on activities related to the state correctional facilities reimbursement act, 1935 PA 253, MCL 800.401 to 800.406. In addition to the funds appropriated in part 1, if the department collects in excess of $1,131,000.00 in gross annual prisoner reimbursement receipts provided to the general fund, the excess, up to a maximum of $1,000,000.00, is appropriated to the department of attorney general and may be spent on the representation of the department of corrections and its officers, employees, and agents, including, but not limited to, the defense of litigation against the state, its departments, officers, employees, or agents in civil actions filed by prisoners.

Sec. 310. (1) For the purposes of providing title IV-D child support enforcement funding, the department of human services, as the state IV-D agency, shall maintain a cooperative agreement with the attorney general for federal IV-D funding to support the child support enforcement activities within the office of the attorney general.

(2) The attorney general or his or her designee shall, to the extent allowable under federal law, have access to any information used by the state to locate parents who fail to pay court-ordered child support.

Sec. 312. The department of attorney general shall not receive and expend funds in addition to those authorized in part 1 for legal services provided specifically to other state departments or agencies except for costs for expert witnesses, court costs, or other nonsalary litigation expenses associated with a pending legal action.

DEPARTMENT OF CIVIL RIGHTS

Sec. 401. In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $2,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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.

(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.

INFORMATION TECHNOLOGY

Sec. 573. (1) The department of information technology 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 information technology may accept gifts, donations, contributions, bequests, and grants of money from any public or private source to assist with the underwriting or sponsorship of state web pages or services offered on those web pages. A private or public funding source may receive recognition in the web page. The department of information technology may reject any gift, donation, contribution, bequest, or grant.

(3) Funds accepted by the department of information technology under subsection (1) are appropriated and allotted when received and may be expended upon approval of the state budget director. The state budget office shall notify the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies within 10 days after the approval is given.

(4) By April 1, the department of information technology shall report to the senate and house of representatives standing committees on appropriations and the senate and house fiscal agencies that a statement of the total revenue received from the sale of paid advertising accepted under this section and a statement of the total number of advertising transactions are available on the department's website.

Sec. 574. The department of information technology 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 information technology 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 information technology may expend amounts received for salaries, supplies, and equipment necessary to provide informational products and technical services. Prior to December 1 of each year, the department shall provide a report to the senate and house of representatives standing committees on appropriations subcommittees on general government, detailing the sources of funding and expenditures made under this section.

Sec. 575. 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. 576. When used in this act, "information technology services" means services involving all aspects of managing and processing information including, but not limited to, all of the following:

(a) Application development and maintenance.

(b) Desktop computer support and management.

(c) Mainframe computer support and management.

(d) Server support and management.

(e) Local area network support and management.

(f) Information technology contract, project, and procurement management.

(g) Information technology planning and budget management.

(h) Telecommunication services, security, infrastructure, and support.

(i) Software and software licensing.

Sec. 577. (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 information technology shall assess all subscribers of the Michigan public safety communications system reasonable access and maintenance fees.

(3) All money received by the department of information technology under this section shall be expended for the support and maintenance of the Michigan public safety communications system.

(4) The department of information technology shall provide a report to the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the state budget director on April 15 and on October 15, indicating the amount of revenue collected under this section and expended for support and maintenance of the Michigan public safety communications system for the immediately preceding 6-month period. Any deposits made under this section and unencumbered funds are restricted revenues and may be carried forward into succeeding fiscal years.

Sec. 578. The department of information technology 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 information technology, as reported in subdivision (a).

Sec. 579. The department of information technology 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. 580. (1) From the funds appropriated in part 1 to general services, for the department of state, there is appropriated $4,550,000.00 for the business application modernization project. Funds shall only be used for the development, implementation, and maintenance of the business application modernization project.

(2) The unexpended funds appropriated in part 1 for the business application modernization project are designated as work project appropriations and shall not lapse at the end of the fiscal year. Any unencumbered or unallotted funds shall be carried over into the succeeding fiscal year and shall continue to be available for expenditure until the project has been completed. The total cost is estimated at $30,000,000.00, and the tentative completion date is September 30, 2010.

Sec. 582. The department shall provide a report by December 1 of each fiscal year to the senate and house of representatives standing committees on appropriations and the senate and house fiscal agencies detailing the improvements made to Michigan.gov.

Sec. 583. By December 31, the department shall provide a report that lists all change orders and follow-on contracts, greater than $25,000.00, 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. 584. The department of information technology shall determine how existing 2-1-1 capacities will be utilized by each state department with community resource information and referral service, including, but not limited to, toll-free help and information lines and comprehensive human service databases. The department of information technology shall report its findings in writing to the senate and house of representatives standing committees on appropriations by July 1, 2010. The report shall include a statement of how each state department has utilized 2-1-1 in its coordination efforts, including any efficiencies, cost savings, and improved service provided to Michigan residents. The report shall also contain recommendations for maintaining a statewide 2-1-1 system.

Sec. 585. The department shall provide a report that calculates the total amount of funds expended for the child support enforcement system 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 federal government for penalties. The report shall be submitted to the senate and house of representatives standing committees on government operations, the senate and house of representatives standing committees on appropriations subcommittees on general government, and the senate and house fiscal agencies by January 1.

Sec. 586. (1) The state budget director, upon notification to the house and senate appropriations committees, may adjust spending authorization and user fees in the department of information technology 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 information technology budget to accommodate an increase or decrease in spending authorization.

Sec. 587. (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 information technology. 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. 588. 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 area 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.

LEGISLATURE

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

Sec. 601. (1) Funds appropriated in part 1 to an entity within the legislative branch shall not be expended or transferred to another account without written approval of the authorized agent of the legislative entity. If the authorized agent of the legislative entity notifies the state budget director of its approval of an expenditure or transfer before the year-end book-closing date for that legislative entity, the state budget director shall immediately make the expenditure

or transfer. The authorized legislative entity agency shall be designated by the speaker of the house of representatives for house entities, the senate majority leader for senate entities, and the legislative council for legislative council entities.

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

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

Sec. 603. The appropriation contained in part 1 for national association dues is to be distributed by the legislative council. From the funding appropriated, $51,000.00 shall be paid as annual dues to the national conference of commissioners on uniform state laws.

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

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

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

Sec. 606. The appropriations in part 1 to the legislative branch, for property management, shall be used to purchase equipment and services for building maintenance in order to ensure a safe and productive work environment. These funds are designated as work project appropriations and shall not lapse at the end of the fiscal year, and shall continue to be available for expenditure until the project has been completed. The total cost is estimated at $500,000.00, and the tentative completion date is September 30, 2011.

Sec. 607. The appropriations in part 1 to the legislative branch, for automated data processing, shall be used to purchase equipment, software, and services in order to support and implement data processing requirements and technology improvements. These funds are designated as work project appropriations and shall not lapse at the end of the fiscal year, and shall continue to be available for expenditure until the project has been completed. The total cost is estimated at $500,000.00, and the tentative completion date is September 30, 2011.

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

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 MANAGEMENT AND BUDGET

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 this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

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

Sec. 702. Proceeds in excess of necessary costs incurred in the conduct of transfers or auctions of state surplus, salvage, or scrap property made pursuant to section 267 of the management and budget act, 1984 PA 431, MCL 18.1267, are appropriated to the department of management and budget to offset costs incurred in the acquisition and distribution of federal surplus property.

Sec. 704. (1) The department of management and budget may receive and expend funds in addition to those authorized by part 1 for maintenance and operation services provided specifically to other principal executive departments or state agencies, the legislative branch, the judicial branch, or private tenants, or provided in connection with facilities transferred to the operational jurisdiction of the department of management and budget.

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

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

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

Sec. 705. (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 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 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. 706. To the extent a specific appropriation is required for a detailed source of financing included in part 1 for the department of management and budget appropriations financed from special revenue and internal service and pension trust funds, or MAIN user charges, the specific amounts are appropriated within the special revenue internal service and pension trust funds in portions not to exceed the aggregate amount appropriated in part 1.

Sec. 707. In addition to the funds appropriated in part 1 to the department of management and budget, the department may receive and expend funds from other principal executive departments and state agencies to implement donated annual leave and administrative leave bank transfer provisions as may be specified in joint labor/management agreements. The amounts may also be transferred to other principal executive departments and state agencies under the joint agreement and any amounts transferred under the joint agreement are authorized for receipt and expenditure by the receiving principal executive department or state agency. Any amounts received by the department of management and budget under this section and intended, under the joint labor/management agreements, to be available for use beyond the close of the fiscal year and any unencumbered funds may be carried over into the succeeding fiscal year.

Sec. 708. 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. 709. (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 management and budget. To the extent excess revenues are collected due to estimates of building occupancy charges exceeding actual costs, the excess revenues may be carried forward into succeeding fiscal years for the purpose of returning funds to state agencies.

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

Sec. 710. The department of management and budget shall notify the chairpersons of the senate and house of representatives standing committees on appropriations and the chairpersons of the senate and house of representatives standing committees on appropriations subcommittees on general government on any revisions that increase or decrease current contracts by more than $500,000.00 for computer software development, hardware acquisition, or quality assurance at least 14 days before the department of management and budget finalizes the revisions.

Sec. 711. The department of management and budget shall maintain an Internet website that contains notice of all invitations for bids and requests for proposals over $50,000.00 issued by the department or by any state agency operating under delegated authority. The department shall not accept an invitation for bid or request for proposal in less than 14 days after the notice is made available on the Internet website, except in situations where it would be in the best interest of the state and documented by the department. In addition to the requirements of this section, the department may advertise the invitations for bids and requests for proposals in any manner the department determines appropriate, in order to give the greatest number of individuals and businesses the opportunity to make bids or requests for proposals.

Sec. 712. The department of 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. 713. 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. 715. (1) Funds in part 1 for motor vehicle fleet are appropriated to the department of 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) It is the intent of the legislature that the department of management and budget have the authority to determine the appropriateness of vehicle assignment, to include year, make, model, size, and price of vehicle. The department may assign motor vehicles, permanently or temporarily, to state agencies and to institutions of higher education.

(4) Pursuant to the department of 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 vehicle expenditures, the number of cars in the motor vehicle fleet, the number of miles driven by fleet vehicles, and the number of gallons of fuel consumed by fleet vehicles. The plan shall include a calculation of the amount of state motor vehicle fuel taxes that would have been incurred by fleet vehicles if fleet vehicles were required by law to pay motor fuel taxes. The plan shall include a description of fleet garage operations, the goods sold and services provided by the fleet garage, the cost to operate the fleet garage, the number of fleet garage locations, and the number of employees assigned to each fleet garage. The plan may be adjusted during the fiscal year based on needs and cost savings to achieve the maximum value and efficiency from the state motor fleet. Within 60 days after the close of the fiscal year, the department shall provide a report to the senate and house of representatives standing committees on appropriations and the senate and house fiscal agencies detailing the current plan and changes made to the plan during the fiscal year.

(5) The department of management and budget may charge state agencies for fuel cost increases that exceed $2.27 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.

Sec. 716. The department of management and budget shall adopt policies and procedures necessary for compliance by the department, other state departments and agencies, and state vendors and subcontractors, with the requirement under subsection (1) of section 261 of the management and budget act, 1984 PA 431, MCL 18.1261, to provide a purchasing preference for products manufactured or services offered by Michigan-based firms.

Sec. 717. In determining whether the purchase, contracting for, providing of supplies, materials, services, insurance, utilities, third-party financing, equipment, printing, and other items needed by state departments or agencies is in the best interests of this state, and in making all discretionary decisions concerning the solicitation, award, amendment, cancellation, or appeal of state contracts, the department of management and budget shall consider all of the following:

(a) Whether a proposal by a vendor to provide services to this state using employees, contractors, subcontractors, or other individuals who are not citizens of the United States, legal resident aliens, or individuals with a valid visa would be detrimental to the state of Michigan, its residents, or the state's economy.

(b) Whether a proposal by a vendor to provide services to this state from a location outside of this state or the United States would be detrimental to the state of Michigan, its residents, or the state's economy.

(c) Whether a proposal by a vendor to provide goods to this state produced outside of this state or the United States would be detrimental to the state of Michigan, its residents, or the state's economy.

(d) Whether the acquisition of goods or services from a vendor that is an expatriated business entity located in a tax haven country or an affiliate of an expatriated business entity located in a tax haven country would be detrimental to the state of Michigan, its residents, or the state's economy. As used in this section, "expatriated business entity" means a corporation or an affiliate of the corporation incorporated in a tax haven country after September 11, 2001, but with the United States as the principal market for the public trading of the corporation's stock, as determined by the director of the department of management and budget. "Tax haven country" means each of the following: Barbados, Bermuda, British Virgin Islands, Cayman Islands, Commonwealth of the Bahamas, Cyprus, Gibraltar, Isle of Man, the Principality of Liechtenstein, the Principality of Monaco, and the Republic of the Seychelles.

(e) Whether the provision of services to this state at a location outside of this state or the United States would be detrimental to the privacy interests of Michigan residents, or risk the disclosure of personal information of Michigan residents, such as social security, financial, or medical data.

(f) Whether a proposal by a vendor to provide services to this state from a location outside of this state or the United States would constitute undue risk under a risk management policy, practice, or procedure adopted by the department of management and budget under section 204 of the management and budget act, 1984 PA 431, MCL 18.1204.

(g) Whether a proposal by a vendor to provide goods to this state produced outside of this state or the United States would constitute undue risk under a risk management policy, practice, or procedure adopted by the department of management and budget under section 204 of the management and budget act, 1984 PA 431, MCL 18.1204.

Sec. 718. The department of management and budget shall collect from vendors information necessary to comply with the requirements of this act, as determined by the department. The department of management and budget may require vendors to provide any of the following:

(a) Information relating to the location of work performed under a state contract by the vendor and any subcontractors, employees, or other persons performing a state contract.

(b) Information regarding the corporate structure and location of corporate employees and activities of the vendor, its affiliates, or any subcontractors.

(c) Notice of the relocation of the vendor, employees of the vendor, subcontractors of the vendor, or other persons performing services under a state contract outside of the state of Michigan.

Sec. 719. The department of management and budget may require that any vendor or subcontractor providing call or contact center services to the state of Michigan disclose to inbound callers the location from which the call or contact center services are being provided.

Sec. 720. The appropriation in part 1 for census tracking/reapportionment shall be equally distributed to the senate and house of representatives and shall be used for purchasing equipment, supplies, and services needed for tracking and reporting census and reapportionment information for the state of Michigan. These funds are designated as work project appropriations, 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 $1,200,000.00, and the tentative completion date is September 30, 2013.

Sec. 721. In addition to the funds appropriated in part 1, the department of 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. 722. In addition to the funds appropriated in part 1, the department of management and budget may receive and expend money from the Ronald Wilson Reagan memorial monument fund as provided in the Ronald Wilson Reagan memorial monument fund commission act, 2004 PA 489, MCL 399.261 to 399.266.

Sec. 723. 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. 724. In addition to the funds appropriated in part 1, the funds collected by the department for document and data imaging services, copies, media, and storage, as well as conferences, workshops, and training classes, 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. 725. The department of 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 appropriations subcommittees on general government, as well as the senate and house fiscal agencies.

Sec. 726. (1) From the funds appropriated in part 1 to the department of management and budget, budget and financial management, $7,105,300.00 shall be used to conduct the Michigan state fair at the state exposition and fairgrounds in the year ending September 30, 2010. Funding shall cover costs of conducting an annual state fair, maintaining the fairgrounds, and paying the salaries and benefits of the state fair manager and state fair staff. One unclassified FTE position and 9 classified FTE positions are authorized for the purpose of conducting the state fair and managing the state fairgrounds. The funding shall be appropriated as follows:

(a) $101,000.00 shall be appropriated for the salary of the 1 unclassified FTE position of the manager of the Michigan state fair.

(b) $6,915,500.00 shall be appropriated for the state fair operations, including the salaries and benefits of the state fair administration staff and the management and operation of the state fair and fairgrounds.

(c) $88,800.00 shall be appropriated for state fair information technology.

(2) The department of management and budget shall submit a report regarding the Michigan state fair and fairgrounds 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, 2010. The report shall include information regarding the current status of the state exposition and fairgrounds, progress toward conducting a state fair in 2010, plans on use of fairground

property, and actions taken to facilitate the conveyance of the responsibilities to conduct the state fair and manage the fairground property to an independent Michigan state fair authority.

Sec. 726a. The Michigan state fair shall cooperate with a nonprofit agency located in a city with a population of not less than 600,000 for the purpose of employing offenders on parole to refurbish, redevelop, and clean the fairgrounds and structures. The program shall be administered by a Michigan-chartered nonprofit corporation with more than 80 years of experience. The nonprofit corporation must have expertise in creating employment opportunities for parolees.

Sec. 727. (1) The department of management and budget, in conjunction with other principal executive departments and agencies, shall take measures to reduce existing department contractual expenditures by $20,000,000.00. Measures shall include, but not be limited to, all of the following:

(a) Negotiated reductions in contract pricing.

(b) Negotiated reductions in contracts out for bid as part of a best and final offer.

(c) Negotiated discounts in exchange for prompt payment by the state.

(d) Department-initiated freezes for noncritical, optional-use contracts.

(e) Negotiated reductions in pricing with vendors with excellent performance in exchange for contract amendments.

(f) Termination of underutilized contracts, such as those in place for more than 1 year but not utilized in the current fiscal year.

(2) The department of management and budget shall submit an annual report to the senate and house of representatives standing committees on appropriations, senate and house fiscal agencies, and the state budget director on the amount of contract savings achieved for each department and fund sourcing for those savings.

STATE BUILDING AUTHORITY

Sec. 740. (1) Subject to section 242 of the management and budget act, 1984 PA 431, MCL 18.1242, and upon the approval of the state building authority, the department may expend from the general fund of the state during the fiscal year ending September 30, 2010 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 concurrent resolution that is effective for the fiscal year ending September 30, 2010. 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 legislative concurrent resolution and in this section, the state building authority shall credit the general fund of the state an amount equal to that expended from the general fund plus interest, if any, as defined in this section.

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

(4) In the event that a project identified in part 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 and approved by the JCOS.

Sec. 741. (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. 742. (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.

Sec. 743. The department of management and budget shall provide to the JCOS, state budget director, 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.

CIVIL SERVICE

Sec. 750. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $2,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

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

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

Sec. 751. (1) All restricted funds shall be assessed a sum not less than 1% of the total aggregate payroll paid from those funds for financing the civil service commission on the basis of actual 1% restricted sources total aggregate payroll of the classified service for fiscal year 2009 in accordance with section 5 of article XI of the state constitution of 1963. This includes, but is not limited to, restricted funds appropriated in part 1 of any appropriations 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. 752. 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. 753. 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.

Sec. 754. No funds appropriated in part 1 shall be used, directly or indirectly, to fund the office of great workplace development.

CAPITAL OUTLAY

Sec. 760. As used in sections 761 through 769:

(a) "Board" means the state administrative board.

(b) "Community college" does not include a state agency or university.

(c) "Department" means the department of management and budget.

(d) "Director" means the director of the department of 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. 761. Each capital outlay project authorized in this act 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. 762. A statement of a proposed facility's operating cost shall be included with the facility's program statement and planning documents when the plans are presented to JCOS for approval.

Sec. 763. (1) Before proceeding with final planning and construction for projects at community colleges and universities included in an appropriations act, the community college or university shall sign an agreement with the department that includes the following provisions:

(a) The university or community college agrees to construct the project within the total authorized cost established by the legislature pursuant to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, and an appropriations act.

(b) The design and program scope of the project shall not deviate from the design and program scope represented in the program statement and preliminary planning documents approved by the department.

(c) Any other items as identified by the department that are necessary to complete the project.

(2) The department retains the authority and responsibility normally associated with the prudent maintenance of the public's financial and policy interests relative to the state-financed construction projects managed by a community college or university.

Sec. 764. (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 act, 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. 765. A state agency, college, or university shall take steps necessary to make available federal and other money indicated in this act, to make available federal or other money that may become available for the purposes for which appropriations are made in this act, and to use any part or all of the appropriations to meet matching requirements that are considered to be in the best interest of this state. However, the purpose, scope, and total estimated cost of a project shall not be altered to meet the matching requirements.

Sec. 766. (1) The director shall allocate lump-sum appropriations made in this act consistent with statutory provisions and the purposes for which funds were appropriated. Lump-sum allocations shall address priority program or facility needs and may include, but are not limited to, design, construction, remodeling and addition, special maintenance, major special maintenance, energy conservation, and demolition.

(2) The state budget director may authorize that funds appropriated for lump-sum appropriations shall be available for no more than 3 fiscal years following the fiscal year in which the original appropriation was made. Any remaining balance from allocations made in this section shall lapse to the fund from which it was appropriated pursuant to the lapsing of funds as provided in the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 767. 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. 768. (1) A site preparation economic development fund is created in the department of management and budget. 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. 769. (1) Except as otherwise provided in subsection (3) or (4), a university shall not enter into a contract for new construction of a self-funded project estimated to cost at least $3,000,000.00 unless the project is authorized by JCOS through approval of a use and finance statement defined by a policy adopted by JCOS. The request for authorization shall be initially submitted for review to JCOS, the senate and house fiscal agencies, and the department. The use and finance statement for a non-state-funded project shall contain the estimated total construction cost and all associated estimated operating costs, including a statement of anticipated project revenues. As used in this subsection, "new construction" includes land or property acquisition, remodeling and additions, maintenance projects, roads, landscaping,

equipment, telecommunications, utilities, and parking lots and structures. Certificate of need forms may be submitted in lieu of a use and finance form where applicable.

(2) Except as otherwise provided in subsection (4), a community college shall not enter into a contract for new construction of a self-funded project estimated to cost at least $2,000,000.00 unless the project is authorized by JCOS through approval of a use and finance statement defined by a policy adopted by JCOS. The request for legislative authorization shall be initially submitted for review to JCOS, the senate and house fiscal agencies, and the department. The use and finance statement for a non-state-funded project shall contain the estimated total construction cost and all associated estimated operating costs, including a statement of anticipated project revenues. As used in this subsection, "new construction" includes land or property acquisition, remodeling and additions, maintenance projects, roads, landscaping, equipment, telecommunications, utilities, and parking lots and structures. Certificate of need forms may be submitted in lieu of a use and finance form where applicable.

(3) The University of Michigan hospital and health center is not required to obtain JCOS authorization through approval of a use and finance statement defined by a policy adopted by JCOS.

(4) If health or safety concerns warrant, a project may be completed without prior approval of a use and finance statement defined by a policy adopted by JCOS. However, a university or community college shall submit a use and finance statement as soon as possible after the project is completed and the health or safety concerns have abated.

(5) A project that is constructed in violation of this section shall not receive state appropriations for purposes of operating the project or for support for future infrastructure enhancements that are necessitated, in whole or in part, by construction of the project. In addition, a project constructed in violation of this section shall result in the loss of any state capital outlay funding for the institution for 2 years and a prohibition of doing self-funded projects of any kind, except for emergencies where health or safety concerns warrant, for 1 year.

(6) A state agency, including the department of military affairs, shall not enter into a contract, including those for a direct federally funded capital outlay construction or major maintenance or remodeling project if the total project is estimated to cost more than $1,000,000.00 and is to be constructed on state-owned lands unless the project is approved by the department and JCOS through approval of a use and finance statement defined by a policy adopted by JCOS, unless the project is otherwise appropriated in a capital outlay appropriations act. For projects not appropriated in a capital outlay appropriations act that are over $1,000,000.00, the state agency shall submit a use and finance statement defined by a policy adopted by JCOS. As used in this subsection, "direct federally funded" refers to a project for which federal payments are made directly to the construction vendor and not to the state of Michigan.

(7) A 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 a contractual interlocal agreement 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 shall not enter into a contract for new construction estimated to cost more than $1,000,000.00 unless the project is authorized by JCOS through the approval of a use and finance statement defined by a policy adopted by JCOS. For purposes of this subsection, the use and finance statement for a project shall contain the estimated total construction cost and all associated estimated operating costs. As used in this subsection, "new construction" means land or property acquisition, remodeling or additions, lease or lease purchase, and maintenance projects for the corporate office of the public body corporate described in this subsection.

(8) By not later than April 1 and October 1, each university shall report to the JCOS chairpersons, the senate and house fiscal agencies, and the department all self-funded capital projects commenced for the immediately preceding 6-month period that cost less than $3,000,000.00 but at least $1,000,000.00. Community colleges shall also submit these reports for self-funded capital projects that cost less than $2,000,000.00 but at least $1,000,000.00.

DEPARTMENT OF STATE

Sec. 801. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $2,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

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

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

Sec. 802. All funds made available by section 3171 of the insurance code of 1956, 1956 PA 218, MCL 500.3171, are appropriated and made available to the department of state to be expended only for the uses and purposes for which the funds are received as provided by sections 3171 to 3177 of the insurance code of 1956, 1956 PA 218, MCL 500.3171 to 500.3177.

Sec. 803. 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 $7.00 per record sold only as authorized in section 208b of the Michigan vehicle code, 1949 PA 300, MCL 257.208b, section 7 of 1972 PA 222, MCL 28.297, and sections 80130, 80315, 81114, and 82156 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.80130, 324.80315, 324.81114, and 324.82156. The revenue received from the sale of records shall be credited to the transportation administration collection fund created under section 810b of the Michigan vehicle code, 1949 PA 300, MCL 257.810b.

Sec. 804. 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. 805. (1) The department of state may accept gifts, donations, contributions, and grants of money and other property from any private or public source to underwrite, in whole or in part, the cost of a departmental publication that is prepared and disseminated under the Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923. A private or public funding source may receive written recognition in the publication and may furnish a traffic safety message, subject to departmental approval, for inclusion in the publication. The department may reject a gift, donation, contribution, or grant. The department may furnish copies of a publication underwritten, in whole or in part, by a private source to the underwriter at no charge.

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

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

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

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

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

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

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

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

(6) In addition to copies delivered without charge as the secretary of state considers necessary, the department of state may sell copies of manuals and other publications regarding the sale, ownership, or operation or regulation of motor vehicles, with amendments, at prices to be established by the secretary of state. As used in this subsection, the term "manuals and other publications" 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. 805a. On October 1 of each year, the department of state shall file a report with the senate and house standing committees on appropriations and the senate and house fiscal agencies. The report shall include details on the activities and success of the department's enforcement and compliance with the help America vote act of 2002, Public Law 107-252.

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

Sec. 807. 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. 808. 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. 809. (1) Commemorative and specialty license plate fee revenue collected by the department of state and deposited into the transportation administration collection fund is authorized for expenditure up to the amount of revenue collected but not to exceed the amount appropriated to the department of state in part 1 to administer commemorative and specialty license plate programs.

(2) Commemorative and specialty license plate fee revenue collected by the department of state and deposited in the transportation administration collection fund, in addition to the amount appropriated in part 1 to the department of state, shall remain in the transportation administration collection fund and be available for future appropriation.

Sec. 810. (1) 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.

(2) Funds or revenues in the Olympic education training center fund are appropriated for distribution to the Olympic education training center at Northern Michigan University. Distributions shall occur on a quarterly basis. Any undistributed revenue remaining at the end of the fiscal year shall be carried over into the next fiscal year.

Sec. 811. 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. 812. (1) The department of state, in collaboration with the gift of life transplantation society or its successor federally designated organ procurement organization, may develop and administer a public information campaign concerning the Michigan organ donor program.

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

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

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

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

(6) In addition to the appropriations in part 1, the department of state may receive and expend funds from the organ and tissue donation education fund for administrative expenses.

Sec. 815. At least 180 days before closing 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.

Sec. 816. (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, is appropriated to 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. Funds are allocated for expenditure when they are received by the department of treasury.

(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. 818. (1) Funds in part 1 for motorcycle safety education grants and administration are appropriated to the department of state for operation of the motorcycle safety education program previously operated by the department of education under section 811a of the Michigan vehicle code, 1949 PA 300, MCL 257.811a.

(2) Funds in part 1 for motorcycle safety education grants and administration shall be derived from original and renewal motorcycle license endorsements, annual motorcycle registration fees, and motorcycle operator driving test fees.

(3) Funds in part 1 for motorcycle safety education grants and administration shall be used to provide grants to colleges, universities, intermediate school districts, local school districts, law enforcement agencies, or other governmental agencies located in the state, to help subsidize safety training courses for individuals interested in operating motorcycles.

(4) Funds in part 1 for motorcycle safety education grants and administration may be used by the department of state for administration costs of the motorcycle safety education program, to include, but not be limited to, review and approval or disapproval of grant applications, monitoring eligibility of motorcycle safety instructors, conducting program evaluation, certifying third-party testers, and inspecting training sites.

Sec. 819. (1) From the funds appropriated in part 1 to the department of state for information technology services and projects, there is appropriated $4,550,000.00 for the business application modernization project. Funds shall only be used for the development, implementation, and maintenance of the business application modernization project.

(2) The unexpended funds appropriated in part 1 for the business application modernization project are designated as work project appropriations and shall not lapse at the end of the fiscal year. Any unencumbered or unallotted funds shall be carried over into the succeeding fiscal year and shall continue to be available for expenditure until the project has been completed. The total cost is estimated at $30,000,000.00, and the tentative completion date is September 30, 2010.

Sec. 821. (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. 824. 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. 825. From the funds appropriated in part 1 for the department of state, the department shall first use restricted funding for expenditures, when available for that purpose, before using general fund dollars.

Sec. 827. The funds appropriated in part 1 for department of state, branch operations, are contingent upon the department complying with the following guidelines for branch office placement:

(a) The department of state shall, whenever possible, avoid leasing space for branch offices on greenfield sites or other noncentral locations that require the construction of new infrastructure to service the office or facility, except in limited circumstances when the constituency served or programs supported require the use of a noncentral or open space location.

(b) The department shall encourage public investment in this state's urban areas by locating branch offices and facilities in urban areas. As used in this section, "urban areas" means a downtown area, town centers, or central business districts.

(c) The department shall, whenever possible, locate branch offices at locations consistent with local planning and zoning and compatible with existing land uses.

(d) In selecting a site for a branch office, the department shall give priority to locations in urban areas, whenever reasonably possible and consistent with state law. In making location decisions, the department shall also give consideration to the following:

(*i*) Use of existing space in state-owned facilities in urban areas.

(*ii*) Adaptive use or rehabilitation of historic buildings or reuse of other buildings within an urban area.

(*iii*) Use of vacant buildings in an urban area.

(*iv*) Use of vacant land in an urban area.

(*v*) Use and rehabilitation of brownfield areas.

Sec. 828. By April 1, 2010, the department of state shall submit to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies a report stating the steps taken and improvements made by the department to address the issues identified by the auditor general report, Report Number 231-0200-08 released May of 2009, entitled performance audit of cash receipts and branch office customer service, department of state.

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 this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

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

(4) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $40,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 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 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.

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 22% of the collection or a lesser amount as prescribed by the contract. The appropriation to fund collection costs and fees for the auditing and collection of defaulted student loans due the Michigan guaranty agency is from the fund or account to which the revenues being collected are recorded or dedicated.

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

Sec. 904. (1) The department of treasury, through its bureau of investments, may charge an investment service fee against the applicable retirement funds. The fees may be expended for necessary salaries, wages, contractual services, supplies, materials, equipment, travel, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement funds. Service fees shall not exceed the aggregate amount appropriated in part 1. The department of treasury shall maintain accounting records in sufficient detail to enable the retirement funds to be reimbursed periodically for fee revenue that is determined by the department of treasury to be surplus.

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

Sec. 904a. (1) There is appropriated an amount sufficient to recognize and pay expenditures for financial services provided by financial institutions as provided under section 1 of 1861 PA 111, MCL 21.181.

(2) The appropriations under subsection (1) shall be funded by restricting revenues from common cash interest earnings and investment earnings in an amount sufficient to record these expenditures.

Sec. 905. (1) The department of treasury shall provide copies of the state tax manual via the department's website or provide for sale copies of the tax manuals on a compact disc or an electronically transmitted format. The revenue received from the sale of preparation and local government assistance manuals shall revert to the department of treasury and be placed in the local government assistance manual revolving fund.

(2) In addition to the funds appropriated in part 1, revenue received from the sale of those manuals is appropriated.

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

(2) The appropriation in part 1 to the department of treasury, for state compliance audits, shall be used to cover the cost of the state audits performed by independent certified public accountants or department of treasury auditors. The scope of the state audit shall be defined by the state treasurer. The state audits shall be performed by independent

certified public accountants contracted with by the state treasurer or by department of treasury auditors, if the county has agreed to contract with and pay the department for their financial single audit.

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

Sec. 907. A revolving fund known as the assessor certification and training fund is created 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 an examination fee of $50.00, an initial certification fee of $50.00, an annual renewal fee of $75.00 for levels 1 and 2, and $125.00 for levels 3 and 4 to offset the cost of administering the certification and training program. Training courses shall be offered in assessment administration. Each participant shall pay a fee to cover the expenses incurred in offering the optional programs to certified assessing personnel and other individuals interested in an assessment career opportunity. The fees collected shall be credited to the assessor certification and training fund.

Sec. 908. The 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 the Initiated Law of 1976, 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 is to be utilized for a program audit of the program. The department of treasury shall forward copies of the audit report 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 2008. 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, 2009 shall revert to the general fund.

Sec. 916. The department of treasury may make available to interested entities otherwise unavailable customized unclaimed property listings of nonconfidential information in its possession. The charge for this information is as follows: 1 to 100,000 records at 2.5 cents per record and 100,001 or more records at .5 cents per record. The revenue received

from this service shall be deposited to the appropriate revenue account or fund. The department shall submit an annual report on or before June 1 to the state budget director and the senate and house of representatives standing committees on appropriations that states the amount of revenue received from the sale of information.

Sec. 917. (1) There is appropriated for write-offs and advances an amount equal to total write-offs and advances for departmental programs, but not to exceed current year authorizations that would otherwise lapse to the general fund.

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

Sec. 918. In addition to funds appropriated in part 1, the department of treasury may receive and expend funds for conducting tax orientation workshops and seminars. Funds received may not exceed costs incurred in conducting the workshops and seminars.

Sec. 919. (1) From funds appropriated in part 1, the department of treasury may contract with private auditing firms to audit for and collect unclaimed property due this state in accordance with the Michigan uniform unclaimed property act. 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. 921. The state general fund/general purpose appropriation in part 1 for renaissance zone reimbursement is allocated to reimburse public libraries as provided by section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692, for property taxes levied in 2009. Reimbursements shall be made in amounts to each eligible recipient not later than 60 days after the department of treasury has received all necessary information to properly determine the amounts due each eligible recipient under section 12(4) of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692. Any excess allocations shall lapse to the general fund.

Sec. 922. The department of treasury 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, the senate and house fiscal agencies, and the state budget director by November 30 stating the amount of Michigan transportation fund revenue collected and the cost of collection.

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 revenue appropriated for principal residence audits under subsection (1).

Sec. 925. (1) A public-private partnership investment fund is created in the department of treasury. 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) The state treasurer and the state budget director shall determine whether or not a specific public-private partnership investment opportunity qualifies for funding from the fund created under subsection (1).

(3) 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.

(4) An annual report shall be transmitted to the senate and house of representatives appropriations committees, 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).

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. 929. The department of treasury may enter into agreements to supply data or collection services to other executive principal departments or state agencies, the United States department of treasury, or local units of government within this state. The department of treasury shall charge for this tax data service and amounts received are appropriated and shall be expended for salaries and wages, fees, supplies, and equipment necessary to provide the service. Any unobligated balance of the fund 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. The department of treasury may expend revenues received under the hospital finance authority act, 1969 PA 38, MCL 331.31 to 331.84, for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund. The department of treasury shall maintain accounting records in sufficient detail to enable the hospital clients to be reimbursed periodically for fees that are determined by the department of treasury to be surplus to needs.

Sec. 935. The department of treasury may expend revenue received under the shared credit rating act, 1985 PA 227, MCL 141.1051 to 141.1076, for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund.

Sec. 936. The department of treasury shall establish a separate account for the funds related to the Michigan higher education facilities authority. The department of treasury may expend revenue received under the higher education facilities authority act, 1969 PA 295, MCL 390.921 to 390.934, for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund. The department of treasury shall maintain accounting records in sufficient detail to enable the educational institution clients to be reimbursed periodically for fees that are determined by the department to be surplus to needs.

Sec. 937. The department of treasury may expend revenues received under the Michigan public educational facilities authority, Executive Order No. 2002-3, 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. 938. It is the intent of the legislature that the department of treasury shall work with local units of government to improve the system for payments in lieu of taxes on purchased lands and report on their efforts by January 1.

Sec. 939. It is the intent of the legislature that the state treasurer, acting within his or her capacity as the investment fiduciary for public employee pension funds and consistent with 1965 PA 314, MCL 38.1132 to 38.1140m, give appropriate consideration to investments in early stage, university derived life science companies located in Michigan, or investments in venture capital funds that invest in those companies to the extent those investments offer the safety and rate of return comparable to other investments permitted and available at the time the investment decision is made.

Sec. 940. The department of treasury may expend revenue received under the Michigan tobacco settlement finance authority act, 2005 PA 226, MCL 129.261 to 129.279, for necessary salaries and wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund.

Sec. 942. The department shall report on the efficacy of increased personnel for field collection provided for in part 1. The report shall contain the methodology used to generate additional revenue, the amount of additional revenue received as a direct result of the increased field staff, and an evaluation of whether this program is worth sustaining within the department. The report shall be submitted to the state budget director, the senate and house appropriations subcommittees on general government, and the senate and house fiscal agencies by September 30.

Sec. 943. The department of treasury shall not include complete social security numbers in form 1099-G mailings to taxpayers.

Sec. 944. If the department hires a pension plan consultant using any of the funds appropriated in part 1, the department shall, within 30 days, forward any report provided to the department by that consultant to the senate and house of representatives standing committees on appropriations subcommittees on general government, the senate and house fiscal agencies, and the state budget director.

Sec. 945. The assessment and certification division of the department of treasury may conduct a review of local unit assessment administration practices, procedures, and records, also known as the 14-point review, in at least 1 assessment jurisdiction per county.

Sec. 946. Members of the state tax commission and management level staff of the assessment and certification division may meet with statewide assessment organizations on a quarterly basis for the purpose of coordinating assessment and training activities. Recertification and training activities may be conducted at regional locations chosen to maximize participation of local officials.

Sec. 947. (1) The department of treasury shall submit quarterly 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 funded under subsection (1). The report shall include the number of audits, revenue generated, and number of complaints received by the department related to the audits.

(2) Of the funds appropriated in part 1, $500,000.00 shall be used for the principal residence exemption compliance program. The department shall submit quarterly progress reports that include the number of exemptions denied and the revenue received under this program. The legislative auditor general shall complete a performance audit of the principal residence exemption compliance program prior to April 1, 2010. Revenue generated to the state from the principal residence exemption compliance program shall be used to reimburse the state general fund for the $500,000.00 appropriation prior to any other allocation.

Sec. 948. By December 15, the department of treasury shall report to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies the number of tax returns, to include state income tax returns, single business tax returns, and Michigan business tax returns filed online by Michigan residents in the immediately preceding fiscal year.

Sec. 949. The department shall explore the possibility of partnering with private entities to allow private entities to obtain machinery for applying tobacco tax stamps and to produce tobacco tax stamps. Any tobacco tax stamps purchased or otherwise acquired by the department from a partnership with a private entity shall contain a unique nonrepeating alphanumeric code that can be printed on demand and read by a scanner or similar device and that identifies the taxed product. The coded information shall be embedded in each stamp and shall be protected by encryption. Each code shall contain the name and address of the wholesaler or the entity affixing the stamp, the date the department approved the stamp order, the stamp jurisdiction, the number of cigarettes in the pack, and the dominated value of the stamp. The department shall provide a report on possible partnerships with private entities as set forth in this section to the senate and house fiscal agencies and to the senate and house appropriations subcommittees on general government appropriations by November 1, 2009. The department shall give partnering preference to Michigan-based companies.

REVENUE SHARING

Sec. 950. (1) The funds appropriated in part 1 for constitutional revenue sharing shall be distributed by the department to cities, villages, and townships, as required under section 10 of article IX of the state constitution of 1963. Revenue collected in accordance with section 10 of article IX of the state constitution of 1963 in excess of the amount appropriated in part 1 for constitutional revenue sharing is appropriated for distribution to cities, villages, and townships, on a population basis as required under section 10 of article IX of the state constitution of 1963.

(2) The funds appropriated in part 1 for statutory revenue sharing shall be distributed to cities, villages, and townships so that the combined distribution, under section 10 of article IX of the state constitution of 1963, and statutory revenue sharing, as set forth in this subsection, shall be the lesser of 88.94%, or the percentage determined under this subsection, of the total combined distribution under section 10 of article IX of the state constitution of 1963 during the 2008-2009 state fiscal year, and the statutory distribution received under section 950 of 2008 PA 261, as amended by Executive Order No. 2009-22 and any subsequent legislation, during the 2008-2009 state fiscal year. The percentage under this subsection shall be determined by dividing the sum of all payments under section 10 of article IX of the state constitution of 1963 for the 2009-2010 state fiscal year and $314,169,900.00 by $936,307,700.00 and then subtracting 0.1106. Undistributed funds shall lapse to the general fund.

Sec. 955. (1) For each county that the amount required to be distributed pursuant to the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921, during state fiscal year 2009-2010 exceeds the revenue credited to its revenue sharing reserve fund pursuant to section 44a of the general property tax act, 1893 PA 206, MCL 211.44a, less the total of all amounts authorized to be expended from the fund through September 30, 2009, there is appropriated to each county 88.94% of an amount equal to the sum of the following:

(a) The amount distributed to each county during the 2008-2009 state fiscal year pursuant to the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921, and section 955 of 2008 PA 261.

(b) For each county authorized to make an expenditure from its revenue sharing reserve fund during the 2008-2009 state fiscal year, the amount each county was authorized to expend during the 2008-2009 state fiscal year from its revenue sharing reserve fund, pursuant to section 44a of the general property tax act, 1893 PA 206, MCL 211.44a, less any amount from subsection (1)(a).

(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.

LOTTERY

Sec. 960. In addition to the funds appropriated in part 1 to the bureau of state lottery, there is appropriated from lottery revenues the amount necessary for, and directly related to, implementing and operating lottery games. Appropriations under this section shall only be expended for contractually mandated payments for vendor commissions, contractually mandated payments for instant tickets intended for resale, the contractual costs of providing and maintaining the online system communications network, and incentive and bonus payments to lottery retailers.

Sec. 961. The funds appropriated in part 1 to the bureau of state lottery shall not be used for any promotional efforts directed towards individuals who are less than 18 years of age.

Sec. 963. The bureau of state lottery shall inform all lottery retailers that the cash side of department of human services bridge cards cannot be used to purchase lottery tickets.

CASINO GAMING

Sec. 971. From the revenue collected by the Michigan gaming control board regarding the total annual assessment of each casino licensee, $2,000,000.00 is appropriated and shall be deposited in the compulsive gaming prevention fund as described in section 12a(5) of the Michigan gaming control and revenue act, the Initiated Law of 1996, MCL 432.212a.

Sec. 972. In addition to the funds appropriated in part 1, funds distributed by the Michigan gaming control board to the department of treasury for oversight of casino gaming are appropriated upon receipt. These funds may be used to pay for costs incurred for casino gaming oversight activities.

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

(5) The department of treasury shall submit a report by September 30 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. 975. From the balance in the state services fee fund as of the close of fiscal year 2008-2009, $1,600,000.00 is appropriated and shall be transferred to the state general fund.

MICHIGAN STRATEGIC FUND

Sec. 1001. (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 this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

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

Sec. 1002. (1) The appropriation in part 1 to the fund for the economic development job training program is focused on skills businesses need to compete in the twenty-first century. The purpose of this program is to develop a specific skill, for Michigan residents identified for a particular Michigan business that assists that company to compete in the global economy and to create or retain high-paying jobs for Michigan residents.

(2) Not more than $600,000.00 of the total appropriation in part 1 may be expended for administrative costs by the fund. Not more than 10% of the total grant award may be expended by a recipient for administration costs.

(3) No funds appropriated in part 1 to the fund for the economic development job training program grants may be expended for the training of permanent striker replacement workers.

(4) An applicant may be a school district, intermediate school district, community college, public or private nonprofit college or university, nonprofit organization whose primary purpose is to provide education programs or employment and training services or vocational rehabilitation programs or school-to-work transition programs, local workforce development board, the headquarters of a federal and state-sponsored manufacturing technology center, a for-profit business, or a consortium consisting of any combination of the eligible entities listed in this section.

(5) 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 prior to finalization of the application criteria, instructions, and forms.

(6) The award process will include a simple notice of intent to be reviewed to see if the application merits further consideration. If so, a full application may be submitted. Applications for all grants shall be submitted to the fund, and each application shall contain at least all of the following:

(a) The name, address, and total number of employees of each business organization whose employees are receiving job training.

(b) A description of the specific job skills that will be taught.

(c) A clear statement of the project's scope of activities and number of participants to be involved.

(d) A commitment to maintain participant records in a form and manner required by the fund.

(e) A budget which relates to the proposed activities and various program components.

(7) Priority in the fund's awarding of grants shall be based on the following criteria:

(a) Demonstrated need for the type of training offered.

(b) Creation or retention of high-wage and high-skilled level jobs within a predetermined time period. If the employer does not create or retain the number of jobs specified within the predetermined time period, the employer shall reimburse the state for the entire direct grant awarded under this program, prorated to the number of actual jobs created or trained compared to the number in the original jobs identified in the grant application. The number of jobs created and retained will be verified by the employer via audit after the training is completed.

(c) Other criteria determined by the fund to be important.

(8) A recipient of a grant under this section shall not charge tuition or fees to participants in the program funded by the economic development job training program grant. However, a nonprofit organization may charge tuition or fees if the tuition plan or fees are recognized by the state and the nonprofit organization receives additional funding from other governmental or private funding sources for its programs.

(9) For training delivered to incumbent workers, the employer receiving the benefit of the training shall provide a minimum of 30% of the program costs in matching funds as necessitated by the program.

(10) Grant funds shall be expended on a cost reimbursement basis.

(11) For grants to for-profit businesses, if the employer does not create or retain the number of jobs specified in the grant agreement within the time period determined by the fund, the employer shall reimburse the fund for the entire grant awarded, reduced by the ratio of the number of jobs that were actually created or retained to the number of jobs to be created or retained under the grant agreement. The number of actual jobs created and retained will be certified by the employer and verified via audit after the training is completed.

(12) A recipient of a grant under this section shall allow the fund or the agency's designee to audit all records related to the grant for all entities that receive money, either directly or indirectly through a contract, from the grant funds. A grant recipient or contractor shall reimburse the state for all disallowances found in the audit. Costs disallowed under subsection (7)(b) based on the employer job creation and retention requirements are not the same as the training costs that are disallowed in this subsection.

(13) The fund shall provide to the state budget director and the fiscal agencies by November 1 of each year a report on the economic development job training program grants. The report shall provide this information for each grant or contract awarded during the preceding full fiscal year. The report shall contain all of the following:

(a) The amount and recipient of each grant or contract.

(b) The number of participants under each grant or contract and the number of new hires who are in training under the grant.

(c) The names, county location, and total number of employees of all business organizations for whom training is or will be provided.

(d) The matching funds, if any, to be provided by a business organization.

(e) The number of jobs created as a result of the grant.

(14) Of the funds appropriated in part 1 for economic development job training grants, $250,000.00 shall be allocated to the Michigan aerospace manufacturers association, a nonprofit, tax-exempt, aerospace-based manufacturing association, for organizational assistance and to advance and promote the aerospace manufacturing community in the state of Michigan within the global economy.

Sec. 1003. The Michigan growth capital fund shall be used to develop the technology business sector in Michigan. The Michigan growth capital fund will be used to encourage private and public investment in the technology business sector, and all of the following apply:

(a) An applicant must match state funds on a 1:1 basis.

(b) Eligible uses of the Michigan growth capital fund include investments in organizations and programs that promote the development of new industry sectors in Michigan; inducements to attract additional venture capital funds to finance technology development; support organizations, initiatives, or events that promote entrepreneurship; provide match for university federal research grants; and support technology transfer and commercialization programs with universities and the private sector.

(c) The Michigan economic development corporation shall administer the Michigan growth capital fund.

(d) All funds received from repayment of loans, unused grants, revenues received from sales or cash flow participation agreements, guarantees, or any combination thereof or interest thereon, originally distributed as part of the Michigan growth capital fund, shall be received, held, and applied by the fund for the purposes described in this section.

(e) The Michigan economic development corporation shall provide an annual report on the status of the Michigan growth capital fund to the senate appropriations subcommittee on economic development, the house appropriations subcommittee on general government, the senate and house fiscal agencies, and the state budget office by January 31.

Sec. 1004. In addition to the appropriations in part 1, Travel Michigan may establish and collect a fee to cover the cost of materials and processing of photographic prints, slides, videotapes, and travel product database information that are requested by the media and other segments of the public and private sectors. The fees collected shall be appropriated for all expenses necessary to purchase and distribute these photographic prints, slides, videotapes, and travel product database information. The funds are available for expenditure when they are received by the department of treasury.

Sec. 1005. In addition to the appropriations in part 1, Travel Michigan may receive and expend private revenue related to the use of the "Michigan Great Lakes. Great Times.", "The Upper Hand", and "Pure Michigan" 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.

Sec. 1006. The fund shall submit on February 15 to the subcommittees, the state budget office, and the fiscal agencies a listing of all grants which have been awarded by the fund or by the Michigan economic development corporation from the funds appropriated in part 1. The list shall include all of the following:

(a) The name of the recipient.

(b) The amount awarded to the recipient.

(c) The purpose of the grant.

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 Michigan economic development corporation grants and investment programs financed from the fund using investment or Indian gaming revenues. The report shall provide a list of individual grants and loans made from the fund. The report shall include, but not be limited to, the following programs funded in part 1:

(a) Travel Michigan, including any expenditures authorized under section 89b of the Michigan strategic fund act, 1984 PA 270, MCL 125.2089b, to supplement the Michigan promotion program. The report shall include the number of

commercials produced, the markets in which media buys have been made, and any web-based products that were created with these funds.

(b) Business attraction, retention, and growth, including any expenditures authorized under section 89b of the Michigan strategic fund act, 1984 PA 270, MCL 125.2089b, to supplement the Michigan business marketing program. The report shall include the number of commercials produced, the markets in which media buys have been made, and any web-based products that were created as a result of this appropriation.

(c) Business services.

(d) Community development block grants.

(e) Strategic fund administration.

(f) Renaissance zones.

(g) 21st century investment program.

(h) Business and clean air ombudsman.

(i) Economic development job training program grants.

(j) Any other programs of the fund.

(2) The reports in subsection (1) shall be submitted by January 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.

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 Michigan economic development corporation 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 Michigan economic development corporation, 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.

Sec. 1010. The money appropriated in part 1 to the fund is subject to the condition that none is spent for premiums or advertising material involving personal effects or apparel including, but not limited to, T-shirts, hats, coffee mugs, or other promotional items, except Travel Michigan.

Sec. 1011. (1) From the general fund/general purpose appropriations in part 1 to the fund and granted or transferred to the Michigan economic development corporation, any unexpended or unencumbered balance shall be disposed of in accordance with the requirements in the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, unless carryforward authorization has been otherwise provided for.

(2) Any encumbered funds shall be used for the same purposes for which funding was originally appropriated in this act.

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 act, the fund may exercise those duties.

Sec. 1013. As a condition for receiving the appropriations in part 1, any staff of the Michigan economic development corporation involved in private fund-raising activities shall not be party to any decisions regarding the awarding of grants or tax abatements from the fund, the Michigan economic development corporation, or the Michigan economic growth authority.

Sec. 1014. (1) All funds received from repayment of loans, unused grants, revenues received from sales or cash flow participation agreements, guarantees, or any combination of these or accrued interest originally distributed as part of the core communities fund, created by 2000 PA 291, shall be received, held, and applied by the fund for the purposes described in 2000 PA 291.

(2) The fund shall provide an annual report on the status of this fund which includes information that details the awards made. The report shall be provided to the appropriations subcommittees on general government, the fiscal agencies, and the state budget office by January 31.

Sec. 1020. Federal pass-through funds to local institutions and governments that are received in amounts in addition to those included in part 1 and that do not require additional state matching funds are appropriated for the purposes intended. The fund may carry forward into the succeeding fiscal year unexpended federal pass-through funds to local institutions and governments that do not require additional state matching funds. The fund shall report the amount and source of the funds to the senate appropriation subcommittee on economic development, the house appropriation subcommittee on general government, the senate and house fiscal agencies, and the state budget office within 10 business days after receiving any additional pass-through funds.

Sec. 1023. Tourism promotion shall include, but is not limited to, the Mackinac Island state park, Michigan state historic parks, cultural, vacation, recreational, leisure, hunting-related, motor sports entertainment-related, and agriculture-related travel across this state that includes activities that promote tourism in all 4 seasons.

Sec. 1024. From the funds appropriated in part 1 for the jobs for Michigan investment program: 21st century jobs fund, $1,400,000.00 shall be granted by the Michigan strategic fund board to the Michigan small business and technology development centers to be used for the SBIR or STTR grant or loan matching program. These funds shall only be used to provide the required match. Grants or loans under this section shall not exceed 25% of the federal funds and must leverage third-party commercialization funding at both the phase I and phase II levels.

Sec. 1027. Of the funds appropriated in part 1 for the jobs for Michigan investment program: 21st century jobs fund, $3,000,000.00 may be allocated to Lakeshore Advantage for the same purposes as the fiscal year 2007-2008 allocation.

Sec. 1032. (1) The Michigan film office shall report to the subcommittees and the fiscal agencies by March 31 on the status of the film incentives. The department of treasury and the Michigan strategic fund shall provide the Michigan film office with the data necessary to prepare the report. Incentives included in the report shall include all of the following:

(a) The tax credit provided under section 455 of the Michigan business tax act, 2007 PA 36, MCL 208.1455.

(b) The tax credit provided under section 457 of the Michigan business tax act, 2007 PA 36, MCL 208.1457.

(c) The tax credit provided under section 459 of the Michigan business tax act, 2007 PA 36, MCL 208.1459.

(d) The amount of any tax credit claimed under section 367 of the income tax act of 1967, 1967 PA 281, MCL 206.367.

(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 sections 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 sections 455(6), 457(6), or 459(6) of the Michigan business tax act, 2007 PA 36, MCL 208.1455, 208.1457, and 208.1459, shall be presented at the lowest level of aggregation that would no longer describe the commercial and financial operations or intellectual property of the company.

Sec. 1033. The fund shall make available to the public the minutes of the Michigan film office advisory council.

Sec. 1034. (1) From the funds appropriated in part 1 for the business incubator program, the Michigan strategic fund shall award a grant to 1 high-performance business incubator in each of the following counties or cities:

(a) Houghton County.

(b) Ingham County.

(c) Isabella County.

(d) Kalamazoo County.

(e) Kent County.

(f) Macomb County.

(g) Muskegon County.

(h) Oakland County.

(i) Washtenaw County.

(j) A city with a population greater than 750,000.

(2) Grant funding awarded under this section may be used to fund satellite locations, as determined by the Michigan strategic fund.

(3) Eligible recipients for these awards must be operational on October 1, 2009 and submit a comprehensive business plan that demonstrates sustainable operating capacity.

(4) Of the appropriation in part 1 for the business incubator program, $250,000.00 shall be awarded to an eligible business incubator within a city with a population greater than 750,000 and $250,000.00 shall be awarded to an eligible business incubator within Oakland County. From the appropriation in part 1 for the business incubator program, funding shall be awarded first to these 2 incubators; any remaining funding shall be prorated and awarded in equal amounts to eligible business incubators in the remaining counties. No unit of local government listed above shall receive more than 1 award.

(5) Awards shall be announced by March 31, 2010.

Sec. 1035. (1) The Michigan council of arts and cultural affairs shall develop an arts and cultural grant program that takes into consideration the reduced level of funding while also maintaining equitable geographic distribution to the extent possible. The new program shall use the past arts and cultural grant program as a guideline for creating this program. The council shall do the following:

(a) Establish guidelines and prepare a report on the proposed guidelines to the subcommittee chairs and fiscal agencies by December 31.

(b) Be prepared to distribute awards to eligible recipients by April 1.

(2) Up to $100,000.00 from the appropriation in part 1 may be used for the administration of this grant program.

(3) The council shall report to the legislature and the fiscal agencies a list of all grant recipients and the total award, sorted by county. The report shall be provided to each state legislator within 1 business day of the announcement of annual awards by the Michigan council of arts and cultural affairs.

REVENUE STATEMENT

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

BUDGET RECOMMENDATIONS BY OPERATING FUNDS
(Amounts in millions)
Fiscal Year 2009-2010

	Fund	Beginning Unreserved Fund Balance	Estimated Revenue	Ending Balance
OPERATING FUNDS				
General fund/general purpose	0110	0.0	8,541.7	0.0
General fund/special purpose		446.6	17,451.8	482.6
Special Revenue Funds:				
Countercyclical budget and economic stabilization	0111	2.2	0.1	2.3
Game and fish protection	0112	4.1	61.4	3.3
Michigan employment security act administration	0113	10.2	12.5	8.2
State aeronautics	0114	2.2	132.6	1.9
Michigan veterans' benefit trust	0115	0.0	2.3	0.0
State trunkline	0116	(6.2)	1,808.9	(6.9)
Michigan state waterways	0117	1.3	28.6	0.0
Blue Water Bridge	0118	6.2	15.3	6.9
Michigan transportation	0119	0.0	1,819.9	0.0
Comprehensive transportation	0120	6.3	299.7	(4.3)
School aid	0122	0.0	12,750.9	0.0
Game and fish protection trust	0124	6.0	14.3	6.0
State park improvement	0125	0.0	41.1	0.0
Forest development	0126	3.4	29.7	0.7
Michigan civilian conservation corps endowment	0128	0.3	0.0	0.0
Michigan natural resources trust	0129	32.4	60.2	31.2
Michigan state parks endowment	0130	6.1	12.1	4.1
Safety education and training	0131	6.2	9.3	7.1
Bottle deposit	0136	0.0	12.6	0.0
State construction code	0138	0.9	15.0	4.3
Children's trust	0139	1.0	3.8	0.5
State casino gaming	0140	1.8	34.8	1.8
Homeowner construction lien recovery	0141	0.8	1.0	(1.2)
Michigan nongame fish and wildlife	0143	0.1	0.3	0.0
Michigan merit award trust	0154	0.0	191.7	0.0
Outdoor recreation legacy	0162	(0.2)	2.3	(0.2)
Off-road vehicle account	0163	1.7	3.6	0.4
Snowmobile account	0164	2.1	10.1	0.0
Silicosis dust disease and logging	0870	2.1	1.3	1.7
Utility consumer representation	0893	3.5	1.2	3.6
TOTALS		$541.1	$43,370.1	$559.5

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate

Richard J. Brown

Clerk of the House of Representatives

Approved .....

.....

Governor

STATE OF MICHIGAN
OFFICE OF THE GOVERNOR
LANSING

JENNIFER M. GRANHOLM
GOVERNOR

JOHN D. CHERRY, JR.
LT. GOVERNOR

October 29, 2009

Michigan Senate
State Capitol
Lansing, Michigan 48909-7536

Ladies and Gentlemen:

I have signed Enrolled Senate Bill 245, which authorizes expenditures for the fiscal year ending September 30, 2010 by several general government entities, including the Department of Attorney General, Department of Civil Rights, Department of Information Technology, Department of Management and Budget, Department of State, Department of Treasury, the Michigan Strategic Fund, the Executive Office, and the Legislative Branch. I have, however, disapproved several items pursuant to Section 19 of Article V of the Michigan Constitution of 1963. The item vetoes are detailed in the attached copy of the bill, which has been filed with the Secretary of State.

I have disapproved a proposed appropriation of $1,200,000 for census tracking and reapportionment and related boilerplate included in Section 720 of the bill. Given the limited general fund resources available, I can't support spending tax dollars now to support the drawing of political district lines that will not occur until after census data is transmitted to states in April of 2011. Michigan taxpayers have more pressing needs. Furthermore, this appropriation belongs in the Legislature's budget, as reapportionment and redistricting are legislative responsibilities.

I also have disapproved Section 726 of the bill, which earmarks $7,105,300 for the Michigan State Fair, along with related section 726a. Given current revenue constraints, tax dollars can no longer subsidize State Fair operations.

In addition, I have disapproved earmarks for two business incubators contained in Section 1034 as I believe that such incubators should be concentrated in communities with the greatest need.

I am concerned about the level of revenue sharing payments for our communities and the Legislature's failure to fully fund Section 955 of the bill as

Printed by members of:

intended. The Legislature has more work to do to assure appropriate revenue sharing payments in support of critical local services.

To provide direction regarding the implementation of this appropriations act, I note the following:

- To the extent that Section 227 of the bill purports to alter restrictions on no-bid contracts mandated by The Management and Budget Act, the provision contravenes Section 25 of Article IV of the Michigan Constitution of 1963, and is unenforceable. State departments and agencies shall continue to comply with the restrictions on no-bid contracts already included in The Management and Budget Act.

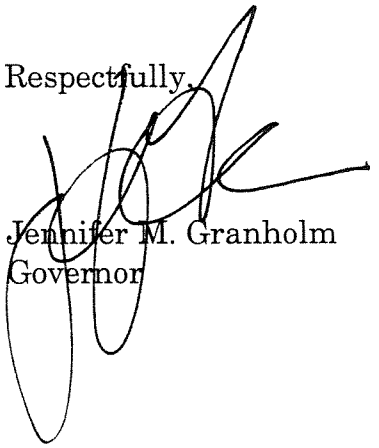
- Sections 228 and 577(4) purport to require the production of reports by October 15. Because this bill was not presented for enactment until October 20, 2009, the conditions purportedly imposed by these sections cannot be satisfied.

- To the extent that Section 727 of the bill purports to alter the statutory mandates relating to contracts and procurement under The Management and Budget Act, the provision contravenes Section 25 of Article IV of the Michigan Constitution of 1963, and is unenforceable. On matters relating to procurement and contracts, state departments and agencies shall continue to comply with The Management and Budget Act and Executive Directive 2009-3.

- Sections 715(3), 938, 939, 1002(6) of the bill include statements of legislative intent. While the Legislature has the right to state its advice, preferences, or wishes through a statement of intent, such statements do not impose conditions upon appropriations and are non-binding.

While I found it necessary to disapprove of several items in this bill, I thank the Michigan Senate for presenting me with a general government budget.

Respectfully,



Jennifer M. Granholm
Governor

cc: Michigan House of Representatives
The Honorable Terri Lynn Land

HIGHER EDUCATION

Act No. 132
Public Acts of 2009
Approved by the Governor
October 29, 2009
Filed with the Secretary of State
October 30, 2009
EFFECTIVE DATE: October 30, 2009

STATE OF MICHIGAN
95TH LEGISLATURE
REGULAR SESSION OF 2009

Introduced by Rep. Bauer

ENROLLED HOUSE BILL No. 4441

AN ACT to make appropriations for the state institutions of higher education and certain state purposes related to education for the fiscal year ending September 30, 2010; to provide for the expenditures of those appropriations; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.

The People of the State of Michigan enact:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for higher education for the fiscal year ending September 30, 2010, from the funds indicated in this part.

HIGHER EDUCATION

APPROPRIATION SUMMARY		
Full-time equated classified positions	1.0	
GROSS APPROPRIATION		$ 1,612,243,300
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION		$ 1,612,243,300
Federal revenues:		
Total federal revenues		74,138,000
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		30,400,100
State general fund/general purpose		$ 1,507,705,200

	For Fiscal Year Ending Sept. 30, 2010

SUBPART A - RESEARCH UNIVERSITIES

Sec. 102. MICHIGAN STATE UNIVERSITY

Operations	$	291,841,700
Agricultural experiment station		34,198,900
Cooperative extension service		29,497,000
GROSS APPROPRIATION	$	355,537,600
Appropriated from:		
Federal revenues:		
DED - state fiscal stabilization fund - education (ARRA)		35,687,600
State general fund/general purpose	$	319,850,000

Sec. 103. UNIVERSITY OF MICHIGAN - ANN ARBOR

Operations	$	325,347,400
GROSS APPROPRIATION	$	325,347,400
Appropriated from:		
Federal revenues:		
DED - state fiscal stabilization fund - education (ARRA)		8,775,400
State general fund/general purpose	$	316,572,000

Sec. 104. WAYNE STATE UNIVERSITY

Operations	$	220,329,200
GROSS APPROPRIATION	$	220,329,200
Appropriated from:		
Federal revenues:		
DED - state fiscal stabilization fund - education (ARRA)		6,003,800
State general fund/general purpose	$	214,325,400

SUBPART B - STATE UNIVERSITIES

Sec. 105. CENTRAL MICHIGAN UNIVERSITY

Operations	$	82,436,000
GROSS APPROPRIATION	$	82,436,000
Appropriated from:		
Federal revenues:		
DED - state fiscal stabilization fund - education (ARRA)		2,342,100
State general fund/general purpose	$	80,093,900

Sec. 106. EASTERN MICHIGAN UNIVERSITY

Operations	$	78,212,100
GROSS APPROPRIATION	$	78,212,100
Appropriated from:		
Federal revenues:		
DED - state fiscal stabilization fund - education (ARRA)		2,246,500
State general fund/general purpose	$	75,965,600

Sec. 107. FERRIS STATE UNIVERSITY

Operations	$	50,017,100
GROSS APPROPRIATION	$	50,017,100
Appropriated from:		
Federal revenues:		
DED - state fiscal stabilization fund - education (ARRA)		1,395,300
State general fund/general purpose	$	48,621,800

Sec. 108. GRAND VALLEY STATE UNIVERSITY

Operations	$	63,758,300
GROSS APPROPRIATION	$	63,758,300

		For Fiscal Year Ending Sept. 30, 2010
Appropriated from:		
Federal revenues:		
DED - state fiscal stabilization fund - education (ARRA)	$	1,739,900
State general fund/general purpose	$	62,018,400
Sec. 109. LAKE SUPERIOR STATE UNIVERSITY		
Operations	$	13,059,200
GROSS APPROPRIATION	$	13,059,200
Appropriated from:		
Federal revenues:		
DED - state fiscal stabilization fund - education (ARRA)		477,600
State general fund/general purpose	$	12,581,600
Sec. 110. MICHIGAN TECHNOLOGICAL UNIVERSITY		
Operations	$	49,302,100
GROSS APPROPRIATION	$	49,302,100
Appropriated from:		
Federal revenues:		
DED - state fiscal stabilization fund - education (ARRA)		1,431,300
State general fund/general purpose	$	47,870,800
Sec. 111. NORTHERN MICHIGAN UNIVERSITY		
Operations	$	46,438,200
GROSS APPROPRIATION	$	46,438,200
Appropriated from:		
Federal revenues:		
DED - state fiscal stabilization fund - education (ARRA)		1,289,300
State general fund/general purpose	$	45,148,900
Sec. 112. OAKLAND UNIVERSITY		
Operations	$	52,220,800
GROSS APPROPRIATION	$	52,220,800
Appropriated from:		
Federal revenues:		
DED - state fiscal stabilization fund - education (ARRA)		1,530,100
State general fund/general purpose	$	50,690,700
Sec. 113. SAGINAW VALLEY STATE UNIVERSITY		
Operations	$	28,517,700
GROSS APPROPRIATION	$	28,517,700
Appropriated from:		
Federal revenues:		
DED - state fiscal stabilization fund - education (ARRA)		807,600
State general fund/general purpose	$	27,710,100
Sec. 114. UNIVERSITY OF MICHIGAN - DEARBORN		
Operations	$	25,437,100
GROSS APPROPRIATION	$	25,437,100
Appropriated from:		
Federal revenues:		
DED - state fiscal stabilization fund - education (ARRA)		733,500
State general fund/general purpose	$	24,703,600
Sec. 115. UNIVERSITY OF MICHIGAN - FLINT		
Operations	$	21,498,900
GROSS APPROPRIATION	$	21,498,900
Appropriated from:		
Federal revenues:		
DED - state fiscal stabilization fund - education (ARRA)		627,200
State general fund/general purpose	$	20,871,700

		For Fiscal Year Ending Sept. 30, 2010
Sec. 116. WESTERN MICHIGAN UNIVERSITY		
Operations	$	112,766,800
GROSS APPROPRIATION	$	112,766,800
Appropriated from:		
Federal revenues:		
DED - state fiscal stabilization fund - education (ARRA)		3,150,800
State general fund/general purpose	$	109,616,000

SUBPART C - GRANTS AND FINANCIAL AID

Sec. 117. STATE AND REGIONAL PROGRAMS		
Full-time equated positions 1.0		
Higher education database modernization and conversion—1.0 FTE position	$	105,000
Midwestern higher education compact		95,000
GROSS APPROPRIATION	$	200,000
Appropriated from:		
State general fund/general purpose	$	200,000

Sec. 118. MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA PARKS PROGRAM		
Select student support services	$	1,956,100
Michigan college/university partnership program		586,800
Morris Hood, Jr. educator development program		148,600
GROSS APPROPRIATION	$	2,691,500
Appropriated from:		
State general fund/general purpose	$	2,691,500

Sec. 119. GRANTS AND FINANCIAL AID		
State competitive scholarships	$	17,608,500
Tuition grants		31,664,700
Robert C. Byrd honors scholarship program		1,500,000
Michigan merit award program		100
Tuition incentive program		31,200,000
Children of veterans tuition grant program		1,000,000
Project gear-up		1,500,000
GROSS APPROPRIATION	$	84,473,300
Appropriated from:		
Federal revenues:		
Higher education act of 1965, title IV, 20 USC		2,900,000
Higher education act of 1965, title IV, part A		1,500,000
United States department of education, office of elementary and secondary education, gear-up		1,500,000
Special revenue funds:		
Michigan merit award trust fund		30,100,100
Contributions to children of veterans tuition grant program		300,000
State general fund/general purpose	$	48,173,200

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under this act for fiscal year 2009-2010 is $1,538,105,300.00 and state spending from state resources to be paid to local units of government for fiscal year 2009-2010 is $0.

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

Sec. 203. As used in this act, "research university" means a public university classified as a "research university (very high research activity)" under the 2005 classification of institutions of higher education conducted by the Carnegie foundation for the advancement of teaching.

Sec. 208. Unless otherwise specified, public universities receiving appropriations in part 1 shall use the Internet to fulfill the reporting requirements of this act. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on 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 and services, or both, are available. Preference should be given to goods or services, or both, manufactured or provided by Michigan businesses if they are competitively priced and of comparable value. 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. It is the intent of the legislature that the funds appropriated in part 1 to state institutions of higher education shall not be used to enter into a lease or to purchase a vehicle assembled or manufactured outside of the United States, and that preference be given to vehicles assembled or manufactured in Michigan.

Sec. 212. (1) The funds appropriated in part 1 to public universities shall be paid out of the state treasury and distributed by the state treasurer to the respective institutions in 11 equal monthly installments on the sixteenth of each month, or the next succeeding business day, beginning with October 16, 2009. Except for Wayne State University, each institution shall accrue its July and August 2010 payments to its institutional fiscal year ending June 30, 2010.

(2) All public universities shall submit higher education institutional data inventory (HEIDI) data and associated financial and program information requested by and in a manner prescribed by the state budget director. For public universities with fiscal years ending June 30, 2009, these data shall be submitted to the state budget director by October 15, 2009. Public universities with a fiscal year ending September 30, 2009 shall submit preliminary HEIDI data by November 15, 2009 and final data by December 15, 2009. If a public university fails to submit HEIDI data and associated financial aid program information in accordance with this reporting schedule, the state treasurer shall withhold the monthly installments under subsection (1) to the public university until those data are submitted.

(3) A detailed description of procedures utilized to arrive at the amounts appropriated in part 1 shall be submitted to each institution by the senate and house fiscal agencies.

Sec. 213. Funds received by the state from the federal government or private sources for the use of a college or university are appropriated for the purposes for which they are provided. The acceptance and use of federal or private funds do not place an obligation upon the legislature to continue the purposes for which the funds are made available.

Sec. 214. If section 274 of the income tax act of 1967, 1967 PA 281, MCL 206.274, is not repealed and if a public university that receives funds under this act notifies the department of treasury regarding its tuition and fee rates in order to qualify as an eligible institution for the Michigan tuition tax credit under section 274 of the income tax act of 1967, 1967 PA 281, MCL 206.274, the public university shall also submit the notification and applicable documentation of tuition and fee changes to the house and senate fiscal agencies.

Sec. 215. A public university that receives funds under this act shall furnish all program and financial information that is required by and in a manner prescribed by the state budget director or the house or senate appropriations committee.

Sec. 216. A public university receiving funds in part 1 shall cooperate with all measures taken by the state to comply with the state fiscal stabilization fund provisions of the American recovery and reinvestment act of 2009, Public Law 111-5, requiring the establishment of a statewide P-16 education longitudinal data system.

Sec. 217. It is the intent of the legislature that the governing board of each public university examine university operations for potential conflicts of interest.

GRANTS AND FINANCIAL AID

Sec. 301. (1) Payments of the amounts included in part 1 for the state competitive scholarship program shall be distributed pursuant to 1964 PA 208, MCL 390.971 to 390.981.

(2) The Michigan higher education assistance authority shall implement a proportional competitive scholarship maximum award level for recipients enrolled less than full-time in a given semester or term.

(3) If a student who receives an award under this section has his or her tuition and fees paid under the Michigan educational trust program, pursuant to the Michigan education trust act, 1986 PA 316, MCL 390.1421 to 390.1442, and still has financial need, the funds awarded under this section may be used for educational expenses other than tuition and fees.

(4) If the Michigan higher education assistance authority increases the maximum award per eligible student from that provided in the previous fiscal year, it shall not have the effect of reducing the number of eligible students receiving awards in relation to the total number of eligible applicants. Any increase in the maximum grant shall be proportional for all eligible students receiving awards.

(5) Students who receive aid under 1964 PA 208, MCL 390.971 to 390.981, shall be awarded scholarships on the basis of merit and financial need. Veterans administration benefits shall not be considered in determining eligibility under 1964 PA 208, MCL 390.971 to 390.981.

Sec. 302. (1) The amounts appropriated in part 1 for the state tuition grant program shall be distributed pursuant to 1966 PA 313, MCL 390.991 to 390.997a.

(2) Tuition grant awards shall be made to all eligible Michigan residents enrolled in undergraduate degree programs who apply before July 1, 2009 and who are qualified. Tuition grant awards shall not be made to students newly enrolled in a juris doctor law degree program after the 1995-1996 academic year.

(3) Subject to subsection (7), the Michigan higher education assistance authority shall determine an actual maximum tuition grant award per student, which shall be no less than $2,100.00, that ensures that the aggregate payments for the tuition grant program do not exceed the appropriation contained in part 1 for the state tuition grant program. If the authority determines that insufficient funds are available to establish a maximum award amount of $2,100.00, the authority shall immediately report to the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget director, regarding the estimated amount of additional funds necessary to establish a $2,100.00 maximum award amount. By December 15, 2009, and again by February 1, 2010, the authority shall analyze the status of award commitments, shall make any necessary adjustments, and shall confirm that those award commitments will not exceed the appropriation contained in part 1 for the tuition grant program. The determination and actions shall be reported to the state budget director and the house and senate fiscal agencies no later than February 15, 2010. If award adjustments are necessary, the students shall be notified of the adjustment by the third Monday in February.

(4) Any unexpended and unencumbered funds remaining on September 30, 2010 from the amounts appropriated in part 1 for the tuition grant program shall not lapse on September 30, 2010, but shall continue to be available for expenditure for tuition grants provided in the 2010-2011 fiscal year under a work project account. The use of these unexpended fiscal year 2009-2010 funds shall terminate at the end of the 2010-2011 fiscal year.

(5) The Michigan higher education assistance authority shall continue a proportional tuition grant maximum award level for recipients enrolled less than full-time in a given semester or term.

(6) If the Michigan higher education assistance authority increases the maximum award per eligible student from that provided in the previous fiscal year, it shall not have the effect of reducing the number of eligible students receiving awards in relation to the total number of eligible applicants. Any increase in the maximum grant shall be proportional for all eligible students receiving awards for fiscal year 2009-2010.

(7) The Michigan higher education assistance authority shall not award more than $3,000,000.00 in tuition grants to eligible students enrolled in the same independent nonprofit college or university in this state. Any decrease in the maximum grant shall be proportional for all eligible students enrolled in that college or university, as determined by the department.

Sec. 307. The auditor general may audit selected enrollments, degrees, and awards at selected independent colleges and universities receiving awards administered by the department of treasury. The audits shall be based upon definitions and requirements established by the Michigan higher education assistance authority, the state budget director, and the senate and house fiscal agencies. The auditor general shall accept the Free Application for Federal Student Aid (FAFSA) form as the standard of residency documentation. The auditor general shall submit a report of findings to the senate and house appropriations committees and state budget director by May 1, 2010.

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

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

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

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

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

(2) As used in this section:

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

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

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

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

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

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

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

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

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

(*v*) Request information on filing a FAFSA.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 315. By February 15 of each year, the department of treasury shall submit a report to the state budget director, the house and senate appropriations subcommittees on higher education, and the house and senate fiscal agencies for the preceding fiscal year on all student financial aid programs for which funds are appropriated in part 1. For each student financial aid program, the report shall include, but is not limited to, the total number of awards paid in the preceding fiscal year, the total dollar amount of those awards, and the number of students receiving awards and the total amount of those awards at each eligible postsecondary institution. To the extent information is available, the report shall also include information on the average exam performance, household income, and other demographic characteristics of students receiving awards under each program and historical information on the number of awards and total award amounts for each program.

Sec. 316. It is the intent of the legislature that a workgroup be formed to examine current state financial aid programs and make recommendations regarding any changes to, additions to, or consolidation of those programs to improve the overall efficacy of state financial aid funding. The workgroup shall, at minimum, contain members of the house and senate appropriations subcommittees on higher education and representatives of the presidents council, state universities of Michigan, the Michigan community colleges association, and the association of independent colleges and universities of Michigan.

Sec. 317. It is the intent of the legislature that if the economy improves, and additional state revenue is available, 1 of the foremost priorities for the expenditure of additional revenue in the higher education budget will be to fund Michigan tuition grants authorized under 1966 PA 313, MCL 390.991 to 390.997a.

Sec. 318. It is the intent of the legislature that if the economy improves, and additional state revenue is available, 1 of the foremost priorities for the expenditure of additional revenue in the higher education budget will be to fund the provisions of the Michigan promise grant act, 2006 PA 479, MCL 390.1621 to 390.1628.

Sec. 319. It is the intent of the legislature that if the economy improves, and additional state revenue is available, all of the following are among the foremost priorities for the expenditure of additional revenue in the higher education budget:

(a) The state competitive scholarship program established in 1964 PA 208, MCL 390.971 to 390.981.

(b) The Michigan nursing scholarship program established in the Michigan nursing scholarship act, 2002 PA 591, MCL 390.1181 to 390.1189.

(c) The Michigan work study programs established in 1986 PA 303, MCL 390.1321 to 390.1332, and 1986 PA 288, MCL 390.1371 to 390.1382.

(d) The part-time independent student grant program established in 1986 PA 102, MCL 390.1281 to 390.1288.

(e) The Michigan education opportunity grant program established in 1986 PA 273, MCL 390.1401 to 390.1409.

UNIVERSITY OPERATIONS

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

Sec. 426. (1) It is the legislative intent that private bookstores that sell textbooks to university students and student governments that provide a book swap for university students have accurate and timely access to lists of universities' required textbooks in order to provide prompt and efficient service for students. It is further the legislative intent that each public university allow students who are on financial aid or are receiving tuition grants to decide where to purchase their textbooks.

(2) It is the intent of the legislature that each public university that provides for the use of funds in a university-administered account or financial aid for the purchase of required textbooks and supplies at bookstores operated by or affiliated with the university shall also provide for the use of funds in a university-administered account or financial aid at bookstores providing required textbooks or supplies that are not operated by or affiliated with the university. A public university may require bookstores not operated by or affiliated with the university to reimburse the university for any reasonable costs attributable to these transactions and to pay a reasonable rate or commission to the university or a fixed fee agreed to by both parties.

(3) It is the intent of the legislature that each public university receiving an appropriation in part 1 shall establish a process to review university requirements for students to acquire new or revised textbooks. The policies developed for this process shall include criteria for approving any change in textbook requirements for students and shall prohibit any compensation to a university or to a university employee if a textbook change is approved. Not later than February 1, 2010, each public university shall submit a report to the house and senate appropriations subcommittees on higher education and the house and senate fiscal agencies on its efforts to establish this textbook review process.

Sec. 433. (1) Included in part 1 is $2,982,900.00 for the agricultural experiment station and $2,645,200.00 for the cooperative extension service for project GREEEN. Project GREEEN is intended to address critical regulatory, food safety, economic, and environmental problems faced by this state's plant-based agriculture, forestry, and processing industries. "GREEEN" is an acronym for generating research and extension to meet environmental and economic needs.

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

(3) It is the intent of the legislature that if state funding for the agricultural experiment station and the cooperative extension service is restored to fiscal year 2008-2009 levels, then an additional amount up to $3,500,000.00 shall be earmarked for bioeconomy research.

(4) Not later than September 30, 2010, a report shall be submitted by Michigan State University to the state budget director, the house and senate appropriations subcommittees on agriculture and on higher education, and the house and senate fiscal agencies for the preceding school fiscal year regarding expenditures and programmatic outcomes of the agricultural experiment station and cooperative extension service. The report shall include, but is not limited to:

(a) Total funds expended by the agricultural experiment station and cooperative extension service identified by state, local, private, federal, and university fund sources.

(b) The dollar amount of each project GREEEN project and a review of each project's performance and accomplishments.

(c) The dollar amount of each bioeconomy research and development project and a review of each project's performance and accomplishments.

(d) The dollar amount and description of all other individual programs and services provided by the agricultural experiment station and cooperative extension service and a review of each project's performance and accomplishments.

(e) The number of businesses created or that had increased employment and the number of patents generated as a result of work conducted by the agricultural experiment station and cooperative extension service.

Sec. 434. Included in the appropriation in part 1 for Michigan State University is $80,000.00 for the Michigan future farmers of America association. This $80,000.00 appropriation shall not supplant any existing support that Michigan State University provides to the Michigan future farmers of America association.

Sec. 436. (1) The funds appropriated to public universities in part 1 from the education portion of the state fiscal stabilization funds received under the American recovery and reinvestment act of 2009, Public Law 111-5, shall be used by the public universities, consistent with the provisions of that act, to mitigate the need to raise tuition and fees for in-state students or for modernization, renovation, or repair of facilities that are primarily used for instruction, research, or student housing.

(2) By November 1, 2009, each public university shall submit a report to the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget director specifically describing how the funds appropriated from state fiscal stabilization funds will be used under subsection (1). That description shall include 1, or both, of the following:

(a) A detailed estimate of the amount by which increases in in-state tuition and fee rates were mitigated using the funds appropriated.

(b) A listing of facilities being modernized, renovated, or repaired with the funds appropriated, including project dollar amounts and descriptions.

Sec. 440. All public universities shall submit the amount of tuition and fees actually charged to a full-time resident undergraduate student for academic year 2009-2010 as part of their higher education institutional data inventory (HEIDI) data by August 31, 2009. A public university shall report any revisions for any semester of the reported academic year 2009-2010 tuition and fee charges to HEIDI within 15 days of being adopted.

Sec. 450. (1) For the fiscal year ending September 30, 2010, it is the intent of the legislature that an amount calculated under subsection (2) be allocated for per-student floor funding from the general fund/general purpose unreserved balances at the close of the 2008-2009 fiscal year.

(2) The amount allocated under subsection (1) for per-student floor funding is equal to $3,775.00 per 2007-2008 fiscal-year-equated student at each university. The number of 2007-2008 students at a university is determined by reference to the higher education institutional data inventory (HEIDI).

Sec. 451. For the fiscal year ending September 30, 2010, it is the intent of the legislature that funds be allocated for unfunded North American Indian tuition waiver costs incurred by public universities under 1976 PA 174, MCL 390.1251 to 390.1253, from the general fund/general purpose unreserved balances at the close of the 2008-2009 fiscal year.

Sec. 460. From the amount appropriated in part 1 to Central Michigan University for operations, $29,700.00 shall be paid to Saginaw Chippewa Tribal College for the costs of waiving tuition for North American Indians under 1976 PA 174, MCL 390.1251 to 390.1253.

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

Sec. 463. Not later than February 1, 2010, each of the public universities receiving appropriations in part 1 shall submit to the state budget director, members of the house of representatives and the senate, and the house and senate fiscal agencies a report on the number of residents from an eligible county enrolled at the university and the quantifiable increase from the 2008-2009 academic year to the 2009-2010 academic year in outreach efforts to enroll students at the university from an eligible county. As used in this section, "eligible county" means a county in this state that meets both of the following:

(a) Has a population of not less than 700,000 and not more than 1,000,000 according to the most recent federal decennial census.

(b) Does not contain the main campus of a 4-year public university within its boundaries.

Sec. 464. Each public university receiving an appropriation in part 1 shall submit a plan by January 15, 2010 to the state budget director, the house and senate appropriations subcommittees on higher education, and the house and senate fiscal agencies on its process to inform both the private and public sectors regarding research and technology that could be developed commercially.

Sec. 466. Public universities shall coordinate their purchases of goods and services whenever possible. This may include, but is not limited to, group purchases for vehicles, utilities, supplies, electronic equipment, maintenance equipment, books, and contractual services. To the extent possible, the public universities shall use both the "Michigan delivering extended agreements locally" (MiDEAL) purchasing services of the state department of management and budget that makes state contracts available to local units of government, colleges, and universities and the purchasing services available through the state's membership in the Midwestern Higher Education Compact (MHEC). Not later than January 1 of each year, the presidents council, state universities of Michigan shall submit to the members of the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget director a report on group or pooled purchases and the savings achieved by the public universities in the previous fiscal year.

Sec. 469. By November 14, 2009, each public university receiving an appropriation in part 1 shall report the number of undergraduate students who graduated in academic year 2008-2009 and received a Pell grant at any time during their enrollment at that university to the members of the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget director.

Sec. 471. (1) It is the intent of the legislature that each public university receiving an appropriation in part 1 limit any changes to the general requirements or credits needed for a student to graduate from a degree program while that student is enrolled in that program.

(2) It is the intent of the legislature that each public university receiving an appropriation in part 1, to the extent possible, provide sufficient counseling to students to facilitate the timely graduation of those students.

Sec. 480. (1) It is the intent of the legislature that each public university receiving an appropriation in part 1 do all of the following:

(a) Meet the provisions of section 5003 of the post-911 veterans educational assistance act of 2008, title V of Public Law 110-252, 38 USC 3301 to 3324, including voluntary participation in the yellow ribbon GI education enhancement program established in that act in 38 USC 3317. By October 1 of each year, each public university shall report to the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the presidents council, state universities of Michigan on whether or not it has chosen to participate in the yellow ribbon GI education enhancement program. If at any time during the fiscal year a university participating in the yellow ribbon program chooses to leave the yellow ribbon program, it shall notify the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the presidents council, state universities of Michigan.

(b) Establish an on-campus veterans' liaison to provide information and assistance to all student veterans.

(c) Provide flexible enrollment application deadlines for all veterans.

(2) As used in this section, "veteran" means an honorably discharged veteran entitled to educational assistance under the provisions of section 5003 of the post-911 veterans educational assistance act of 2008, title V of Public Law 110-252, 38 USC 3301 to 3324.

STATE AND REGIONAL PROGRAMS

Sec. 490. The funds appropriated in part 1 for higher education database modernization and conversion shall be expended to maintain, coordinate, and improve the higher education institutional data inventory (HEIDI) established under section 1299 of the management and budget act, 1984 PA 431, MCL 18.1299. The advisory committee established under that section shall meet regularly to review data definitions and requirements in order to advise the state budget director regarding changes to those definitions and requirements that would result in more useful and reliable data being provided to state policymakers and university officials.

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

Sec. 501. (1) Included in the appropriation for each public university in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks future faculty program that is intended to increase the pool of academically or economically disadvantaged candidates pursuing faculty teaching careers in postsecondary education. Preference may not be given to applicants on the basis of race, color, ethnicity, gender, or national origin. Institutions should encourage applications from applicants who would otherwise not adequately be represented in the graduate student and faculty populations. Each public university shall apply the percentage change applicable to every public university in the calculation of appropriations in part 1 to the amount of funds allocated to the future faculty program.

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

Sec. 502. (1) Included in the appropriation for each public university in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks college day program that is intended to introduce academically or economically disadvantaged schoolchildren to the potential of a college education. Preference may not be given to participants on the basis of race, color, ethnicity, gender, or national origin. Public universities should encourage participation from those who would otherwise not adequately be represented in the student population.

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

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

Sec. 503. (1) Included in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks select student support services program for developing academically or economically disadvantaged student retention programs for 4-year public and independent educational institutions in this state. Preference may not be given to participants on the basis of race, color, ethnicity, gender, or national origin. Institutions should encourage participation from those who would otherwise not adequately be represented in the student population.

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

(3) The program described in this section shall be administered by the Michigan department of energy, labor, and economic growth.

Sec. 504. (1) Included in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks college/university partnership program between 4-year public and independent colleges and universities and public community colleges, which is intended to increase the number of academically or economically disadvantaged students who transfer from community colleges into baccalaureate programs. Preference may not be given to participants on the basis of race, color, ethnicity, gender, or national origin. Institutions should encourage participation from those who would otherwise not adequately be represented in the transfer student population.

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

(3) The program described in this section shall be administered by the Michigan department of energy, labor, and economic growth.

Sec. 505. (1) Included in the appropriation for each public university in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks visiting professors program which is intended to increase the number of instructors in the classroom to provide role models for academically or economically disadvantaged students. Preference may not be given to participants on the basis of race, color, ethnicity, gender, or national origin. Public universities should encourage participation from those who would otherwise not adequately be represented in the student population.

(2) The program described in this section shall be administered by the Michigan department of energy, labor, and economic growth.

Sec. 506. (1) Included in the appropriation in part 1 is funding under the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks initiative for the Morris Hood, Jr. educator development program which is intended to increase the number of academically or economically disadvantaged students who enroll in and complete K-12 teacher education programs at the baccalaureate level. Preference may not be given to participants on the basis of race, color, ethnicity, gender, or national origin. Institutions should encourage participation from those who would otherwise not adequately be represented in the teacher education student population.

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

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

Sec. 507. Each institution receiving funds under section 503, 504, or 506 shall notify the Michigan department of energy, labor, and economic growth by April 15, 2010 as to whether it will expend by the end of its fiscal year the funds received under section 503, 504, or 506. Notwithstanding the award limitations in sections 503 and 504, the amount of funding reported as not being expended will be reallocated to the institutions that intend to expend all funding received under section 503, 504, or 506.

STUDENT PERFORMANCE REPORTING

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

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

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

Sec. 603. Public universities shall work with the state community colleges to encourage the transfer of students from the community colleges to the state universities and to facilitate the transfer of credits from the community colleges to the public universities.

GENERAL REPORTS AND AUDITS

Sec. 701. (1) The auditor general shall review higher education institutional data inventory (HEIDI) enrollment data submitted by all public universities and may perform audits of selected public universities if determined necessary. The review and audits shall be based upon the definitions, requirements, and uniform reporting categories established by the state budget director and the house and senate fiscal agencies in consultation with the HEIDI advisory committee. The auditor general shall submit a report of findings to the house and senate appropriations committees and the state budget director no later than July 1, 2010.

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

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

(b) Student credit hours generated through distance learning instruction for students not eligible for the public university's in-state main campus resident tuition rate. However, in instances where a student is enrolled in distance education and non-distance education credit hours in a given term and the student's non-distance education enrollment is at a campus or site located within Michigan, student credit hours per the student's eligibility for in-state or out-of-state tuition rates may be reported.

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

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

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

(*i*) Represent new options, fields, or concentrations within existing programs.

(*ii*) Are consistent with the current institutional role and mission.

(*iii*) Are accommodated within the continuing funding base of the public university.

(*iv*) Do not require a new degree level beyond that which the public university is currently authorized to grant within that discipline or field.

(*v*) Do not require funding from the state other than that provided by the student credit hours generated within the program, either before program initiation or within the first 3 years of program operation.

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

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

Sec. 701a. (1) Pursuant to section 701(2)(e), public universities may establish the following degree programs:

(a) Bachelor's degree programs:
Central Michigan University, Photojournalism, B.A./B.S.
Central Michigan University, Online Journalism Major, B.A./B.S.
Eastern Michigan University, Sport Management, B.A./B.S.

Eastern Michigan University, Simulation, Animation and Gaming, B.A./B.S.
Ferris State University, Business Data Analytics, B.S.
Grand Valley State University, Women and Gender Studies, B.A./B.S.
Lake Superior State University, Applied Geographic Information Studies, B.S.
Lake Superior State University, Fish Health, B.S.
Michigan State University, Arabic, B.A.
Northern Michigan University, Art History, B.A.
Oakland University, Writing and Rhetoric, B.A.
Oakland University, Japanese, B.A.
University of Michigan - Ann Arbor, Art and Design, B.A.
University of Michigan - Dearborn, Social Studies Major, B.A.
Western Michigan University, Community and Regional Planning, B.S.
Western Michigan University, Child and Family Development, B.S.

(b) Master's degree programs:
Ferris State University, Educational Leadership, M.S.
Michigan State University, Business Research, M.S.
University of Michigan - Ann Arbor, Robotics and Autonomous Vehicles, Master of Engineering
University of Michigan - Flint, Art Administration, M.A.
Western Michigan University, Criminology, Law and Public Policy, M.A.
Western Michigan University, Music, M.A.

(c) Doctoral degree programs:
Grand Valley State University, Doctor of Nursing Practice, D.N.P.
Oakland University, Electrical and Computer Engineering, Ph.D.
University of Michigan - Dearborn, Information Systems Engineering, Ph.D.
University of Michigan - Dearborn, Automotive Systems Engineering, Ph.D.
University of Michigan - Dearborn, Doctorate in Education, Ed.D.

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

(3) When submitting the listing of new degree programs for purposes of section 701(2)(e), the presidents council of state universities shall also provide a listing of degree programs that institutions of higher education will no longer offer in subsequent academic years.

Sec. 702. The principal executive officer of each public university receiving an appropriation under part 1 shall expend a portion of the funds appropriated to that public university to make a report to the auditor general, the house and senate fiscal agencies, and the state budget director within 60 days after the auditor general issues his or her report on the operation of the institution. The public university's report shall specify all of the following:

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

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

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

Sec. 708. The auditor general may conduct performance audits of public universities receiving funds in part 1 during the fiscal year ending September 30, 2010 as the auditor general considers necessary.

Sec. 709. A public university receiving funds under part 1 and also subject to the student right-to-know and campus security act, Public Law 101-542, 104 Stat. 2381, shall make a copy of all material prepared pursuant to the public information reporting requirements under the crime awareness and campus security act of 1990, title II of the student right-to-know and campus security act, Public Law 101-542, 104 Stat. 2381, available in electronic Internet format on their websites.

Sec. 714. A public university receiving funds under this act and also subject to the family educational rights and privacy act (FERPA), 20 USC 1232g, 34 CFR part 99, shall, when requested, provide information from the records of a student to any person or persons to whom the student has authorized disclosure on a written consent form pursuant to 34 CFR 99.30.

This act is ordered to take immediate effect.

Richard J. Brown

Clerk of the House of Representatives

Carol Morey Viventi

Secretary of the Senate

Approved .....

.....

Governor

HUMAN SERVICES

Act No. 129
Public Acts of 2009
Approved by the Governor*
October 29, 2009
Filed with the Secretary of State
October 30, 2009
EFFECTIVE DATE: October 30, 2009

*Item Vetoes

Sec. 105. ADULT AND FAMILY SERVICES

Marriage initiative	$	2,103,700	(Page 3)
Fatherhood initiative		1,466,200	

Sec. 106. CHILDREN'S SERVICES

Teenage parent counseling—2.3 FTE positions	$	3,000,000	(Page 3)
Family group decision-making		2,300,000	
Communities in schools		200,000	
Child care fund in-home care incentive program		3,750,000	

Sec. 112. PUBLIC ASSISTANCE

Day care services grants and contracts	$	3,275,000	(Page 6)

Sec. 114. FEDERAL ARRA STIMULUS

Food bank funding (ARRA)	$	100	(Page 6)
Elder law of Michigan food for the elderly (ARRA).		100	
Eligibility specialists (ARRA)		100	
Day care services (ARRA)		100	

Sec. 286.
Entire Section. (Page 13)

Sec. 288.
Entire Section. (Page 13)

Sec. 295.
Entire Section. (Pages 13-14)

Sec. 299.
Entire Section. (Page 14)

Sec. 312.
Entire Section. (Page 15)

Sec. 415.
Entire Section. (Page 15)

Sec. 416.
Entire Section. (Pages 15-16)

Sec. 423. (3)
Entire Subsection. (Page 16)

Sec. 523. (2)
The words: “teenage parent counseling." (Page 19)

Sec. 523. (3)
Entire Subsection. (Page 19)

Sec. 573.
Entire Section. (Page 22)

Sec. 581.
Entire Section. (Page 23)

Sec. 587.
Entire Section. (Page 24)

Sec. 613. (2)
Entire Subsection. (Page 26)

Sec. 657.
Entire Section. (Page 27)

Sec. 676.
Entire Section. (Page 29)

Sec. 754.
Entire Section. (Page 33)

Sec. 908.
Entire Section. (Page 34)

Sec. 1104.
Entire Section. (Page 35)

Sec. 1201.
Entire Section. (Page 35)

Sec. 1202.
Entire Section. (Page 35)

Sec. 1203.
Entire Section. (Page 35)

Sec. 1204.
Entire Section. (Page 35)

STATE OF MICHIGAN
95TH LEGISLATURE
REGULAR SESSION OF 2009

Introduced by Senator Hardiman

ENROLLED SENATE BILL No. 248

A bill to make appropriations for the department of human services and certain state purposes related to public welfare services for the fiscal year ending September 30, 2010; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to provide for reports; to provide for the disposition of fees and other income received by the state agency; and to provide for the powers and duties of certain individuals, local governments, and state departments, agencies, and officers.

The People of the State of Michigan enact:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of human services for the fiscal year ending September 30, 2010, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF HUMAN SERVICES

APPROPRIATION SUMMARY		
Full-time equated classified positions	10,905.8	
Unclassified positions	6.0	
Total full-time equated positions	10,911.8	
GROSS APPROPRIATION		$ 5,941,404,700
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		2,426,600
ADJUSTED GROSS APPROPRIATION		$ 5,938,978,100
Federal revenues:		
Federal - FMAP stimulus		17,314,900
Federal - Food assistance administration (ARRA)		5,642,900
Total federal revenues		4,951,052,800
Special revenue funds:		
Total private revenues		10,184,700
Total local revenues		37,498,800
Total other state restricted revenues		57,015,400
State general fund/general purpose		$ 860,268,600

		For Fiscal Year Ending Sept. 30, 2010
Sec. 102. EXECUTIVE OPERATIONS		
Total full-time equated positions	621.7	
Full-time equated unclassified positions	6.0	
Full-time equated classified positions	615.7	
Unclassified salaries—6.0 FTE positions		$ 647,900
Salaries and wages—244.7 FTE positions		15,480,600
Contractual services, supplies, and materials		5,697,700
Demonstration projects—9.0 FTE positions		9,424,100
Inspector general salaries and wages—99.0 FTE positions		5,868,000
Electronic benefit transfer EBT		6,491,500
Michigan community service commission—15.0 FTE positions		9,101,600
AFC, children's welfare and day care licensure—222.0 FTE positions		23,562,600
State office of administrative hearings and rules		5,559,300
Bridges support staff —26.0 FTE positions		2,499,600
GROSS APPROPRIATION		$ 84,332,900
Appropriated from:		
Federal revenues:		
Total federal revenues		57,927,400
Special revenue funds:		
Total private revenues		3,199,600
Total local revenues		175,000
Licensing fees		516,300
Health systems fees and collections		216,100
Total other state restricted revenue		25,000
State general fund/general purpose		$ 22,273,500
Sec. 103. CHILD SUPPORT ENFORCEMENT		
Full-time equated classified positions	198.7	
Child support enforcement operations—192.7 FTE positions		$ 23,322,700
Legal support contracts		138,753,600
Child support incentive payments		32,409,600
State disbursement unit—6.0 FTE positions		17,520,900
GROSS APPROPRIATION		$ 212,006,800
Appropriated from:		
Federal revenues:		
Total federal revenues		195,481,000
Special revenue funds:		
Total local revenues		340,000
Total other state restricted revenues		3,395,000
State general fund/general purpose		$ 12,790,800
Sec. 104. COMMUNITY ACTION AND ECONOMIC OPPORTUNITY		
Full-time equated classified positions	17.0	
Bureau of community action and economic opportunity—17.0 FTE positions		$ 1,971,600
Community services block grant		24,718,000
Weatherization assistance		18,418,700
GROSS APPROPRIATION		$ 45,108,300
Appropriated from:		
Federal revenues:		
Total federal revenues		45,108,300
Special revenue funds:		
State general fund/general purpose		$ 0
Sec. 105. ADULT AND FAMILY SERVICES		
Full-time equated classified positions	40.7	
Executive direction and support—5.0 FTE positions		$ 520,300
Guardian contract		600,000

		For Fiscal Year Ending Sept. 30, 2010
Adult services policy and administration—6.0 FTE positions	$	639,600
Office of program policy—29.7 FTE positions		4,833,900
Employment and training support services		14,735,000
Wage employment verification reporting		848,700
Urban and rural empowerment/enterprise zones		100
Nutrition education		30,000,000
Marriage initiative		2,103,700
Fatherhood initiative		1,466,200
Crisis prevention and elder law of Michigan food for the elderly project		200,000
GROSS APPROPRIATION	$	55,947,500
Federal revenues:		
Total federal revenues		46,484,300
Special revenue funds:		
State general fund/general purpose	$	9,463,200

Sec. 106. CHILDREN'S SERVICES

Full-time equated classified positions 187.3		
Salaries and wages—44.2 FTE positions	$	2,916,400
Contractual services, supplies, and materials		936,300
Foster care payments		159,120,600
Foster care - children with serious emotional disturbance waiver		1,769,000
Adoption subsidies		230,947,000
Adoption support services—7.2 FTE positions		16,395,100
Youth in transition—2.0 FTE positions		18,053,300
Interstate compact		231,600
Children's benefit fund donations		21,000
Teenage parent counseling—2.3 FTE positions		3,000,000
Families first		18,450,700
Strong families/safe children—3.0 FTE positions		10,656,100
Child protection and permanency—37.5 FTE positions		18,847,100
Zero to three		3,843,800
Family group decision making		2,300,000
Family reunification program		3,977,100
Family preservation and prevention services administration—14.5 FTE positions		2,050,200
Children's trust fund administration—12.0 FTE positions		1,053,600
Children's trust fund grants		3,825,100
ECIC, early childhood investment corporation		14,623,000
Attorney general contract		3,374,300
Prosecuting attorney contracts		2,561,700
Child protection—5.0 FTE positions		813,100
Subsidized guardianship program		4,575,000
Domestic violence prevention and treatment—14.6 FTE positions		14,797,800
Rape prevention and services		2,600,000
Title IV-E compliance and accountability office—5.0 FTE positions		397,800
Child welfare institute—40.0 FTE positions		5,943,800
Communities in schools		200,000
Child care fund in-home care incentive program		3,750,000
GROSS APPROPRIATION	$	552,030,500
Appropriated from:		
Interdepartmental grant revenues:		
IDG from DCH - crime victim's fund		1,300,000
ADJUSTED GROSS APPROPRIATION	$	550,730,500
Federal revenues:		
Federal - FMAP stimulus		16,196,800
Total other federal revenues		360,857,100

		For Fiscal Year Ending Sept. 30, 2010
Special revenue funds:		
Private - children's benefit fund donations	$	21,000
Private - collections		3,150,000
Local funds - county chargeback		9,975,800
Compulsive gambling prevention fund		1,040,000
Children's trust fund		3,822,700
State general fund/general purpose	$	155,667,100

Sec. 107. CHILDREN'S RIGHTS SETTLEMENT

Full-time equated classified positions 773.0		
Children's services administration—49.0 FTE positions	$	3,730,100
Children's services contractual services, supplies, and materials		30,600
Settlement monitor		1,625,800
Needs assessment		4,000,000
Child welfare field staff—718.0 FTE positions		37,522,600
Child welfare field staff contractual services, supplies, and materials		383,400
Foster care payments		35,222,100
Child care fund		7,421,700
Adoption subsidies		4,754,700
Adoption support services		15,359,900
Youth in transition		276,200
Travel		450,500
Payroll taxes and fringe benefits		23,267,400
Bureau of children and adult licensing—6.0 FTE positions		540,600
Information technology		2,704,200
Rent		1,558,400
GROSS APPROPRIATION	$	138,848,200
Appropriated from:		
Federal revenues:		
Total federal revenues		44,754,200
Special revenue funds:		
Local funds - county chargeback		4,708,700
State general fund/general purpose	$	89,385,300

Sec. 108. JUVENILE JUSTICE SERVICES

Full-time equated classified positions 248.5		
W.J. Maxey training school—107.0 FTE positions	$	13,447,100
Bay pines center—49.0 FTE positions		5,279,500
Nokomis challenge center		1,246,200
Shawono center—48.0 FTE positions		5,104,200
Community juvenile justice centers		687,000
Child care fund		209,450,300
Child care fund administration—5.8 FTE positions		791,400
County juvenile officers		3,894,700
Community support services—2.0 FTE positions		1,396,600
Juvenile justice, administration and maintenance—31.7 FTE positions		4,232,800
W.J. Maxey memorial fund		45,000
Juvenile accountability block grant—1.0 FTE position		1,300,400
Committee on juvenile justice administration—4.0 FTE positions		519,500
Committee on juvenile justice grants		5,000,000
GROSS APPROPRIATION	$	252,394,700
Appropriated from:		
Federal revenues:		
Total federal revenues		125,832,300
Special revenue funds:		
Total private revenues		45,000

		For Fiscal Year Ending Sept. 30, 2010
Local funds - state share education funds	$	2,523,200
Local funds - county chargeback		11,111,500
State general fund/general purpose	$	112,882,700

Sec. 109. LOCAL OFFICE STAFF AND OPERATIONS

Full-time equated classified positions 8,225.5		
Field staff, salaries and wages—8,004.7 FTE positions	$	416,498,900
Contractual services, supplies, and materials		17,335,200
Medical/psychiatric evaluations		6,300,000
Donated funds positions—156.0 FTE positions		12,440,500
Training and program support—23.0 FTE positions		3,667,500
Food stamp reinvestment—31.8 FTE positions		2,500,000
Wayne County gifts and bequests		100,000
Volunteer services and reimbursement		1,294,900
SSI advocates—10.0 FTE positions		2,190,500
GROSS APPROPRIATION	$	462,327,500
Appropriated from:		
Federal revenues:		
Federal - FMAP stimulus		697,300
Food assistance administration - ARRA		3,526,800
Total other federal revenues		297,338,800
Special revenue funds:		
Local funds		6,372,500
Private funds - donated funds		739,400
Private funds - Wayne County gifts		100,000
Private funds - hospital contributions		2,929,700
Supplemental security income recoveries		702,000
State general fund/general purpose	$	149,921,000

Sec. 110. DISABILITY DETERMINATION SERVICES

Full-time equated classified positions 572.4		
Disability determination operations—546.9 FTE positions	$	83,849,200
Medical consultation program—21.4 FTE positions		2,959,500
Retirement disability determination—4.1 FTE positions		835,000
GROSS APPROPRIATION	$	87,643,700
Appropriated from:		
Interdepartmental grant revenues:		
IDG from DMB - office of retirement systems		1,126,600
ADJUSTED GROSS APPROPRIATION	$	86,517,100
Appropriated from:		
Federal revenues:		
Total federal revenues		83,801,200
Special revenue funds:		
State general fund/general purpose	$	2,715,900

Sec. 111. CENTRAL SUPPORT ACCOUNTS

Rent	$	37,013,400
Occupancy charge		9,180,700
Travel		5,630,500
Equipment		227,300
Worker's compensation		3,190,200
Advisory commissions		17,900
Payroll taxes and fringe benefits		267,558,500
GROSS APPROPRIATION	$	322,818,500
Appropriated from:		
Federal revenues:		
Federal - FMAP stimulus		420,800

		For Fiscal Year Ending Sept. 30, 2010
Food assistance administration (ARRA)	$	2,116,100
Total other federal revenues		212,126,500
Special revenue funds:		
Local funds - county chargeback		2,292,100
State general fund/general purpose	$	105,863,000

Sec. 112. PUBLIC ASSISTANCE

Full-time equated classified positions 27.0		
Family independence program	$	379,058,900
Family independence program supplement		5,583,500
State disability assistance payments		35,952,000
Food assistance program benefits		2,353,393,000
Food assistance program benefits (ARRA)		343,414,000
State supplementation		59,843,500
State supplementation administration		2,477,100
Low-income home energy assistance program		116,451,600
Food bank funding		1,345,000
Homeless programs		11,646,700
Multicultural integration funding		1,815,500
Indigent burial		4,709,300
Emergency services local office allocations		21,615,500
Regulated day care services		127,184,700
Unregulated day care services		111,570,400
Day care services grants and contracts		3,275,000
Day care training, technology, and oversight—20.0 FTE positions		2,478,200
Refugee assistance program—7.0 FTE positions		17,717,500
GROSS APPROPRIATION	$	3,599,531,400
Appropriated from:		
Federal revenues:		
Federal supplemental nutrition assistance revenues (ARRA)		343,414,000
Child care and development block grant (ARRA)		21,076,500
Total federal revenues		3,019,990,600
Special revenue funds:		
Child support collections		29,531,700
Supplemental security income recoveries		14,156,600
Public assistance recoupment revenue		3,610,000
State general fund/general purpose	$	167,752,000

Sec. 113. INFORMATION TECHNOLOGY

Information technology services and projects	$	81,783,300
Child support automation		46,631,000
GROSS APPROPRIATION	$	128,414,300
Appropriated from:		
Federal revenues:		
Total federal revenues		96,860,200
Special revenue funds:		
State general fund/general purpose	$	31,554,100

Sec. 114. FEDERAL ARRA STIMULUS

Food bank funding (ARRA)	$	100
Elder law of Michigan food for the elderly (ARRA)		100
Eligibility specialists (ARRA)		100
Day care services (ARRA)		100
GROSS APPROPRIATION	$	400
Appropriated from:		
Federal revenues:		
Federal supplemental nutrition assistance revenues (ARRA)		300
Child care and development fund (ARRA)		100
State general fund/general purpose	$	0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2009-2010 is $917,284,000.00 and state spending from state resources to be paid to local units of government for fiscal year 2009-2010 is $98,688,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF HUMAN SERVICES		
Child care fund	$	92,880,400
County juvenile officers		3,648,400
State disability assistance payments	$	2,159,200
TOTAL	$	98,688,000

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

Sec. 203. As used in this act:

(a) "AFC" means adult foster care.

(b) "CFSR" means child and family services review.

(c) "Children's rights settlement agreement" means the settlement agreement entered in the case of Dwayne B. vs. Granholm, docket No. 2:06-cv-13548 in the United States district court for the eastern district of Michigan.

(d) "Current fiscal year" means fiscal year ending September 30, 2010.

(e) "DCH" means the department of community health.

(f) "Department" means the department of human services.

(g) "Director" means the director of the department of human services.

(h) "DMB" means the department of management and budget.

(i) "ECIC" means early childhood investment corporation.

(j) "FMAP" means federal medical assistance percentage.

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

(*l*) "IDG" means interdepartmental grant.

(m) "JET" means jobs, education, and training program.

(n) "Previous fiscal year" means fiscal year ending September 30, 2009.

(o) "RSDI" means retirement survivors disability insurance.

(p) "SSI" means supplemental security income.

(q) "Temporary assistance for needy families" or "TANF" or "title IV-A" means part A of title IV of the social security act, 42 USC 601 to 604, 605 to 608, and 609 to 619.

(r) "Title IV-D" means part D of title IV of the social security act, 42 USC 651 to 655 and 656 to 669b.

(s) "Title IV-E" means part E of title IV of the social security act, 42 USC 670 to 673, 673b to 679, and 679b.

(t) "VA" means veterans affairs.

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

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

(2) The state budget director may grant exceptions to this hiring freeze when the state budget director believes that the hiring freeze will render a state department or agency unable to deliver basic services, will cause loss of revenue to the state, will result in the inability of the state to receive federal funds, or will necessitate additional expenditures that exceed any savings from maintaining a vacancy. The state budget director shall report quarterly to the chairpersons of

the senate and house standing committees on appropriations the number of exceptions to the hiring freeze approved during the previous quarter and the reasons to justify the exception.

Sec. 207. (1) Sanctions, suspensions, conditions for provisional license status, and other penalties shall not be more stringent for private service providers than for public entities performing equivalent or similar services.

(2) Neither the department nor private service providers or licensees shall be granted preferential treatment or considered automatically to be in compliance with administrative rules based on whether they have collective bargaining agreements with direct care workers. Private service providers or licensees without collective bargaining agreements shall not be subjected to additional requirements or conditions of licensure based on their lack of collective bargaining agreements.

Sec. 208. Unless otherwise specified, the department shall use the Internet to fulfill the reporting requirements of this act. This shall include transmission of reports via electronic mail, including a link to the Internet site, to the recipients identified for each reporting requirement, or it may include placement of reports on the Internet or Intranet site. On an annual basis, the department shall provide a cumulative listing of the reports to the house and senate appropriations subcommittees and the house and senate fiscal agencies and policy offices.

Sec. 209. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available. Preference should be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality. In addition, preference should be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

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

Sec. 211. 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. 212. (1) In addition to funds appropriated in part 1 for all programs and services, there is appropriated for write-offs of accounts receivable, deferrals, and for prior year obligations in excess of applicable prior year appropriations, an amount equal to total write-offs and prior year obligations, but not to exceed amounts available in prior year revenues or current year revenues that are in excess of the authorized amount.

(2) The department's ability to satisfy appropriation fund sources in part 1 shall not be limited to collections and accruals pertaining to services provided in the current fiscal year, but shall also include reimbursements, refunds, adjustments, and settlements from prior years. The department shall submit a written report to the chairpersons of the senate and house appropriations subcommittees on the department budget that identifies all reimbursements, refunds, adjustments, and settlements from prior years to be used to satisfy appropriation fund sources.

Sec. 213. (1) The department may retain all of the state's share of food assistance overissuance collections as an offset to general fund/general purpose costs. Retained collections shall be applied against federal funds deductions in all appropriation units where department costs related to the investigation and recoupment of food assistance overissuances are incurred. Retained collections in excess of such costs shall be applied against the federal funds deducted in the executive operations appropriation unit.

(2) The department shall report to the legislature during the senate and house budget hearings on the status of the food stamp error rate. The report shall include at least all of the following:

(a) An update on federal sanctions and federal requirements for reinvestment due to the food stamp error rate.

(b) Review of the status of training for employees who administer the food assistance program.

(c) An outline of the past year's monthly status of worker to food stamp cases and monthly status of worker to food stamp applications.

(d) Corrective action through policy, rules, and programming being taken to reduce the food stamp error rate.

(e) Any other information regarding the food stamp error rate, including information pertaining to technology and computer applications used for the food assistance program.

Sec. 214. (1) The department shall submit a report to the chairpersons of the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget director on the details of allocations within program budgeting line items and within the salaries and wages line items in all appropriation units. The report shall include a listing, by account, dollar amount, and fund source, of salaries and wages; longevity and insurance; retirement; contractual services, supplies, and materials; equipment; travel; and grants within each program line item appropriated for the current fiscal year. With regard to federal appropriations, for each program line item funded by no more than 3 federal funding sources, the department shall provide estimates of the allocation of the appropriation for each specific federal funding source.

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

Sec. 215. If a legislative objective of this act or the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, cannot be implemented without loss of federal financial participation because implementation would conflict with or violate federal regulations, the department shall notify the state budget director, the house and senate appropriations committees, and the house and senate fiscal agencies and policy offices of that fact.

Sec. 216. The department, in collaboration with the state budget office, shall submit to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the house and senate policy offices on or before March 1 of the current fiscal year a report on appropriated and supportable FTE positions within the executive budget proposal for the fiscal year beginning October 1, 2010. The report shall contain all of the following information for each individual line item contained in the executive budget proposal for the department budget:

(a) The number of FTEs to be funded from the line item.

(b) The amount that is proposed to be allocated to salary and wage costs from the gross appropriation for the line item.

(c) The amount that is proposed to be allocated to salary and wage costs from the gross appropriation for the line item on which was based the increase in the executive budget proposal from the amount appropriated for the line item in the department budget for the current fiscal year, if different from the amount in subdivision (b).

(d) The portion of the amount described in subdivision (b) that is proposed to be taken from each funding source identified in the budget.

(e) The gross salary and wage expenditures for the line item during the previous fiscal year and the estimated salary and wage expenditures for the line item during the current fiscal year.

(f) The estimated number of FTE positions supportable by the amount described in subdivision (b).

Sec. 217. (1) Due to the current budgetary problems in this state, 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.

(g) The travel is necessary as part of the training of department workers or the staff of private providers through the child welfare institute.

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

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

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

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

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

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

Sec. 218. (1) By February 15 of the current fiscal year, the department shall prepare an annual report on the TANF federal block grant. The report shall include projected expenditures for the current fiscal year, an accounting of any previous year funds carried forward, and a summary of all interdepartmental or interagency agreements relating to the use of TANF funds. The report shall be forwarded to the state budget director and the house and senate appropriations subcommittees on the department budget and the house and senate fiscal agencies and policy offices.

(2) The state budget director shall give prior written notice to the members of the house and senate appropriations subcommittees for the department and to the house and senate fiscal agencies and policy offices of any proposed changes in utilization or distribution of TANF funding or the distribution of TANF maintenance of effort spending relative to the amounts reflected in the annual appropriations acts of all state agencies where TANF funding is appropriated. The written notice shall be given not less than 30 days before any changes being made in the funding allocations. This prior notice requirement also applies to new plans submitted in response to federal TANF reauthorization or replacement by an equivalent federal law.

Sec. 219. 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 the department to attend or the conference or training seminar includes multiple issues in which 1 employee from the department does not have expertise.

Sec. 220. The department shall ensure that faith-based organizations are able to apply and compete for services, programs, or contracts that they are qualified and suitable to fulfill. The department shall not disqualify faith-based organizations solely on the basis of the religious nature of their organization or their guiding principles or statements of faith.

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

Sec. 222. (1) The department shall report no later than April 1 of the current fiscal year on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year to the house and senate appropriations subcommittees on the budget for the department, the joint committee on administrative rules, and the senate and house fiscal agencies.

(2) Funds appropriated in part 1 shall not be used by the department to adopt a rule that will apply to a small business and that will have a disproportionate economic impact on small businesses because of the size of those businesses if the department fails to reduce the disproportionate economic impact of the rule on small businesses as provided under section 40 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

(3) As used in this section:

(a) "Rule" means that term as defined under section 7 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.207.

(b) "Small business" means that term as defined under section 7a of the administrative procedures act of 1969, 1969 PA 306, MCL 24.207a.

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

Sec. 224. The department shall approve or deny a Medicaid application for a patient of a nursing home within 45 days after the receipt of the necessary information.

Sec. 225. The department shall develop a rapid redetermination process for nursing home residents whose Medicaid stay is greater than 90 days. This process shall be implemented not later than September 30 of the current fiscal year.

Sec. 227. The department, with the approval of the state budget director, is authorized to realign sources of financing authorizations in order to maximize temporary assistance for needy families' maintenance of effort countable expenditures.

This realignment of financing shall not be made until 15 days after notifying the chairs of the house and senate appropriations subcommittees on the department budget and house and senate fiscal agencies, and shall not produce an increase or decrease in any line-item expenditure authorization.

Sec. 259. From the funds appropriated in part 1 for information technology, the department shall pay user fees to the department of information technology for technology-related services and projects. Such user fees shall be subject to provisions of an interagency agreement between the department and the department of information technology.

Sec. 264. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 270. (1) The department shall continue to implement a plan to provide client-centered results-oriented foster care programs.

(2) The department shall obtain data from its systems on a quarterly basis for the measures listed in subdivisions (a) to (g). This data shall report on children supervised by the department and by private agencies. The measures are described as follows:

(a) Placement stability. Children shall have no more than 2 placement settings using the following minimum acceptable standards:

(*i*) Eighty-six percent or more of children in care for 365 days or less will have no more than 2 placement settings.

(*ii*) Seventy-three percent or more of children in care for not less than 366 days and not more than 730 days will have no more than 2 placement settings.

(*iii*) Forty-five percent or more of children in care for 731 days or more will have no more than 2 placement settings.

(b) Timeliness of reunification. No fewer than 43% of children in care for 30 days or more shall be discharged from foster care to the home of a parent or legal guardian within 12 months after removal.

(c) Permanency of reunification. No more than 4% of children who were discharged from foster care to reunification will reenter foster care in less than 12 months from the date of discharge.

(d) Timeliness of adoptions. No fewer than 36.6% of children in care for 30 days or more shall be discharged from foster care to a finalized adoption within 24 months after removal.

(e) Discharge to permanency for children in foster care for long periods of time. No fewer than 29.1% of children in care for the most recent 24 months shall be discharged to a permanent placement before reaching 18 years of age. Permanent placement is defined as adoption, guardianship, or reunification.

(f) Legally free children in foster care for long period of time who are discharged to permanency. No fewer than 98% of children in care for the most recent 12 months and legally free for adoption shall be discharged to a permanent placement before reaching 18 years of age. Permanent placement is defined as adoption, guardianship, or reunification.

(g) Children discharged from foster care without permanency. Not more than 45% of children in care for the most recent 12 months or more shall:

(*i*) Be discharged from foster care before reaching 18 years of age if the reason for discharge is another planned permanent living arrangement (APPLA).

(*ii*) Reach 18 years of age while in foster care, if the child has been in foster care for 3 years or more.

(3) During the annual budget presentation, the department shall provide the senate and house appropriations subcommittees on the department budget the information listed in subsection (2).

Sec. 271. (1) The department shall provide a report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices detailing changes in program policy, outcome measurement, and training by the department and courts to meet the requirements of the adoption and safe families act of 1997, Public Law 105-89, 111 Stat. 2115.

(2) The department shall provide the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices a report detailing recent department communication with the federal government related to the provision of foster care, juvenile justice, and adoption services. The report shall include information detailing federal recommendations made to the department and courts, any sanction or warning of possible future sanction assessed on this state by the federal government, the status of the performance improvement plan submitted to the federal government, and efforts by the department to increase federal financial support for children's services in this state.

Sec. 273. (1) On the first day of each month, the department shall report to the senate and house standing committees with primary jurisdiction over matters relating to human services and the senate and house appropriations subcommittees

on the department budget any policy changes made to implement the provisions of enacted legislation, including the annual appropriation for the department budget.

(2) The department shall provide to the senate and house appropriations subcommittees on the department budget and senate and house standing committees with primary jurisdiction over matters relating to human services, the senate and house fiscal agencies, and the senate and house policy offices by July 1 of the current fiscal year a cumulative list of all policy changes in child welfare services, child support, work first, work requirements, adult and child safety, local staff program responsibilities, and day care and the most recent regulatory plan submitted to the state office of administrative hearings and rules.

(3) The department shall only use money appropriated in section 102 to prepare regulatory reform plans. Money appropriated in part 1 shall not be used to prepare regulatory reform plans or promulgate rules that exceed statutory authority granted to the department. If the department fails to comply with the provisions of section 39(1) of the administrative procedures act of 1969, 1969 PA 306, MCL 24.239, money shall not be expended for the further preparation of that regulatory plan or the promulgation of rules for that regulatory plan.

(4) Money appropriated in part 1 shall not be used to prepare a regulatory plan or promulgate rules that fail to reduce the disproportionate economic impact on small businesses as required in section 40 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

(5) Money appropriated in part 1 shall not be used to prepare a regulatory plan or promulgate rules that grant preferences to private providers of services based on whether that private provider has a collective bargaining agreement with its workers.

Sec. 274. The department shall report to the house and senate appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget director as part of the annual budget presentation on each federal grant this state was eligible to apply for, listing both grants applied for and not applied for. This report will cover grants exceeding $500,000.00, related to fatherhood and marriage initiatives, teen pregnancy prevention, kinship care, before- and after-school programs, family preservation and prevention, homeless prevention, and youth in transition.

Sec. 278. (1) The department shall contract with 1 or more private consulting firms for revenue maximization services for all caseload services currently provided by the department.

(2) Contractors shall be reimbursed for revenue maximization services by allowing the contractors to retain a negotiated percentage of savings identified. The percentage of savings retained by a contractor shall not exceed 25%.

(3) The department shall retain any savings achieved through the revenue maximization services contract as an offset to general fund/general purpose costs. Additional savings shall be allocated within the department for the following purposes:

(a) Technology programs that help maintain an effective and efficient computer system for caseworkers.

(b) Additional staff to reduce caseload-to-worker ratios.

(4) The department shall provide a report to the senate and house appropriations subcommittees on the department budget, senate and house standing committees on human services matters, senate and house fiscal agencies and policy offices, and state budget director by April 1 of the current fiscal year on the waste, fraud, error, and abuse located through contracts authorized under subsection (1).

Sec. 279. All contracts relating to human services entered into or renewed by the department on or after October 1 of the current fiscal year shall be performance-based contracts that employ a client-centered results-oriented process that is based on measurable performance indicators and desired outcomes and includes the annual assessment of the quality of services provided. During the annual budget presentation, the department shall provide the senate and house appropriations subcommittees on the department budget with the measurable performance indicators, desired outcomes, and the assessment of the quality of services provided for each contract relating to human services entered into by the department during the current fiscal year.

Sec. 280. The department shall submit a report to the house and senate appropriations subcommittees for the department budget, the house and senate fiscal agencies, the house and senate policy offices, and the state budget director by February 1 of the current fiscal year on the status of the department's information technology improvement initiative "Bridges" integration project. The report shall include details on the following:

(a) The amounts expended during the previous fiscal year and the first quarter of the current fiscal year by project.

(b) The amounts of appropriations carried forward as work projects from previous fiscal years for information technology projects.

(c) A listing of the projects and activities undertaken during the previous fiscal year and during the first quarter of the current fiscal year.

(d) A narrative describing anticipated information technology needs for the department in future years.

Sec. 284. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $200,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

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

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

Sec. 286. The department shall contract with a private company to conduct a study of ways to streamline the department's procurement procedures for durable goods and services. A report and recommendations for streamlining the department's procurement procedures shall be prepared by the private contractor and submitted to the house and senate appropriations committees and the house and senate fiscal agencies by November 30 of the current fiscal year.

Sec. 287. The department shall work collaboratively with the child death review board and court system to improve communication and coordination between entities on the review and examination of child death in Michigan.

Sec. 288. (1) The department shall not establish time limits on payments to providers for properly documented services purchased by the department.

(2) The department shall pay providers that meet the requirements of subsection (1) with state general fund/general purpose funds if federal funds cannot be used because of time restrictions on federal claims.

Sec. 290. The appropriations in part 1 reflect a reduction in staffing levels of 65 FTE positions from previous fiscal year levels. The legislature intends that the reduction be accomplished by the following staff reductions under each of the following line items:

(a) Under executive operations salaries and wages:

(*i*) Office of communications, 10 positions.

(*ii*) Office of contracts and rate setting, 6 positions.

(*iii*) Office of inspector general - monitoring and internal controls, 8 positions.

(*iv*) Office services division - composition unit, 2 positions.

(*v*) Budget division, 1 position.

(*vi*) Purchasing, vehicles, and inventory control, 1 position.

(*vii*) Office of technology and information management - technology coordination and support, 3 positions.

(b) Under field staff, salaries and wages, 20 recoupment specialists.

(c) Under medical consultation program, 3 disability examiners.

(d) Under child support enforcement operations:

(*i*) One deputy director position.

(*ii*) Administration division, 2 positions.

(*iii*) Operations division - case management, 2 positions.

(*iv*) Operations division - special initiatives unit, 2 positions.

(*v*) Operations division - central functions, 4 positions.

Sec. 295. (1) From the money appropriated in part 1 for information technology services and projects, the department shall allocate $250,000.00 to modify the "Bridges" eligibility system to permit greater cooperation between the department of state police and department's office of inspector general in identifying individuals with criminal justice disqualifications for program eligibility inappropriately accessing benefits.

(2) The department shall provide a report by March 15 of the current fiscal year to the senate and house appropriations subcommittees on the department budget and the senate and house fiscal agencies and the senate and house policy offices on the progress of the effort required in subsection (1) and the number of individuals identified as ineligible for benefits as a result of cooperation between the office of inspector general and department of state police.

Sec. 296. Not later than October 15, 2010, the department shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the office of the state budget, the chairpersons of the senate and house appropriations committees, and the senate and house fiscal agencies.

Sec. 297. The department shall, with assistance from the department of community health, provide a report to the senate and house appropriations subcommittees on the department budget, the senate and house committees with primary jurisdiction over matters of health policy, the senate and house fiscal agencies, and the senate and house policy offices describing money collected through Medicaid estate recovery efforts and proposed changes to section 112g of the social welfare act, 1939 PA 280, MCL 400.112g, that could increase collections through Medicaid estate recovery.

Sec 298. From the money appropriated in part 1 for 200 limited-term eligibility full-time employees, the department shall inform all employees hired with these funds that their employment is temporary and should not be considered permanent. Any temporary employee hired may be given preference by the department for hiring if a suitable full-time permanent position becomes available within the department.

Sec. 299. From the money appropriated in part 1 for electronic benefit transfer, beginning not later than May 31, 2010, the department shall provide to recipients a branded MasterCard debit card to be used to access family independence program cash benefits. The use of the Bridge card on the QWEST network shall be discontinued for cash benefits, and the department shall issue a letter to recipients explaining the process for the transition to the new MasterCard debit card and how benefits may be accessed.

EXECUTIVE OPERATIONS

Sec. 306. From the money appropriated in part 1 for demonstration projects, the department shall allocate $200,000.00 to support the kinship care resource center administered by the Michigan state university school of social work. Funding is contingent upon the center's reporting of necessary data to the department to demonstrate TANF or maintenance of effort eligibility. The center shall submit quarterly reports to the department detailing expenditures from this appropriation and reviewing program outcomes including the number of families served through counseling, respite care, and other services as well as the number provided with information on kinship care. The department shall submit each quarterly report to the house and senate appropriations subcommittees on the department budget by January 15, April 15, July 15, and October 15 of each year.

Sec. 307. (1) Of the money appropriated in part 1 for demonstration projects, $500,000.00 shall be distributed as provided in subsection (2). The amount distributed under this subsection shall not exceed 50% of the total operating expenses of the program described in subsection (2), with the remaining 50% paid by local United Way organizations and other nonprofit organizations and foundations.

(2) Money distributed under subsection (1) shall be distributed to Michigan 2-1-1, a nonprofit corporation organized under the laws of this state that is exempt from federal income tax under section 501(c)(3) of the internal revenue code, 26 USC 501(c)(3), and whose mission is to coordinate and support a statewide 2-1-1 system. Michigan 2-1-1 shall use the money only to fulfill the Michigan 2-1-1 business plan adopted by Michigan 2-1-1 in January 2005.

(3) Michigan 2-1-1 shall report annually to the department and the house and senate standing committees with primary jurisdiction over matters relating to human services and telecommunications on 2-1-1 system performance, including, but not limited to, call volume by community health and human service needs and unmet needs identified through caller data and customer satisfaction metrics.

Sec. 308. From the money appropriated in part 1 for demonstration projects, $200,000.00 shall be expended on a contract with the University of Detroit Mercy to provide legal services for disabled veterans who are seeking eligibility under federal disability programs, including federal supplemental security income. The contract shall fund a statewide effort by the university through use of its mobile office to deliver these legal services.

Sec. 309. The department shall assess fees in the licensing and regulation of child care organizations as defined in 1973 PA 116, MCL 722.111 to 722.128, and adult foster care facilities as defined in the adult foster care facility licensing

act, 1979 PA 218, MCL 400.701 to 400.737. Fees collected by the department shall be used exclusively for the purpose of licensing and regulating child care organizations and adult foster care facilities.

Sec. 310. The department shall furnish the clerk of the house, the secretary of the senate, the senate and house fiscal agencies and policy offices, the state budget office, and all members of the house and senate appropriations committees with a summary of any evaluation reports and subsequent approvals or disapprovals of juvenile residential facilities operated by the department, as required by section 6 of 1973 PA 116, MCL 722.116. If no evaluations are conducted during the fiscal year, the department shall notify the fiscal agencies and all members of the appropriate subcommittees of the house and senate appropriations committees.

Sec. 311. The department shall continue to operate a performance-based licensing model that will assure compliance with department policy and statutory mandates. This model will prioritize licensing activities based on risk to the vulnerable children and adults residing in or receiving services from licensees.

Sec. 312. From the money appropriated in part 1 for demonstration projects, the department shall provide $120,000.00 for a pilot program in Sanilac County. The program shall coordinate a comprehensive system of care and referral for area families with children ages zero to 18.

ADULT AND FAMILY SERVICES

Sec. 415. (1) In expending money appropriated in part 1 for the fatherhood initiative, the department may contract with independent contractors from various counties, including, but not limited to, faith-based and nonprofit organizations. Preference shall be given to independent contractors that provide at least 10% in matching funds, through any combination of local, state, or federal funds or in-kind or other donations. However, an independent contractor that cannot secure matching funds shall not be excluded from consideration for the fatherhood program.

(2) The department may choose providers that will work with counties to help eligible fathers under TANF guidelines to acquire skills that will enable them to increase their responsible behavior toward their children and the mothers of their children. An increase of financial support for their children should be a very high priority as well as emotional support.

(3) A fatherhood initiative program established under this section shall minimally include at least 3 of the following components: promoting responsible, caring, and effective parenting through counseling; mentoring and parental education; enhancing the abilities and commitment of unemployed or low-income fathers to provide material support for their families and to avoid or leave welfare programs by assisting them to take advantage of job search programs, job training, and education to improve their work habits and work skills; improving fathers' ability to effectively manage family business affairs by means such as education, counseling, and mentoring in household matters; infant care; effective communication and respect; anger management; children's financial support; and drug-free lifestyle.

(4) The department is authorized to make allocations of TANF funds, of not more than 20% per county, under this section only to agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements.

(5) Upon receipt of the promotion of responsible fatherhood funds from the United States department of health and human services, the department shall use the program criteria set forth in subsection (3) to implement the program with the federal funds.

Sec. 416. (1) In expending money appropriated in part 1 for the marriage initiative, the department may contract with independent contractors from various counties, including, but not limited to, faith-based and nonprofit organizations. Preference shall be given to independent contractors that provide at least 10% in matching funds, through any combination of local, state, or federal funds or in-kind or other donations. However, an independent contractor that cannot secure matching funds shall not be excluded from consideration for a marriage initiative program.

(2) The department may choose providers to work with counties that will work to support and strengthen marriages of those eligible under the TANF guidelines. The areas of work may include, but are not limited to, marital counseling, domestic violence counseling, family counseling, effective communication, and anger management as well as parenting skills to improve the family structure.

(3) A marriage initiative program established under this section may include, but is not limited to, 1 or more of the following: public advertising campaigns on the value of marriage and the skills needed to increase marital stability and health; education in high schools on the value of marriage, relationship skills, and budgeting; premarital, marital, family, and domestic violence counseling; effective communication; marriage mentoring programs which use married couples as

role models and mentors in at-risk communities; anger management; and parenting skills to improve the family structure.

(4) The department is authorized to make allocations of TANF funds, of not more than 20% per county, under this section only to agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements.

(5) Upon receipt of the healthy marriage promotion grant from the United States department of health and human services, the department shall use the program criteria set forth in subsection (3) to implement the program with the federal funds.

Sec. 418. From the funds appropriated in part 1 for employment and training support services, the department may expand the availability of individual development accounts (IDAs) with $200,000.00 for allocation to qualified IDA programs established through the Michigan IDA partnership to serve TANF-eligible households in Michigan. The Michigan IDA partnership shall encourage each TANF-eligible household served to claim the federal and state earned income tax credit (EITC) and to incorporate all or part of any tax credit received in the household's IDA savings plan, and shall provide the household with information concerning available free tax assistance resources. In addition, the Michigan IDA partnership and its program sites shall participate in community EITC coalitions established under the plan to increase the EITC participation of TANF families referenced in section 666. The same amount shall be appropriated annually to further expand IDA opportunities to low-income families to become more financially self-sufficient through financial education, saving, wise investment in home ownership, postsecondary education, small business development, or a combination of those programs.

Sec. 419. The department in collaboration with the Michigan State University center for urban affairs and its partner organizations, the Michigan credit union league and the national federation of community development credit unions, shall further the work begun in fiscal year 1999-2000 that implemented the individual development accounts programs in the growing number of low-income designated credit unions, i.e., community development credit unions (CDCUs) located in this state's poorest communities. This further work will extend capacity-building and technical assistance services to existing and emerging CDCUs serving low-income populations and will include:

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

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

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

Sec. 423. (1) From the money appropriated in part 1 for crisis prevention and senior food aid projects, the department shall allocate $75,000.00 to support ongoing efforts in Barry County to provide programs to women or children, or both, facing crisis situations as a result of domestic violence or abuse.

(2) From the money appropriated in part 1 for crisis prevention and senior food aid projects, the department shall allocate not less than $100,000.00 to assist this state's elderly population to participate in the food assistance program. The money may be used as state matching funds to acquire available United States department of agriculture funding to provide outreach program activities, such as eligibility screen and information services, as part of a statewide food stamp hotline.

(3) Of the funds appropriated in part 1 for crisis prevention and senior food aid projects, the department shall allocate $25,000.00 for a food aid outreach project in Muskegon County and $25,000.00 for a food aid outreach project in Kent County.

CHILDREN'S SERVICES

Sec. 501. During the current fiscal year, 85% or more of children who have been in care for 1 year or longer while legally available for adoption or with an established goal of reunification with their families shall be permanently placed. During the annual budget presentation, the department shall report on the number of children supervised by the department and by private agencies who remain in foster care more than 12 and less than 24 months and those who remain in foster care 24 months or more.

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

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

(a) Has not yet graduated from high school or passed a high school equivalency examination.

(b) Is making progress toward completing high school.

(c) Has not yet reached his or her nineteenth birthday.

(d) Is not eligible for federal supplemental security income (SSI) payments.

Sec. 504. (1) The department will ensure that children aged 14 years and older in foster care and youth transitioning from foster care to adulthood have access to the range of supportive services necessary to support their preparation for and successful transition to adulthood, including, but not limited to, independent living services eligible for federal reimbursement under the Chafee program, and shall maintain sufficient resources to deliver independent living services to all children in foster care custody of the department who qualify for them.

(2) The department also shall develop and implement the following policies, services, and programs focused on meeting the needs of foster children who are 14 years and older with a permanency goal other than a goal of reunification:

(a) Beginning November 15, 2008, the department shall refer all children 14 years and older in foster care and youth transitioning from foster care to adulthood to Michigan works! agencies for participation in youth programs and services administered under the workforce investment act, 29 USC 2801 et seq., designed to assist youth in developing job skills and career opportunities, and shall refer suitably qualified children for summer training, mentorship, and enrichment opportunities.

(b) By November 15, 2008, the department shall have developed and implemented a policy and the necessary resources to extend all foster youths' eligibility for child foster care custody until 20 years of age and to make available independent living services through the age of 21 years.

(c) By November 15, 2008, the department shall develop and implement a policy and process by which all children emancipating from the foster care system at 18 years of age or beyond are enrolled for Medicaid managed care coverage so that their coverage continues without interruption at the time of emancipation.

(d) Beginning November 15, 2008, the department shall refer all children without an identified housing situation at the time of emancipation from the foster care system at 18 years of age or beyond to the Michigan state housing development authority for rental assistance and services under the homeless youth initiative.

(e) By October 2009, the department shall hire 14 regional education planners who shall provide consultation and support to youth 14 years of age and older in accessing educational services and in developing individualized education plans, including identifying all available financial aid resources.

Sec. 508. (1) In addition to the amount appropriated in part 1 for children's trust fund grants, money granted or money received as gifts or donations to the children's trust fund created by 1982 PA 249, MCL 21.171 to 21.172, is appropriated for expenditure.

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

(3) The department may collaborate with the state child abuse and neglect prevention board to develop recommendations on how to best incorporate child abuse prevention strategies and practices into suggested changes in state statute and department policy. The department shall provide any recommendations developed with the state child abuse and prevention board to the senate and house standing committees on human services and appropriations subcommittees on the department budget not later than March 1 of the current fiscal year.

(4) From the funds appropriated in part 1 for the children's trust fund, the department may utilize interest and investment revenue from the current fiscal year only for programs, administration, services, or all sanctioned by the child abuse and neglect prevention board.

(5) The department and the child abuse neglect and prevention board shall collaborate to ensure that administrative delays are avoided and the local grant recipients and direct service providers receive money in an expeditious manner. The department and board shall seek to have the children's trust fund grants distributed no later than October 31 of the current fiscal year.

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

(a) A child would be living in the same household with a parent or other adult who has been convicted of criminal sexual conduct against a child.

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

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

Sec. 510. The department shall not be required to put up for bids a contract with a service provider if the service provider is nationally accredited or is currently the only provider in the service area.

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

(a) There is no appropriate placement available in this state as determined by the department interstate compact office.

(b) An out-of-state placement exists that is nearer to the child's home than the closest appropriate in-state placement as determined by the department interstate compact office.

(c) The out-of-state facility meets all of the licensing standards of this state for a comparable facility.

(d) The out-of-state facility meets all of the applicable licensing standards of the state in which it is located.

(e) The department has done an on-site visit to the out-of-state facility, reviewed the facility records, reviewed licensing records and reports on the facility, and believes that the facility is an appropriate placement for the child.

(2) The department shall not expend money for a child placed in an out-of-state facility without approval of the department interstate compact office. The department shall notify the appropriate state agency in that state including the name of the out-of-state provider who accepted the placement.

(3) The department shall submit a report by February 1 of each year on the number of children who were placed in out-of-state facilities during the previous fiscal year, the number of Michigan children residing in such facilities at the time of the report, the total cost and average per diem cost of these out-of-state placements to this state, and a list of each such placement arranged by the Michigan county of residence for each child.

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

(a) Statistical information including, at a minimum, all of the following:

(*i*) The total number of reports of abuse or neglect investigated under the child protection law, 1975 PA 238, MCL 722.621 to 722.638, and the number of cases classified under category I or category II and the number of cases classified under category III, category IV, or category V.

(*ii*) Characteristics of perpetrators of abuse or neglect and the child victims, such as age, relationship, race, and ethnicity and whether the perpetrator exposed the child victim to drug activity, including the manufacture of illicit drugs, that exposed the child victim to substance abuse, a drug house, or methamphetamine.

(*iii*) The mandatory reporter category in which the individual who made the report fits, or other categorization if the individual is not within a group required to report under the child protection law, 1975 PA 238, MCL 722.621 to 722.638.

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

(c) The information contained in the report required under section 8d(5) of the child protection law, 1975 PA 238, MCL 722.628d, on cases classified under category III.

(d) The department policy, or changes to the department policy, regarding termination of parental rights or foster placement for children who have been exposed to the production of illicit drugs in their dwelling place or a place frequented by the children.

(e) The department policy, or changes to the department policy, regarding children who have been exposed to the production or manufacture of methamphetamines.

Sec. 515. The department shall use performance-based models for all foster care services. The goal of these models shall be to ensure that foster care services are provided in a manner that increases the state's compliance with CFSR and children's rights settlement agreement goals. Not later than March 30 of the current fiscal year, the department shall provide an update to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the office of the state budget on benchmarks developed in conjunction with private providers for this performance model, results the department or agencies have achieved in improving permanency placements, and recommendations for further improvements for foster care services across the entire state.

Sec. 517. (1) From the funds appropriated in part 1, the department is authorized to allocate funds to multipurpose collaborative bodies. Priority for activities and services will be given to at-risk children and families and cases classified by the department as category III or category IV under sections 8 and 8d of the child protection law, 1975 PA 238, MCL 722.628 and 722.628d.

(2) Funds appropriated in part 1 for zero to three may be used to fund community-based collaborative prevention services designed to do any of the following:

(a) Foster positive parenting skills especially for parents of children under 3 years of age.

(b) Improve parent/child interaction.

(c) Promote access to needed community services.

(d) Increase local capacity to serve families at risk.

(e) Improve school readiness.

(f) Support healthy family environments that discourage alcohol, tobacco, and other drug use.

(3) The appropriation provided for in subsection (2) is to fund secondary prevention programs as defined in the children's trust fund's preapplication materials for direct services grants for the current fiscal year.

(4) Projects funded through the appropriation provided for in subsection (2) shall meet all of the following criteria:

(a) Be awarded through a joint request for proposal process established by the department in conjunction with the children's trust fund and the state human services directors.

(b) Be secondary prevention initiatives. Funds are not intended to be expended in cases in which neglect or abuse has been substantiated.

(c) Demonstrate that the planned services are part of the community's integrated comprehensive family support strategy endorsed by the community collaborative and, where there is a great start collaborative, demonstrate that the planned services are part of the community's great start strategic plan.

(d) Provide a 25% local match of which not more than 10% is in-kind goods or services unless the maximum percentage is waived by the state human services directors.

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

Sec. 523. (1) The department shall report on prevention programs for which money is appropriated in part 1 to the senate and house appropriations subcommittees on the department budget during the annual budget presentation. The report shall contain all of the following for each program:

(a) The average cost per recipient served.

(b) Measurable performance indicators.

(c) Desired outcomes or results and goals that can be measured on an annual basis, or desired results for a defined number of years.

(d) Monitored results.

(e) Innovations that may include savings or reductions in administrative costs.

(2) From the money appropriated in part 1 for youth in transition, domestic violence prevention and treatment, and teenage parent counseling, the department is authorized to make allocations of TANF funds only to agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements.

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

Sec. 532. (1) The department, in collaboration with representatives of private child and family agencies, shall revise and improve the annual licensing review process and the annual contract compliance review process for child placing agencies and child caring institutions. The improvement goals shall be safety and care for children. Improvements to the review process shall be directed toward alleviating administrative burdens so that agency resources may be focused on children. The revision shall include identification of duplicative staff activities and information sought from child

placing agencies and child caring institutions in the annual review process. The department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget director on or before January 15 of the current fiscal year on the findings of the annual licensing review.

(2) The department shall conduct licensing reviews no more than once every 2 years for child placing agencies and child caring institutions that are nationally accredited and have no outstanding violations.

(3) The department shall develop a plan to license relatives of foster children as foster care providers to ensure consistent high standards of care for those foster children. The department shall report on the plan to the senate and house appropriations subcommittees with oversight over the department budget, the senate and house standing policy committees generally concerned with children's issues, the senate and house fiscal agencies and policy offices, and the state budget director as part of the quarterly reports required by section 582.

Sec. 533. (1) The department shall make payments to child placing facilities for out-of-home care services within 30 days of receiving all necessary documentation from those agencies.

(2) The department shall explore various types of automated payments to private nonprofit child placing facilities to improve speed and accuracy of payments.

Sec. 536. (1) The department shall place all children within their own county or within a 75-mile radius of the home from which the child entered custody, whichever is greater, unless 1 or more of the following applies:

(a) The child's needs are so exceptional that they cannot be met by a family or facility within the county or 75-mile radius.

(b) The child needs re-placement and the child's permanency goal is to be returned to his or her parents who at the time reside out of the county or 75-mile radius.

(c) The child is to be placed with a relative out of the county or 75-mile radius.

(d) The child is to be placed in an appropriate preadoptive or adoptive home that is out of the county or 75-mile radius.

(2) If placement outside the county or 75-mile radius is made, either of the following applies:

(a) In a "designated county", as defined in section IV.A.3 of the children's rights settlement agreement, the county administrator of children's services shall be specifically required to certify the circumstances supporting the placement in writing, based on his or her own examination of the circumstances and the child's needs and best interests.

(b) In any other county, the children's services field manager shall be specifically required to certify the circumstances supporting the placement in writing, based on his or her own examination of the circumstances and the child's needs and best interests.

Sec. 537. The department, in collaboration with child placing agencies, shall develop a strategy to implement section 115o of the social welfare act, 1939 PA 280, MCL 400.115o. The strategy shall include a requirement that a department caseworker responsible for preparing a recommendation to a court concerning a juvenile placement shall provide, as part of the recommendation, information regarding the requirements of section 115o of the social welfare act, 1939 PA 280, MCL 400.115o.

Sec. 539. The department shall work in collaboration with representatives from child placing agencies to ensure appropriate placement for children who have been adjudicated abused, neglected, or delinquent and for whom residential treatment is required. The department and the representatives from the child placing agencies shall focus on statewide placement criteria to address the best interests of the child in need of services. The placement criteria shall include a continuum of care settings and options as appropriate for each child and his or her needs at specific times, including home placements, relative placements, shelter placements, and other options.

Sec. 544. The department shall continue pilot projects with applications pending for accelerated residential treatment.

Sec. 546. (1) From the money appropriated in part 1 for foster care payments and from child care fund, the department shall pay providers of foster care services not less than a $37.00 administrative rate.

(2) From the funds appropriated in part 1 for foster care payments and from child care fund, the department shall pay providers of general independent living services not less than a $28.00 administrative rate. For specialized independent living services, the administrative rate paid shall not be less than the administrative rate paid in fiscal year 2008-2009.

(3) The department shall calculate and report to the house and senate appropriations subcommittees on the department budget on the cost of care, on a per diem basis, for foster care services delivered directly by the department.

(4) Beginning April 1 of the current fiscal year for children not eligible for title IV-E funding, 75% of the cost for the administrative rates in subsections (1) and (2) shall be funded with state funds and any available federal revenues. Counties shall be subject to the remaining 25% of the cost for the administrative rates in subsections (1) and (2).

Sec. 547. (1) Beginning April 1 of the current fiscal year, the department shall establish a $40.00 administrative rate for foster care and independent living services delivered directly by the department.

(2) For children not eligible for title IV-E funding, 75% of the cost for the administrative rate in subsection (1) shall be funded with state funds and any available federal revenues. Counties shall be subject to the remaining 25% of the cost for the administrative rate in subsection (1).

Sec. 548. During the annual budget presentation to the house and senate appropriations subcommittees on the department budget, the department shall report on progress in implementing the recommendations of the task force that studied the disproportionate representation of African-American and other children of color in the child welfare and juvenile justice systems as required under former section 548 of the fiscal year 2005-2006 budget act for the department.

Sec. 556. The department shall submit a report to the chairpersons of the senate and house appropriations committees, the senate and house fiscal agencies, and the senate and house policy offices that includes all of the following:

(a) A description of how the department is complying with federal requirements to notify prospective adoptive parents about adoption subsidies for which those prospective adoptive parents may qualify.

(b) The number of requests received by the department from adoptive parents for money or reimbursement of costs to attend conferences that include training or discussion of significant adoption issues, the proportion of these requests approved by the department, and the total annual expenditure for approved requests.

(c) The number of fair hearing requests from adoptive parents received by the department challenging the amount of the adoption subsidy, broken down by the stated reason for the challenge.

(d) The number of adoption subsidy payments suspended when the child is still in the custody of the adoptive parent, but no longer in the physical care of the adoptive parent.

Sec. 562. (1) The department shall allow a county to submit a claim for title IV-E foster care funding for a placement in a secure residential facility if the county can demonstrate that the reason for the secure placement is a diagnosed medical necessity and not protection of the public.

(2) The department shall submit a claim for title IV-E foster care funding for a placement in a secure residential facility if the county can demonstrate that the reason for the secure placement is a diagnosed medical necessity and not protection of the public.

Sec. 565. (1) From the funds appropriated in part 1 for federally funded family preservation programs, the department shall allocate $2,000,000.00 to Wayne County to provide home-based programs as part of the county expansion of community-based services to serve the county's adjudicated delinquent and abused and neglected youth.

(2) One-half of the total amount allocated to Wayne County shall be used to serve adjudicated delinquent youth, and 1/2 shall be used to serve abused and neglected youth.

(3) Federal revenues shall be paid to Wayne County as reimbursement for actual costs incurred, consistent with established federal requirements.

(4) As a condition of receipt of federal funds pursuant to subsection (1), Wayne County shall provide the department with a plan for the use of allocated funds in a format to be specified by the department. The county shall also provide the department with all information required to demonstrate the appropriateness and allowability of expenditures and to meet federal financial and programmatic reporting requirements.

Sec. 566. (1) Subject to subsection (2), beginning October 1, 2008, preference shall be given in the provision of direct foster care services to public and private agencies that are nationally accredited.

(2) Beginning October 1, 2007, the department shall not enter into or maintain a contract with a for-profit child placing agency, or with a nonprofit child placing agency that uses a for-profit management group or contracts with a for-profit organization for its management, to provide direct foster care services unless the agency was licensed on or before August 1, 2007 and, if the agency is a nonprofit child placing agency that uses a for-profit management group or contracts with a for-profit organization for its management, the contract with the for-profit group or organization existed prior to August 1, 2007.

Sec. 568. (1) From the money appropriated in part 1 for child welfare improvements, the department may allow the private sector to compete for the money to achieve permanency placement for children in foster care and prioritize funding for children in foster care who have barriers to permanency placement.

(2) The department shall submit quarterly reports to the legislature that include all of the following information on the appropriation adjustments described in section 568(2) of 2007 PA 131 and those same appropriations adjustments in this act:

(a) The number of positions hired or paid from these appropriations, what their titles and responsibilities will be, what performance objectives and measurable outcomes they are required to satisfy, and what they are being paid in salaries, wages, and fringe benefits. If a community-based provider of adoption services assumes an adoption case that was previously handled by a public agency or worker, the time that the case was handled by the public agency or worker shall not be counted in a performance measure without the consent of the community-based provider.

(b) Information on any contracts for services that have been awarded and the performance objectives and measurable outcomes that are incorporated in the contracts and the successes or failures that are achieved as a result.

(c) Detailed information on any money spent for child welfare improvements and what measurable outcome is expected for the money being spent.

Sec. 570. (1) From the money appropriated in part 1 for the subsidized guardianship program, the department shall provide subsidies under this program to children who are wards of the court under section 2(b) of chapter XIIA of the probate code of 1939, 1939 PA 288, MCL 712A.2.

(2) The department shall make money available to children who are receiving services from the department at the time a guardian is appointed for the child, if the court appointing the guardian considers it necessary to continue those services for the success of the guardianship.

(3) The department may provide money to eligible children in the subsidized guardianship program on an as-needed basis or in the form of a 1-time payment to promote permanency for children.

(4) The department shall report during the annual budget presentation to the senate and house appropriations subcommittees on the department budget the number of guardianship subsidies and recommendations for any modifications in the subsidized guardianship program.

Sec. 571. The department shall maintain a title IV-E compliance and accountability office with the following goals and responsibilities:

(a) Study efforts in other states to determine best practices for title IV-E-related activities and measures to maximize the receipt of federal money for eligible cases.

(b) Coordinate compliance with federal regulations in order to receive title IV-E money.

(c) Provide necessary technical assistance to local units of government, including courts, to ensure proper handling of cases and paperwork in preparation for federal audits and reviews.

(d) Coordinate a program to provide private persons, groups, and corporations with incentives to make tax-deductible contributions intended to assist foster care families to overcome barriers to becoming licensed and eligible to receive title IV-E money.

(e) As part of the quarterly reports required by section 582, provide information to the house and senate appropriations subcommittees on the department budget on activities and progress toward meeting the responsibilities outlined above.

Sec. 573. From the money appropriated in part 1 for adoption support services, $1,049,400.00 is allocated to support adoption contracts focusing on long-term permanent wards who have been wards for more than 1 year after termination of parental rights. Private agencies shall receive $16,000.00 for each finalized placement under the program.

Sec. 574. (1) From the money appropriated in part 1 for foster care payments - abuse and neglect, $2,500,000.00 is allocated to support contracts with child placing agencies to facilitate the licensure of relative caregivers as foster parents. Agencies shall receive $2,300.00 for each facilitated licensure. The agency facilitating the licensure would retain the placement and continue to provide case management services for at least 50% of the newly licensed cases for which the placement was appropriate to the agency. Up to 50% of the newly licensed cases would have direct foster care services provided by the department.

(2) From the money appropriated for foster care payments, $375,000.00 is allocated to support family incentive grants to private and community-based foster care service providers to assist with home improvements or payment for physical exams for applicants needed by foster families to accommodate foster children.

Sec. 575. (1) Of the funds provided for the training of human services workers, particularly caseworkers, the department shall use appropriated funds to begin cultural sensitivity training and awareness with the goal of effectively

reducing the number of minority children inappropriately removed from their homes for neglect and placed in the foster care system when more appropriate action would include the provision of support services to the family.

(2) Of the money appropriated to the department for family preservation and prevention, more specific focus shall be placed on preserving and reunifying families.

(3) As a condition for receiving appropriated money, the department and the office of the friend of the court shall work in cooperation to provide support services to families of custodial parents who have been awarded child support from a parent who is incarcerated.

(4) As part of the quarterly reports required by section 582, the department shall provide a report to the house and senate appropriations subcommittees with jurisdiction over the department budget, the house and senate fiscal agencies, and the house and senate policy offices on the specific cultural sensitivity training and awareness efforts, family preservation and reunification efforts.

Sec. 577. From the money appropriated in part 1, the department may allow a community collaborative to use strong families safe children program funds for a prevention program that meets standards agreed upon between the community collaborative and county department offices in accordance with federal regulations regarding expenditure of strong families safe children program funds.

Sec. 578. The department and child placing agencies shall utilize a standardized assessment tool to measure the mental health treatment needs of every child supervised by the department. The department shall use the results of this assessment process to determine what services are to be provided to the child while under department supervision.

Sec. 580. The department and the department of community health shall initiate efforts to identify mental health programs and activities where the services of the 2 departments overlap, or are uncoordinated. The goal shall be to provide adequate and stable mental health services which address the need of the individual child without duplicative, confusing, or needlessly complex services. The department shall report on these coordination efforts with the department of community health during the annual budget presentations to the senate and house appropriations subcommittees with jurisdiction over the department budget.

Sec. 581. (1) The money appropriated in part 1 for adoption support services shall be used by the department of human services to increase the rates paid to private adoption agencies for all categories of adoption placements and adoption finalizations to reflect the rate schedule below:

Reimbursement Category	Placement Rate	Finalization Rate	Total Payment
Basic: More than 12 months	$3,405	$2,270	$5,675
Standard: 9-12 months, statewide	$3,538	$2,364	$5,902
Enhanced: 8 months, statewide	$5,771	$3,846	$9,617
Premium: 5 months, statewide	$7,371	$4,914	$12,285
Residential	$8,513	$5,676	$14,189
MARE	$13,094	$8,730	$21,824
In-state Transfer			$1,845
Interstate: Existing Services			$1,844
Interstate: New Services			$3,546

(2) The additional revenue shall be used by private adoption agencies to increase staffing to a level sufficient to meet the 22:1 cases-to-worker ratio requirements for adoption workers within the children's rights settlement agreement.

Sec. 582. On the last working day of January, April, July, and November, for the preceding fiscal quarter, the department shall submit a comprehensive child welfare improvement report, compiling material required by each section of this act related to child welfare. This report will be provided to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on human services, the senate and house fiscal agencies, the senate and house policy offices, and the state budget director and will provide an overview of the status of all initiatives the department is required to carry out by this appropriation act and the impact of those initiatives on meeting the benchmarks established in the federal child and family service review process and the requirements established in the children's rights settlement agreement. The report may include information about other initiatives of the department and its service delivery partners which support improvements in safety, permanency, and well-being for the children and families served by Michigan's child welfare system.

Sec. 583. The department shall provide to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on families and human services, and the senate and house fiscal agencies and policy offices a report detailing the number of individuals participating as foster parents during the

previous fiscal year who dropped out of the program. The report shall also provide explanatory data on the primary reasons that foster parents chose to leave the program.

Sec. 584. The department shall provide recommendations to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on families and human services, and the senate and house fiscal agencies and policy offices on changes to current state statutes that would ensure more effective communication between caseworkers and courts administering foster care cases.

Sec. 585. The department shall allow private nationally accredited foster care and adoption agencies to conduct their own staff training, based on current department policies and procedures, provided that the agency trainer and training materials are accredited by the department and that the agency documents to the department that the training was provided. The department shall provide access to any training materials requested by the private agencies to facilitate this training.

Sec. 586. The department shall request a modification of the staffing requirement imposed by the children's rights settlement agreement. The modification would permit the department to ensure that 75% of purchase of service monitors will have a caseload of no more than 100 cases in fiscal year 2009-2010.

Sec. 587. (1) The appropriation in part 1 for the child care fund in-home care incentive program shall be used to encourage counties to increase the number of children in the child welfare and juvenile justice systems receiving in-home care services as opposed to out-of-home placements. Funds shall cover the costs of in-home care services that are eligible for temporary assistance for needy families funding. To receive reimbursement under the program, a county shall document that expenditures for in-home care services for the fiscal year ending September 30, 2009 exceeded those of the prior year. Each county shall receive reimbursement from the department in an amount equal to 75% of the documented increase in in-home care expenditures. However, if the amount of eligible expenditures claimed by all counties exceeds the appropriation in part 1, each county will receive a prorated share of its documented increase in in-home care expenditures. Each county shall provide for the remaining 25% of costs from its child care fund.

(2) To participate in the child care fund in-home care incentive program, a county shall submit to the department by December 15 of each year, in a manner determined by the department, a report outlining its proposed budget for the incentive program for the current fiscal year and an overview of measures to be used to monitor outcomes for youth receiving services under the program. The department must approve a final report by the following February 15 for the county to be eligible for program reimbursement.

PUBLIC ASSISTANCE

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

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

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

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

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

(3) The department shall review and adjust the standard utility allowance for the state food assistance program to ensure that it reflects current energy costs in the state.

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

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

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

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

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

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

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

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

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

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

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

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

(4) A refugee or asylee who loses his or her eligibility for the federal supplemental security income program by virtue of exceeding the maximum time limit for eligibility as delineated in 8 USC 1612 and who otherwise meets the eligibility criteria under this section shall be eligible to receive benefits under the state disability assistance program.

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

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

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

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

Sec. 609. The state supplementation level under the supplemental security income program for the personal care/adult foster care and home for the aged categories shall not be reduced during the current fiscal year. The legislature shall be notified not less than 30 days before any proposed reduction in the state supplementation level.

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

Sec. 611. A provider of indigent burial services may collect additional payment from relatives or other persons on behalf of the deceased if the total additional payment does not exceed $4,000.00.

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

Sec. 613. (1) From the money appropriated in part 1 for indigent burial, the maximum allowable reimbursement limit for indigent burials shall be $700.00, which shall be distributed as follows:

(a) $455.00 to the funeral director.

(b) $145.00 to the cemetery or crematorium.

(c) $100.00 to the provider of the vault.

(2) The department shall continue to work with funeral directors to establish a regional or statewide pilot program that would include the following elements:

(a) From the money appropriated in part 1 for indigent burial, the department shall provide for the direct cremation of bodies of indigent persons that are not claimed by a person who has the right to control the disposition of the body.

(b) The department may select through competitive bidding funeral directors in each county or region of the state to supervise the disposition of unclaimed bodies.

(c) Until contracts based upon competitive bidding under subdivision (b) are entered into, the payment to a funeral director for these services shall be $800.00 plus mileage reimbursement for transportation costs at the standard rate established by the department of management and budget for travel reimbursement for nonstate vehicles plus the cost of the cremation permit.

(d) The department may deviate from the payment limits established in subsection (1) and section 611 in making payments under the pilot program.

(e) The department shall provide periodical reports to the senate and house of representatives appropriations subcommittees with jurisdiction over the department budget regarding the pilot program's caseload and expenditures.

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

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

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

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

(a) The only eligible recipient has died.

(b) A recipient member of a program group or family independence assistance group has died.

(c) A recipient child is removed from his or her family home by court action.

(d) A recipient requests in writing that his or her assistance be reduced, terminated, or suspended.

(e) A recipient has been approved to receive assistance in another state.

(f) A change in either state or federal law that requires automatic grant adjustments for classes of recipients.

(g) The only eligible recipient in the household has been incarcerated.

(h) A recipient is no longer a Michigan resident.

(i) A recipient is closed on 1 case to be activated on another.

(j) Federal payments (other than RSDI, railroad retirement, or VA) to the group have begun or increased.

(k) A recipient is disqualified for intentional program violation.

(*l*) When the department's negative action is upheld in an administrative hearing.

Sec. 619. The department shall exempt from the denial of title IV-A assistance and food assistance benefits, contained in 21 USC 862a, any individual who has been convicted of a felony that included the possession, use, or distribution of a controlled substance, after August 22, 1996, provided that the individual is not in violation of his or her probation or parole requirements. Benefits shall be provided to such individuals as follows:

(a) A third-party payee or vendor shall be required for any cash benefits provided.

(b) An authorized representative shall be required for food assistance receipt.

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

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

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

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

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

Sec. 635. Within 24 hours of receiving all information necessary to process an application for payments for child day care, the department shall determine whether the child day care provider to whom the payments, if approved, would be made, is listed on the child abuse and neglect central registry. If the provider is listed on the central registry, the department shall immediately send written notice denying the applicant's request for child day care payments.

Sec. 640. (1) From the funds appropriated in part 1 for day care services, the department may continue to provide infant and toddler incentive payments to child day care providers serving children from 0 to 2-1/2 years of age who meet licensing or training requirements.

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

Sec. 643. As a condition of receipt of federal TANF funds, homeless shelters and human services agencies shall collaborate with the department to obtain necessary TANF eligibility information on families as soon as possible after admitting a family to the homeless shelter. From the funds appropriated in part 1 for homeless programs, the department is authorized to make allocations of TANF funds only to the agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements. Homeless shelters or human services agencies that do not report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements will not receive reimbursements which exceed the per diem amount they received in fiscal year 2000. The use of TANF funds under this section should not be considered an ongoing commitment of funding.

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

Sec. 653. From the funds appropriated in part 1 for food assistance, an individual who is the victim of domestic violence and does not qualify for any other exemption may be exempt from the 3-month in 36-month limit on receiving food assistance under 7 USC 2015. This exemption can be extended an additional 3 months upon demonstration of continuing need.

Sec. 657. (1) The department shall allocate $3,000,000.00 for the operation of a statewide before- or after-school program targeted to children in kindergarten through ninth grade. Eligible programs must serve geographic areas near school buildings that do not meet federal no child left behind annual yearly progress (AYP) requirements and that include the before- or after-school programs in the AYP plans as a means to improve outcomes and serve children living in households with income below 200% of the federal poverty guidelines as established by the United States department of health and human services.

(2) The department shall give priority to before- and after-school programs that operate in areas with a marked increase in gang violence as defined by the United States attorney's office.

Sec. 659. The department may provide staff support to the Kent school services network to assist in addressing the multiple needs of children and families at community schools. The department may also participate in the expansion of this program in Kent County as well as other areas of the state that may use the Kent school services network program as a model.

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

Sec. 665. The department shall partner with the department of transportation and may partner with other entities to use TANF and other sources of available funding to support public transportation needs of TANF-eligible individuals. This partnership shall place a priority on transportation needs for employment or seeking employment or medical or health-related transportation.

Sec. 666. The department shall continue efforts to increase the participation of eligible family independence program recipients in the federal and state earned income tax credit.

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

(2) The department shall allocate up to $7,167,500.00 for the annual clothing allowance. The allowance shall be granted to all eligible children as defined by the department.

(3) The department shall take steps to inform family independence program recipients eligible for the allowance under subsection (2) that the money is to be used for clothing for eligible children.

Sec. 670. (1) From the money appropriated in part 1 for family independence program supplement, the department shall allocate no less than $5,583,500.00 for a 1-time supplement for clothing expenses. The allowance shall be granted to all eligible children as defined by the department.

(2) The department shall distribute the supplement in subsection (1) to recipients electronically by using debit or purchasing cards.

(3) The department shall take steps to inform recipients of the 1-time supplement in subsection (1) that the money is to be used for clothing for eligible children and that the supplement is a 1-time payment.

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

Sec. 674. (1) The department shall continue administrative efforts to reduce waste, fraud, and abuse within the child day care program. Beginning December 31 of the current fiscal year, the department shall report annually to the senate and house appropriations subcommittees for the department budget, the senate and house fiscal agencies and policy offices, and the state budget director on the estimated impact of efforts to reduce inappropriate payments through the child day care program.

(2) The department may contract with a private entity to utilize information technology or other methods of management and oversight of child day care payments to ensure that payments made through the child day care program are accurate and appropriate.

Sec. 675. (1) The department shall establish a 1-time basic training requirement for all enrolled day care aides and relative care providers. All enrolled providers will be required to complete the basic training requirement in order to be eligible for state day care reimbursement payments.

(2) The department shall ensure that additional annual training beyond the basic training requirement is available for enrolled providers and shall make enhanced reimbursement payments to enrolled providers who complete at least 10 hours of optional annual training as outlined in subsection (3).

(3) From the money appropriated in part 1 for regulated day care services and unregulated day care services, the department shall make payments to child care providers in accordance with the provisions of this subsection. The maximum hourly rates paid to child care providers shall vary depending upon provider type and the age of the child in care as outlined below:

(a) For children up to 2-1/2 years old, the maximum hourly rate shall be as follows:

(*i*) For child care centers, $3.75.

(*ii*) For family child care homes and group child care homes, $2.90.

(*iii*) For enrolled providers who complete 10 hours of annual training, $1.85.

(*iv*) For enrolled providers who do not complete 10 hours of annual training, $1.60.

(b) For children over the age of 2-1/2 years, the maximum hourly rate shall be as follows:

(*i*) For child care centers, $2.50.

(*ii*) For family child care homes and group child care homes, $2.40.

(*iii*) For enrolled providers who complete 10 hours of annual training, $1.85.

(*iv*) For enrolled providers who do not complete 10 hours of annual training, $1.60.

(4) The department shall establish policies and rules for determining eligibility for the enhanced reimbursement payments to enrolled providers who complete 10 hours of annual training and shall ensure that the policies and rules are communicated to all enrolled providers that receive state reimbursement payments.

Sec. 676. (1) The department shall collaborate with the state board of education to extend the duration of the Michigan after-school partnership and oversee its efforts to implement the policy recommendations and strategic next steps identified in the Michigan after-school initiative's report of December 15, 2003.

(2) From the funds appropriated in part 1, $25,000.00 shall be used to support the Michigan after-school partnership and to leverage other private and public funding to engage the public and private sectors in building and sustaining high-quality out-of-school-time programs and resources. The co-chairs shall name a fiduciary agent and may authorize the fiduciary to expend funds and hire people to accomplish the work of the Michigan after-school partnership.

(3) Each year, on or before December 31, the Michigan after-school partnership shall report its progress in reaching the recommendations set forth in the Michigan after-school initiative's report to the senate and house committees on appropriations, the senate and house fiscal agencies and policy offices, and the state budget director.

Sec. 677. The department shall establish a state goal for the percentage of family independence program (FIP) cases involved in employment activities. The percentage established shall not be less than 50%. On a monthly basis, the department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget director on the current percentage of FIP cases involved in JET employment activities. If the FIP case percentage is below the goal for more than 2 consecutive quarters, the department shall develop a plan to increase the percentage of FIP cases involved in employment-related activities. The department shall deliver the plan during the next annual budget presentation to the senate and house appropriations subcommittees on the department budget.

Sec. 678. (1) The department shall provide the house and senate appropriations subcommittees on the department budget with an annual report on the activities of the early childhood investment corporation (ECIC). The report is due by February 15 of each year and shall contain at least the following information:

(a) Detail of the amounts of grants awarded.

(b) The grant recipients.

(c) The activities funded by each grant.

(d) An analysis of each grant recipient's success in addressing the development of a comprehensive system of early childhood services and supports.

(2) All ECIC contracts for comprehensive systems planning shall be bid out through a statewide request-for-proposal process.

Sec. 681. The department shall work in collaboration with grocers, distributors, and merchants on effective education of food assistance recipients to ensure adequate notice of changes in the food assistance benefits distribution. The department shall update the senate and house appropriations subcommittees on the department budget and standing committees for human services on the progress and issues raised by this change in distribution.

Sec. 682. The department shall notify the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the house and senate policy staffs regarding the JET program savings for the previous fiscal year and the details on the proposed use of that money.

Sec. 683. (1) From the funds appropriated in part 1 for SSI advocacy, $1,275,000.00 shall be paid to the Michigan state bar foundation for SSI advocacy services provided by the legal services association of Michigan. A payment of $400.00 shall be made for each case referred to the legal services association of Michigan, with a final payment of $250.00 on case completion.

(2) The department shall not provide payment to the legal services association of Michigan for assisting a recipient to submit a frivolous appeal or application or for assisting a recipient who has submitted multiple applications that have been denied regarding the same disability, unless the legal services association of Michigan determines that there is a valid reason to pursue an appeal.

Sec. 685. (1) Not later than March 1 of the current fiscal year, the department shall report to the senate and house appropriations subcommittees with jurisdiction over the department budget, and to the senate and house appropriations subcommittees with jurisdiction over the department of community health budget, on the number of recipients that applied for Medicaid coverage, the number of recipients that were approved for Medicaid coverage, and the number of recipients that were denied Medicaid coverage. The report shall describe these statistics comparing the current and previous fiscal years and summarize department programs to assist persons in applying for Medicaid.

(2) Not later than March 1 of the current fiscal year, the department shall report to the senate and house appropriations subcommittees with jurisdiction over the department budget, and to the senate and house subcommittees with jurisdiction over the department of community health budget, on the number of applicants for home help services. The department shall give a summary report on the number of approved applications, denied applications, pending applications, and the number of applications in which the applicant was eligible for nursing home services.

Sec. 686. (1) The department shall ensure that program policy requires caseworkers to confirm that individuals presenting personal identification issued by another state seeking assistance through the family independence program, food assistance program, state disability assistance program, or medical assistance program are not receiving benefits from any other state.

(2) The department shall explore changes in program policies to ensure that caseworkers confirm the address provided by any individual seeking family independence program benefits or state disability assistance benefits.

(3) The department shall explore changes in program policy that would ensure that individuals with property assets assessed at a value higher than $500,000.00 would not be able to access assistance through department-administered programs.

(4) The department shall modify program policy to ensure that caseworkers request an up-to-date telephone number during the eligibility determination or redetermination process for individuals seeking medical assistance benefits. On a monthly basis, the department shall provide the department of community health an updated list of telephone numbers for medical assistance recipients.

Sec. 688. The department in conjunction with Michigan works! shall examine and report on the incidence of reported barriers among families terminated from the family independence program because of noncompliance with work-related requirements. The report shall be submitted to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, the house and senate policy offices, and the state budget director by April 1 of the current fiscal year.

Sec. 690. Child care centers, child care group homes, and child care family homes that are licensed or registered with the department may report to the department on a quarterly basis on the number of vacancies they have with regard to children in their care. Vacancy information may be reported more frequently to the department on a voluntary basis.

Sec. 691. The department may choose not to distribute public assistance or subsidies to the parent or parents of school-age children if that parent or those parents have not signed a parent, student, teacher compact outlining the role of each party in the educational success of the student as required by the federal no child left behind act of 2001, Public Law 107-110.

Sec. 695. The funds appropriated in part 1 for food assistance program benefits (ARRA) that are financed by federal funds designated as ARRA funding represent federal funds associated with the American recovery and reinvestment act of 2009, Public Law 111-5. These federal funds are temporary in nature.

JUVENILE JUSTICE SERVICES

Sec. 705. (1) The department, in conjunction with private juvenile justice residential programs, shall develop a methodology for measuring goals, objectives, and performance standards for the delivery of juvenile justice residential programs based on national standards and best practices. The department will provide a unified data collection mechanism to ensure consistent reporting of aggregate case information from the courts. These goals, objectives, and performance standards shall apply to both public and private delivery of juvenile justice residential programs, and data

shall be collected from both private and public juvenile justice residential programs that can be used to evaluate performance achievements, including, but not limited to, the following:

(a) Admission and release data and other information related to demographics of population served.

(b) Program descriptions and information related to treatment, educational services, and conditions of confinement.

(c) Program outcomes including recidivism rates for youth served by the facility.

(d) Trends in census and population demographics.

(e) Staff and resident safety.

(f) Facility profile.

(2) The department during the annual budget presentation shall outline the progress of the development of the goals, objectives, and performance standards, as well as the information collected through the implementation of the performance measurement program. The presentation shall include all of the following:

(a) Actual cost and actual days of care by facility for the most recently completed fiscal year. This report shall also include the actual number of youth served as well as demographic information.

(b) Actual cost per day per youth by facility for the most recently completed fiscal year.

(c) An analysis of the variance between the estimated cost and days of care assumed in the original appropriation and the figures in subdivisions (a) and (b).

(d) Both the number of authorized FTE positions for each facility and the number of actual on-board FTE positions for the most recently completed fiscal year.

Sec. 706. Counties shall be subject to 50% chargeback for the use of alternative regional detention services, if those detention services do not fall under the basic provision of section 117e of the social welfare act, 1939 PA 280, MCL 400.117e, or if a county operates those detention services programs primarily with professional rather than volunteer staff.

Sec. 707. In order to be reimbursed for child care fund expenditures, counties are required to submit department-developed reports to enable the department to document potential federally claimable expenditures. This requirement is in accordance with the reporting requirements specified in section 117a(7) of the social welfare act, 1939 PA 280, MCL 400.117a.

Sec. 708. As a condition of receiving money appropriated in part 1 for the child care fund line item, by February 15 of the current fiscal year, counties shall have an approved service spending plan for the current fiscal year. Counties must submit the service spending plan to the department by December 15 of the current fiscal year for approval.

Sec. 717. (1) If funds become available, the department shall contract with a state university to conduct a behavioral health study of juvenile justice facilities operated or contracted for by the state. The study shall utilize diagnostic clinical interviews with and records reviews for a representative random sample of juvenile justice system detainees to develop a report on each of the following:

(a) The proportion of juvenile justice detainees with a primary diagnosis of emotional disorder, the percentage of those detainees considered to currently require mental health treatment, and the proportion of those detainees currently receiving mental health services, including a description and breakdown, encompassing, at a minimum, the categories of inpatient, residential, and outpatient care, of the type of mental health services provided to those detainees.

(b) The proportion of juvenile justice detainees with a primary diagnosis of addiction disorder, the percentage of those detainees considered to currently require substance abuse treatment, and the proportion of those detainees currently receiving substance abuse services, including a description and breakdown, encompassing, at a minimum, the categories of residential and outpatient care, of the type of substance abuse services provided to those detainees.

(c) The proportion of juvenile justice detainees with a dual diagnosis of emotional disorder and addiction disorder, the percentage of those detainees considered to currently require treatment for their condition, and the proportion of those detainees currently receiving that treatment, including a description and breakdown, encompassing, at a minimum, the categories of mental health inpatient, mental health residential, mental health outpatient, substance abuse residential, and substance abuse outpatient, of the type of treatment provided to those detainees.

(d) Data indicating whether juvenile justice detainees with a primary diagnosis of emotional disorder, a primary diagnosis of addiction disorder, and a dual diagnosis of emotional disorder and addiction disorder were previously hospitalized in a state psychiatric hospital for persons with mental illness. These data shall be broken down according to each of these 3 respective categories.

(e) Data indicating whether and with what frequency juvenile justice detainees with a primary diagnosis of emotional disorder, a primary diagnosis of addiction disorder, and a dual diagnosis of emotional disorder and addiction disorder have been detained previously. These data shall be broken down according to each of these 3 respective categories.

(f) Data classifying the types of offenses historically committed by juvenile justice detainees with a primary diagnosis of emotional disorder, a primary diagnosis of addiction disorder, and a dual diagnosis of emotional disorder and addiction disorder. These data shall be broken down according to each of these 3 respective categories.

(g) Data indicating whether juvenile justice detainees have previously received services managed by a community mental health program or substance abuse coordinating agency. These data shall be broken down according to the respective categories of detainees with a primary diagnosis of emotional disorder, a primary diagnosis of addiction disorder, and a dual diagnosis of emotional disorder and addiction disorder.

(2) The report referenced under subsection (1) would be provided not later than June 30 of the current fiscal year to the senate and house appropriations subcommittees on human services, the senate and house fiscal agencies and policy offices, and the state budget director.

Sec. 719. The department shall notify the legislature at least 30 days before closing or making any change in the status, including the licensed bed capacity and operating bed capacity, of a state juvenile justice facility.

Sec. 720. (1) The department shall implement the recommendations on a methodology for measuring goals, objectives, and performance standards developed in conjunction with private providers of juvenile justice residential programs required in section 705 of 2004 PA 344.

(2) The department shall allocate money to public and private providers of juvenile justice services based on their ability to demonstrate results in all of the following:

(a) Lower recidivism rates.

(b) Higher school completion rates or GED completion rates.

(c) Shorter average stays in a residential facility.

(d) Lower average actual cost per resident.

(e) Availability of appropriate services to residents.

(3) The department shall comply with section 115o of the social welfare act, 1939 PA 280, MCL 400.115o, regarding placement of juvenile offenders, and shall refer to that statutory requirement in making referral recommendations to courts for secure residential programs.

Sec. 721. The department shall report to the house and senate appropriations subcommittees on the department budget by October 1 of the current fiscal year on the placement of juvenile offenders who need services in community-based or privately operated facilities.

Sec. 723. A private provider of juvenile services may receive funding for both secure and nonsecure services if the provider has appropriate services for each security level and adequate measures to physically separate residents of each security level.

Sec. 726. (1) Beginning October 1, 2007, from the money appropriated in part 1 for foster care payments and child care fund, the department shall not enter into or maintain a contract with a for-profit provider of residential services for juvenile justice and abused or neglected youth, or with a nonprofit provider of residential services for juvenile justice and abused or neglected youth that uses a for-profit management group or contracts with a for-profit organization for its management, unless the provider was licensed on or before August 1, 2007 and, if the provider is a nonprofit provider of residential services for juvenile justice and abused or neglected youth that uses a for-profit management group or contracts with a for-profit organization for its management, the contract between the provider and the for-profit group or organization existed prior to August 1, 2007.

(2) A provider shall not receive a daily rate below $130.00.

Sec. 730. The department shall review and may adjust daily per diem rates to private providers of juvenile justice services in recognition of added complex services.

Sec. 732. The department shall ensure that staff employed at Nokomis challenge center or community juvenile justice facility closed in the current fiscal year appropriation process be given priority for new staff positions that they are qualified to fulfill that are funded in the current fiscal year appropriation to meet the requirements of the children's rights settlement agreement.

LOCAL OFFICE SERVICES

Sec. 750. The department shall maintain out-stationed eligibility specialists in community-based organizations, nursing homes, and hospitals.

Sec. 751. (1) From the funds appropriated in part 1, the department may implement school-based family resource centers based on the following guidelines:

(a) The center is supported by the local school district.

(b) The programs and information provided at the center do not conflict with sections 1169, 1507, and 1507b of the revised school code, 1976 PA 451, MCL 380.1169, 380.1507, and 380.1507b.

(c) Notwithstanding subdivision (b), the center shall provide information regarding crisis pregnancy centers or adoption service providers in the area.

(2) The department shall notify the senate and house subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget office of family resource center expansion efforts and shall provide all of the following at the beginning of the selection process or no later than 5 days after eligible schools receive opportunity notification:

(a) A list of eligible schools.

(b) The selection criteria to be used.

(c) The projected number to be opened.

(d) The financial implications for expansion, including funding sources.

Sec. 752. If sufficient funding becomes available from local sources, the department shall support the operation of 2 additional family resource centers in Genesee County, 3 additional family resource centers in Kent County, and 1 additional family resource center in Ingham County.

Sec. 753. The department shall implement the recommendations of the 2004 public private partnership initiative's training committee to define, design, and implement a train-the-trainer program to certify private agency staff to deliver child welfare staff training, explore the use of e-learning technologies, and include consumers in the design and implementation of training. The intent of the legislature is to reduce training and travel costs for both the department and the private agencies. The department shall report no later than December 1 of the current fiscal year on each specific policy change made to implement enacted legislation and the plans to implement the recommendations, including timelines, to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on human services matters, the senate and house fiscal agencies and policy offices, and the state budget director.

Sec. 754. From the money appropriated in part 1, the department shall provide $850,000.00 to establish a customer service resource center.

DISABILITY DETERMINATION SERVICES

Sec. 801. The department disability determination services in agreement with the department of management and budget office of retirement systems will develop the medical information and make recommendations for medical disability retirement for state employees, state police, judges, and schoolteachers.

CHILD SUPPORT ENFORCEMENT

Sec. 901. (1) The appropriations in part 1 assume a total federal child support incentive payment of $26,500,000.00.

(2) From the federal money received for child support incentive payments, $12,000,000.00 shall be retained by the state and expended for child support program expenses.

(3) From the federal money received for child support incentive payments, $14,500,000.00 shall be paid to the counties based on each county's performance level for each of the federal performance measures as established in the code of federal regulations, CFR 45.305.2.

(4) If the child support incentive payment to the state from the federal government is greater than $26,500,000.00, then 100% of the excess shall be retained by the state and is appropriated until the total retained by the state reaches $15,397,400.00.

(5) If the child support incentive payment to the state from the federal government is greater than the amount needed to satisfy the provisions identified in subsections (1), (2), (3), and (4), the additional funds shall be subject to appropriation by the legislature.

(6) If the child support incentive payment to the state from the federal government is less than $26,500,000.00, then the state and county share shall each be reduced by 50% of the shortfall.

Sec. 902. (1) The department shall continue its work to fix and improve the child support computer system using the funding carried forward from prior fiscal years.

(2) The department shall consult with the department of treasury and any outside consultant with collections expertise under contract with the department of treasury to develop a plan to maximize the collection of child support and child support arrearage settlement for the purposes of this section.

(3) The department, through the child support leadership group, shall provide semiannual reports to the legislature concerning money expended and improvements made as a result of this section.

Sec. 903. The department may facilitate with the department of community health a program under which the departments independently or jointly contract with local friend of the court offices to update and maintain the child support statewide database with health insurance information in cases in which the court has ordered a party to the case to maintain health insurance coverage for the minor child or children involved in the case and to assist in the recovery of money paid by the state for health care costs that are otherwise recoverable from a party to the case. The program shall be in addition to a program or programs under existing contract between either or both of the departments with a private entity on September 1 of the current fiscal year. The program shall be entirely funded with state and federal funds from money first recovered or through costs that are avoided by charging the insurance coverage for minor children from state programs to private insurance.

Sec. 904. The department is prohibited from charging back to the counties any of the fees paid that are charged by the internal revenue service or the department of treasury related to the tax intercept and offset programs. The state share of those fees shall be paid from money otherwise provided for office of child support programs.

Sec. 907. The office of child support in cooperation with the state court administrative office shall establish a pilot program to examine the effectiveness of contracting with a public or private collection agency as authorized under section 10 of the office of child support act, 1971 PA 174, MCL 400.240. The pilot program shall be implemented during the current fiscal year. Any restricted revenue collected pursuant to this section shall not be expended until the department and representatives from counties and the friends of the court meet and agree upon recommendations for use of the revenue. The revenue is subject to appropriation by the legislature.

Sec. 908. From the money appropriated in part 1 for child support enforcement operations, $500,000.00 shall be expended on a contract to collect child support arrearages. Cases shall be assigned to a contractor with the goal that at least 15% of collected arrearages be owed to this state on behalf of current or former TANF recipients. The contractor shall be allowed to retain up to 15% of arrearages collected as a fee for services. By September 30 of the current fiscal year, the department shall report to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the house and senate policy offices on the following contract results:

(a) Number of cases assigned to the contractor.

(b) Number of cases in which the contractor successfully collected on arrearages.

(c) Total arrearages collected.

(d) Total arrearages collected that were owed to this state as reimbursement for public assistance.

(e) Total amount retained by the contractor.

Sec. 909. (1) If statewide retained child support collections exceed $38,300,000.00, 75% of the amount in excess of $38,300,000.00 is appropriated to legal support contracts. This excess appropriation may be distributed to eligible counties to supplement and not supplant county title IV-D funding.

(2) Each county whose retained child support collections in the current fiscal year exceed its fiscal year 2004-2005 retained child support collections, excluding tax offset and financial institution data match collections in both the current year and fiscal year 2004-2005, shall receive its proportional share of the 75% excess.

(3) Payments to counties participating in projects pursuant to section 907 shall be reduced by the amount paid to the vendor. This authorization adjustment shall be made upon notification of the chairs of the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the state budget director.

Sec. 910. If title IV-D-related child support collections are escheated, the state budget director is authorized to adjust the sources of financing for the funds appropriated in part 1 for legal support contracts to reduce federal authorization by 66% of the escheated amount and increase general fund/general purpose authorization by the same amount. This budget adjustment is required to offset the loss of federal revenue due to the escheated amount being counted as title IV-D program income in accordance with federal regulations at 45 CFR 304.50.

Sec. 911. (1) The department will implement a $25.00 annual fee pursuant to title IV-D, section 454(6)(B)(*ii*), of the social security act, 42 USC 651. The fee shall be deducted from support collected on behalf of the individual. Fee revenues shall be used to administer and operate the child support program under part D of title IV of the social security act.

(2) The department shall provide the chairs of the senate and house appropriations committees with model legislation authorizing a $25.00 annual fee pursuant to title IV-D, 42 USC 654(6)(B) by December 31 of the current fiscal year.

COMMUNITY ACTION AND ECONOMIC OPPORTUNITY

Sec. 1101. Not later than September 30 of each year, the department shall submit for public hearing to the chairpersons of the house and senate appropriations subcommittees dealing with appropriations for the department budget the proposed use and distribution plan for community services block grant funds appropriated in part 1 for the succeeding fiscal year.

Sec. 1102. The department shall develop a plan based on recommendations from the department of civil rights and from Native American organizations to assure that the community services block grant funds are equitably distributed. The plan must be developed by October 31 of the current fiscal year, and the plan shall be delivered to the appropriations subcommittees on the department budget in the senate and house, the senate and house fiscal agencies, and the state budget director.

Sec. 1104. The department shall award up to $500,000.00 in competitive grants to organizations based on their education and outreach with the earned income tax credit (EITC). Organizations shall be given preference based on their emphasis on clients who have never filed for the EITC, clients with children, and clients for whom receipt of the EITC will make it easier for them to move off public assistance.

FEDERAL ARRA STIMULUS

Sec. 1201. The funds appropriated in part 1 for elder law of Michigan food for the elderly (ARRA) shall be distributed to the center for civil justice to enhance its outreach efforts aimed at increasing the participation of low-income families in the food assistance program.

Sec. 1202. The funds appropriated in part 1 for food bank funding (ARRA) shall be distributed to the food bank council of Michigan to assist Michigan food banks in collaborating with anti-hunger partners in outreach aimed at increasing the participation of low-income families in the food assistance program.

Sec. 1203. From the money appropriated in part 1, the department shall expend $100.00 to hire 200 limited-term eligibility specialists to address rising caseloads and client applications for assistance, particularly for Medicaid and food assistance.

Sec. 1204. From the money appropriated in part 1, the department may expend $100.00 of federal child care and development fund revenue for any of the following:

(a) Child care provider rate increases.

(b) Child care provider training.

(c) ECIC expansion.

(d) Zero to 3 expansion.

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate

Richard J. Brown

Clerk of the House of Representatives

Approved .....

.....

Governor

JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
OFFICE OF THE GOVERNOR
LANSING

JOHN D. CHERRY, JR.
LT. GOVERNOR

October 29, 2009

Michigan Senate
State Capitol
Lansing, MI 48909-7536

Ladies and Gentlemen:

I have signed Enrolled Senate Bill 248, which authorizes expenditures by the Department of Human Services (DHS) for the fiscal year ending September 30, 2010. I however, have disapproved several items pursuant to Section 19 of Article V of the Michigan Constitution of 1963. The item vetoes are detailed in the attached copy of the bill, which has been filed with the Secretary of State.

This bill appropriates over $6 billion in total funding, representing a large increase over fiscal year 2009, largely because of 100% federally funded food assistance benefits made possible by the American Recovery and Reinvestment Act of 2009. However, programs supported by the state's general fund, including local office field staffing, child welfare improvements, child day care, juvenile justice, and employment and training programs have all been drastically reduced from my executive recommendation to meet legislatively-negotiated targets with which I did not agree.

These general fund reductions create a potential shortfall in state maintenance of effort and match requirements for critical federal block grants that fund child day care services and basic assistance for low-income families. I am concerned about the impacts on vulnerable citizens in the face of these shortfalls. In addition, a number of program enhancements and spending increases have been added to this budget that do not reflect the balance needed to help Michigan families move toward self-sufficiency and to ensure the well-being of children.

I have disapproved the following proposed appropriations as they are ancillary to the core mission and objectives of the Department and cannot be supported in these fiscally challenging times: sections 286, 299, 523(2), and 1104.

I have disapproved the following proposed appropriations that earmark funding for special projects that cannot be funded while other core programs are drastically reduced: sections 295, 312, 415, 416, 423(3), 587, 613(2), 657, 676, 754, and 908.

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I have also disapproved three line items for non-essential projects: day care services grants and contracts, family group decision-making, and communities in schools. These projects cannot be maintained while other, more critical programming in the department is reduced.

I have disapproved the proposed appropriations in Sections 288, 573 and 581 for increased provider payments as they cannot be sustained given our challenging fiscal situation.

The following drafting errors of a technical nature are disapproved: sections 1201, 1202, 1203, and 1204. Funding for these items is duplicative as other funding is contained elsewhere in the budget.

To provide direction regarding the implementation of this appropriations act, I note the following:

- Sections 546(4) and 547(2) attempt to amend the following state statutes without republication by requiring the state to assume a 75 percent cost share for foster care services: The Social Welfare Act and the Probate Code of 1939. (MCL 712a.25). To the degree that these sections conflict with existing state law they violate Section 25 of Article IV of the Michigan Constitution of 1963 and are unenforceable. The Department of Human Services to continue with the statutorily mandated 50 percent/50 percent cost sharing arrangement.

- Section 753 of the bill includes a statement of legislative intent. While the Legislature has the right to state its advice, preferences, or wishes through a statement of intent, such statements do not impose conditions upon appropriations and are non-binding.

- Section 290 expresses legislative intent and is not binding on the Department. However, administrative savings for these proposed reductions in central administration and field staff have been reflected in appropriations made in Sections 102, 103, 109, and 110 of the bill. The Legislatures attempt to direct the Department to eliminate specific offices and positions is an infringement on the Executive's prerogative to organize state operations to meet the needs and policy priorities of Michigan's citizens and faithfully execute. This provision also represents an unwarranted attack on the hard-working civil servants in the positions identified and does not meet the values of integrity, excellence, and inclusion I have established for conduct in the Executive Branch.

Finally, I am concerned about the lack of funding to maintain operations at the Nokomis Challenge Center and community juvenile justice centers. These facilities were funded for only one quarter of the fiscal year and no funding was included to provide alternative placements for the youth currently served by these programs. I believe these facilities are critical in providing necessary, specialized substance abuse treatment and transition services for youth offenders, and as presented, this budget fails to adequately address the needs of these youth under state care.

I appreciate the effort it has taken to create this budget, even though I disagree with certain provisions. Thank you for presenting me with this budget.

Respectfully,

Jennifer M. Granholm
Governor

cc: Michigan House of Representatives
The Honorable Terri Lynn Land

JUDICIAL BRANCH

Act No. 113
Public Acts of 2009
Approved by the Governor
October 8, 2009

Filed with the Secretary of State
October 9, 2009

EFFECTIVE DATE: October 9, 2009

STATE OF MICHIGAN
95TH LEGISLATURE
REGULAR SESSION OF 2009

Introduced by Senator Cropsey

ENROLLED SENATE BILL No. 249

AN ACT to make appropriations for the judicial branch for the fiscal year ending September 30, 2010; to provide for the expenditure of these appropriations; to place certain restrictions on the expenditure of these appropriations; to prescribe the powers and duties of certain state and local departments, officials, and employees; to require certain reports; and to provide for the disposition of fees and other income received by the judicial branch.

The People of the State of Michigan enact:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the judicial branch for the fiscal year ending September 30, 2010, from the funds indicated in this part. The following is a summary of the appropriations in this part:

JUDICIARY

APPROPRIATION SUMMARY		
Full-time equated exempted positions	491.0	
GROSS APPROPRIATION	$	258,762,300
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		3,553,500
ADJUSTED GROSS APPROPRIATION	$	255,208,800
Federal revenues:		
Total federal revenues		5,126,500
Special revenue funds:		
Total local revenues		6,149,300
Total private revenues		842,500
Total other state restricted revenues		89,957,700
State general fund/general purpose	$	153,132,800

		For Fiscal Year Ending Sept. 30, 2010
Sec. 102. SUPREME COURT		
Full-time equated exempted positions....243.0		
Supreme court administration—97.0 FTE positions	$	10,548,400
Judicial institute—13.0 FTE positions		2,554,500
State court administrative office—60.0 FTE positions		11,009,200
Judicial information systems—22.0 FTE positions		3,092,100
Direct trial court automation support—36.0 FTE positions		6,149,300
Foster care review board—12.0 FTE positions		1,235,000
Community dispute resolution—3.0 FTE positions		2,300,400
Other federal grants		275,000
Drug treatment courts		5,132,900
Juvenile training pilot project		100
GROSS APPROPRIATION	$	42,296,900
Appropriated from:		
Interdepartmental grant revenues:		
IDG from department of community health		1,800,000
IDG from department of corrections		1,030,000
IDG from state police - Michigan justice training fund		300,000
Federal revenues:		
DOJ, victims assistance programs		50,000
DOJ, drug court training and evaluation		300,000
DOT, national highway traffic safety administration		1,300,000
HHS, access and visitation grant		387,000
HHS, children's justice grant		206,300
HHS, court improvement project		1,160,000
HHS, title IV-D child support program		907,700
HHS, title IV-E foster care program		540,400
Other federal grant revenues		275,100
Special revenue funds:		
Local - user fees		6,149,300
Private		169,000
Private - interest on lawyers trust accounts		232,700
Private - state justice institute		370,800
Community dispute resolution fund		2,300,400
Law exam fees		536,200
Drug court fund		1,920,500
Miscellaneous revenue		227,900
Justice system fund		700,000
State court fund		339,000
State general fund/general purpose	$	21,094,600
Sec. 103. COURT OF APPEALS		
Full-time equated exempted positions....190.0		
Court of appeals operations—190.0 FTE positions	$	18,414,300
GROSS APPROPRIATION	$	18,414,300
Appropriated from:		
Special revenue funds:		
Court filing/motion fees		1,958,500
Miscellaneous revenue		77,800
State general fund/general purpose	$	16,378,000
Sec. 104. BRANCHWIDE APPROPRIATIONS		
Full-time equated exempted positions....4.0		
Branchwide appropriations—4.0 FTE positions	$	8,039,400
GROSS APPROPRIATION	$	8,039,400
Appropriated from:		
State general fund/general purpose	$	8,039,400

		For Fiscal Year Ending Sept. 30, 2010
Sec. 105. JUSTICES' AND JUDGES' COMPENSATION		
Full-time judges positions 617.0		
Supreme court justices' salaries—7.0 justices	$	1,152,300
Court of appeals judges' salaries—28.0 judges		4,240,300
District court judges' state base salaries—258.0 judges		23,877,200
District court judicial salary standardization		11,796,800
Probate court judges' state base salaries—103.0 judges		9,627,900
Probate court judicial salary standardization		4,669,700
Circuit court judges' state base salaries—221.0 judges		20,817,200
Circuit court judicial salary standardization		10,105,000
Judges' retirement system defined contributions		3,781,000
OASI, social security		5,468,400
GROSS APPROPRIATION	$	95,535,800
Appropriated from:		
Special revenue funds:		
Court fee fund		7,090,200
State general fund/general purpose	$	88,445,600
Sec. 106. JUDICIAL AGENCIES		
Full-time equated exempted positions 7.0		
Judicial tenure commission—7.0 FTE positions	$	969,700
GROSS APPROPRIATION	$	969,700
Appropriated from:		
State general fund/general purpose	$	969,700
Sec. 107. INDIGENT DEFENSE - CRIMINAL		
Full-time equated exempted positions 47.0		
Appellate public defender program—39.0 FTE positions	$	4,900,500
Appellate assigned counsel administration—8.0 FTE positions		908,800
GROSS APPROPRIATION	$	5,809,300
Appropriated from:		
Interdepartmental grant revenues:		
IDG from state police - Michigan justice training fund		423,500
Special revenue funds:		
Private - interest on lawyers trust accounts		70,000
Miscellaneous revenue		113,100
State general fund/general purpose	$	5,202,700
Sec. 108. INDIGENT CIVIL LEGAL ASSISTANCE		
Indigent civil legal assistance	$	7,937,000
GROSS APPROPRIATION	$	7,937,000
Appropriated from:		
Special revenue funds:		
State court fund		7,937,000
State general fund/general purpose	$	0
Sec. 109. TRIAL COURT OPERATIONS		
Court equity fund reimbursements	$	64,794,900
Judicial technology improvement fund		4,815,000
GROSS APPROPRIATION	$	69,609,900
Appropriated from:		
Special revenue funds:		
Court equity fund		50,440,000
Judicial technology improvement fund		4,815,000
State general fund/general purpose	$	14,354,900
Sec. 110. GRANTS AND REIMBURSEMENTS TO LOCAL GOVERNMENT		
Drug case-flow program	$	250,000

		For Fiscal Year Ending Sept. 30, 2010
Drunk driving case-flow program	$	3,300,000
Juror compensation fund transfer to general fund		0
Juror compensation reimbursement		6,600,000
GROSS APPROPRIATION	$	10,150,000
Appropriated from:		
Special revenue funds:		
Drug fund		250,000
Drunk driving fund		3,300,000
Juror compensation fund		7,952,100
State general fund/general purpose	$	(1,352,100)

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2009-2010 is $243,090,500.00 and state spending from state resources to be paid to local units of government for fiscal year 2009-2010 is $122,213,500.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

JUDICIARY		
SUPREME COURT		
State court administrative office	$	511,900
Drug treatment courts		4,832,900
TRIAL COURT OPERATIONS		
Court equity fund reimbursements	$	64,794,800
Judicial technology improvement fund		4,815,000
JUSTICES' AND JUDGES' COMPENSATION		
District court judicial salary standardization	$	11,796,800
Probate court judges' state base salaries		9,627,900
Probate court judicial salary standardization		4,669,700
Circuit court judicial salary standardization		10,105,000
Grant to OASI contribution fund, employers share, social security		909,500
GRANTS AND REIMBURSEMENTS TO LOCAL GOVERNMENT		
Drunk driving case-flow program	$	3,300,000
Drug case-flow program		250,000
Juror compensation reimbursement		6,600,000
TOTAL	$	122,213,500

Sec. 202. (1) The appropriations authorized under this act are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

(2) Funds appropriated in part 1 to an entity within the judicial branch shall not be expended or transferred to another account without written approval of the authorized agent of the judicial entity. If the authorized agent of the judicial entity notifies the state budget director of its approval of an expenditure or transfer, the state budget director shall immediately make the expenditure or transfer. The authorized judicial entity agent shall be designated by the chief justice of the supreme court.

Sec. 203. As used in this act:

(a) "DOJ" means the United States department of justice.

(b) "DOT" means the United States department of transportation.

(c) “FTE” means full-time equated.

(d) “HHS” means the United States department of health and human services.

(e) “IDG” means interdepartmental grant.

(f) “OASI” means old age survivor’s insurance.

Sec. 204. The judicial branch shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 208. The reporting requirements of this act shall be completed with the approval of, and at the direction of, the supreme court. The judicial branch shall use the Internet to fulfill the reporting requirements of this act. This may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on an Internet or Intranet site.

Sec. 212. As a condition of expending appropriations made under part 1, the judicial branch shall receive and retain copies of all reports funded from appropriations in part 1 and shall follow federal and state guidelines for short-term and long-term retention of such reports and records.

Sec. 214. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available. Preference shall be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality. In addition, preference shall be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 215. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2010 shall be limited to situations in which 1 or more of the following conditions apply:

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

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

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

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

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

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

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

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

(a) The 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. 216. (1) The judicial branch shall report no later than April 1, 2010 on each specific policy change made to implement a public act affecting the judicial branch that took effect during the prior calendar year to the house and senate appropriations subcommittees on the judicial branch budget, the joint committee on administrative rules, and the senate and house fiscal agencies.

(2) Funds appropriated in part 1 shall not be used by the judicial branch to adopt a rule that will apply to a small business and that will have a disproportionate economic impact on small businesses because of the size of those businesses if the judicial branch fails to reduce the disproportionate economic impact of the rule on small businesses as provided under section 40 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

(3) As used in this section:

(a) "Rule" means that term as defined under section 7 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.207.

(b) "Small business" means that term as defined under section 7a of the administrative procedures act of 1969, 1969 PA 306, MCL 24.207a.

Sec. 218. The judicial branch shall not approve the travel of more than 1 judicial 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 the judicial branch to attend, or the conference or training seminar includes multiple issues in which 1 employee from the judicial branch does not have expertise.

Sec. 219. Not later than September 30, 2010, the judiciary 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 program or program areas. The report shall be transmitted to the office of the state budget, the chairpersons of the senate and house appropriations committees, and the senate and house fiscal agencies.

Sec. 220. It is the intent of the legislature that the supreme court retain its satellite offices.

Sec. 221. From the funds appropriated in part 1, the judicial branch shall use an amount not to exceed $10,000.00 to develop, post, and maintain, on a publicly accessible Internet site, all expenditures made by the judicial branch within a fiscal year. The posting must include the purpose for which each expenditure is made. The judicial branch shall not be required to hire additional employees to comply with this section.

JUDICIAL BRANCH

Sec. 301. (1) The direct trial court automation support program of the state court administrative office shall recover direct and overhead costs from trial courts by charging for services rendered. The fee shall cover the actual costs incurred to the direct trial court automation support program in providing the service, including development of future versions of case management systems. A report of amounts collected in excess of funds identified as user service charges in part 1 shall be submitted to the state budget director and to the house and senate appropriations subcommittees on judiciary 30 days before expenditure by the direct trial court automation support program.

(2) From funds appropriated in part 1, the direct trial court automation support program of the state court administrative office shall provide to the state budget director, the senate and house appropriations committees, and the senate and house fiscal agencies before January 1 of each year a detailed list of user service charges collected during the immediately preceding state fiscal year.

Sec. 302. Funds appropriated within the judicial branch shall not be expended by any component within the judicial branch without the approval of the supreme court.

Sec. 303. Of the amount appropriated in part 1 for the judicial branch, $325,000.00 is allocated for circuit court reimbursement under section 3 of 1978 PA 16, MCL 800.453, and $186,900.00 is allocated for court of claims reimbursement under section 6413 of the revised judicature act of 1961, 1961 PA 236, MCL 600.6413.

Sec. 304. As a condition of expending appropriations made under part 1, the judicial branch shall cooperate with the auditor general regarding audits of the judicial branch conducted under section 53 of article IV of the state constitution of 1963.

Sec. 305. As a condition of expending appropriations made under part 1, and to avoid the overexpenditure of funds appropriated under this act, the supreme court shall report quarterly to members of the senate and house appropriations subcommittees on the judiciary, the senate and house fiscal agencies, and the state budget director on the status of accounts set forth in part 1. The report required by this section shall include quarterly, year-to-date, and projected

expenditures by funding source for each line item, and beginning balances and quarterly, year-to-date, and projected revenues for each source of revenue other than general fund/general purpose revenues.

Sec. 306. The supreme court and the state court administrative office shall continue to maintain, as a priority, the assisting of local trial courts in improving the collection of judgments.

Sec. 308. If sufficient funds are not available from the court fee fund to pay judges' compensation, the difference between the appropriated amount from that fund for judges' compensation and the actual amount available after the amount appropriated for trial court reimbursement is made shall be appropriated from the state general fund for judges' compensation.

Sec. 309. By April 1, 2010, the state court administrative office shall provide an update on the status of the pilot mental health courts to the state budget director, the senate and house appropriations subcommittees on the judiciary, and the senate and house fiscal agencies.

Sec. 310. From the funds appropriated in part 1 for drug treatment court programs, with the approval of and at the discretion of the supreme court, the state court administrative office shall evaluate and collect data on the performance of drug treatment court programs. The state court administrative office shall provide an annual review of the performance of drug courts as prescribed in section 1078(6) of the revised judicature act of 1961, 1961 PA 236, MCL 600.1078. All of the following apply to that annual review:

(a) It shall include measures of the impact of drug court programs in changing offender criminal involvement (recidivism) and substance abuse and in reducing prison admissions.

(b) It shall be completed no later than April 1 of each year and shall also be provided to the senate and house appropriations subcommittees on the judiciary, the senate and house fiscal agencies, and the state budget director.

(c) The evaluation of a program funded with federal Byrne funds shall be consistent with the requirements contained in the federal Byrne grant for that program.

Sec. 311. (1) The funds appropriated in part 1 for drug treatment courts shall be administered by the state court administrative office to operate drug treatment court programs. A drug treatment court shall be responsible for handling cases involving substance abusing nonviolent offenders through comprehensive supervision, testing, treatment services, and immediate sanctions and incentives. A drug treatment court shall use all available county and state personnel involved in the disposition of cases including, but not limited to, parole and probation agents, prosecuting attorneys, defense attorneys, and community corrections providers. The funds may be used in connection with other federal, state, and local funding sources.

(2) From the funds appropriated in part 1, the chief justice shall allocate sufficient funds for the judicial institute to provide in-state training for those identified in subsection (1), including training for new drug treatment court judges.

(3) For drug treatment court grants, consideration for priority may be given to those courts where higher instances of substance abuse cases are filed.

(4) The judiciary shall receive $1,800,000.00 in Byrne formula grant funding as an interdepartmental grant from the department of community health to be used for expansion of drug treatment courts, to assist in avoiding prison bed space growth for nonviolent offenders in collaboration with the department of corrections.

Sec. 312. From the funds appropriated in part 1, the state court administrator shall produce a statistical report regarding the implementation of the parental rights restoration act, 1990 PA 211, MCL 722.901 to 722.908, as it pertains to minors seeking a court-issued waiver of parental consent. The state court administrative office shall report the total number of petitions filed and the total number of petitions granted in accordance with section 208.

Sec. 314. The legislature requests that the state court administrative office conduct a survey of trial courts in order to determine best practices for standardized risk assessment and submit a report to the state budget director, the senate and house appropriations subcommittees on the judiciary, and the senate and house fiscal agencies by April 1. The state court administrative office is encouraged to explore existing tools and established benchmarks that could be utilized in addressing the criminogenic needs of the local community.

Sec. 317. Funds appropriated in part 1 shall not be used for the permanent assignment of state-owned vehicles to justices or judges or any other judicial branch employee. This section does not preclude the use of state-owned motor pool vehicles for state business in accordance with approved guidelines.

Sec. 318. (1) The judiciary shall receive $980,000.00 as an interdepartmental grant from the department of corrections. The funds shall be utilized by the state court administrative office to administer a pilot program to target high-risk offenders through assessment, treatment, and accountability, with the goal of reducing future criminal behavior. All

funds shall be spent on fulfilling the requirements of this section and treatment, monitoring, and testing of offenders in the pilot program administered by the state court administrative office.

(2) The pilot program shall adhere to the following criteria:

(a) A minimum of 3 pilot sites shall be selected by the state court administrative office, at least 1 to be located in a major metropolitan area.

(b) The pilot programs shall incorporate the principles and practices of problem-solving courts developed by the national association of drug court professionals, and they shall operate pursuant to a written memorandum of understanding developed by the stakeholders in the jurisdiction.

(c) Each pilot court team shall include, at a minimum, a district and circuit judge, prosecutor, defense lawyer, treatment provider, circuit court probation officer, district court probation officer, community corrections representative, community mental health representative, court administration, and community representative.

(d) Before being enrolled in the pilot program, each participant shall be administered a comprehensive and valid risk and needs assessment. The assessment shall measure criminogenic and psychosocial factors to determine which participants are at significant risk of/for committing further crimes and are in need of services.

(e) The pilot projects shall employ evidence-based practices to develop a treatment plan in response to the assessment results.

(f) Each pilot project shall employ a case manager whose duties shall include referral and linkage to community resources, monitoring treatment plan requirements, data reporting, and other responsibilities as assigned.

(3) The Michigan judicial institute shall provide appropriate training for all personnel involved in the pilot program.

(4) The state court administrative office shall conduct a process and outcome evaluation and a cost-benefit analysis of the pilot programs and shall submit that analysis to the senate and house appropriations subcommittees on the judiciary, the senate and house fiscal agencies, and the state budget director by September 30, 2010.

Sec. 319. (1) The funds appropriated in part 1 for the juvenile training pilot project shall be used for the purpose of training criminal defense attorneys who accept court-appointed cases concerning juvenile delinquency, abuse, neglect, and protective services. The judiciary shall contract with the state appellate defender office's criminal defense resource center, which provides training to court-assigned criminal defense attorneys at trial and appellate levels.

(2) Training shall include, but not be limited to, identification of potential trainees, collection of information about the services they provide to court-assigned clients, collection of resources for web access, hosting of direct training events, creation of new resources including practice manuals, and creation of a training network.

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate

Richard J. Brown

Clerk of the House of Representatives

Approved .....

.....

Governor

MILITARY AND VETERANS AFFAIRS

Act No. 112
Public Acts of 2009
Approved by the Governor
October 8, 2009

Filed with the Secretary of State
October 9, 2009

EFFECTIVE DATE: October 9, 2009

STATE OF MICHIGAN
95TH LEGISLATURE
REGULAR SESSION OF 2009

Introduced by Senator Garcia

ENROLLED SENATE BILL No. 250

AN ACT to make appropriations for the department of military and veterans affairs for the fiscal year ending September 30, 2010; to provide for the expenditure of the appropriations; to provide for certain powers and duties of the department of military and veterans affairs, other state agencies, and local units of government related to the appropriations; and to provide for the preparation of certain reports related to the appropriations.

The People of the State of Michigan enact:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of military and veterans affairs for the fiscal year ending September 30, 2010, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

APPROPRIATION SUMMARY		
Full-time equated unclassified positions 7.0		
Full-time equated classified positions 985.0		
GROSS APPROPRIATION	$	146,149,800
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		1,686,500
ADJUSTED GROSS APPROPRIATION	$	144,463,300
Federal revenues:		
Total federal revenues		77,347,300
Special revenue funds:		
Total local revenues		1,295,100
Total private revenues		1,471,200
Total other state restricted revenues		27,924,200
State general fund/general purpose	$	36,425,500

		For Fiscal Year Ending Sept. 30, 2010
Sec. 102. HEADQUARTERS AND ARMORIES		
Full-time equated unclassified positions 7.0		
Full-time equated classified positions 125.0		
Headquarters and armories—85.0 FTE positions	$	10,959,700
Unclassified military personnel		665,000
Military appeals tribunal		900
Michigan emergency volunteers		5,000
State active duty		100,100
Challenge program—40.0 FTE positions		4,737,000
Homeland security		1,000,000
Military family relief fund		600,000
GROSS APPROPRIATION	$	18,067,700
Appropriated from:		
IDG, challenge grant		262,100
IDG, community health		100,000
IDG, state police		900,000
IDG, human services		424,400
Federal revenues:		
DOD-DOA-NGB		5,747,200
Special revenue funds:		
Local - school aid fund		1,295,100
Rental fees		346,400
Mackinac Bridge authority		70,000
Private donations		826,800
Military family relief fund		600,000
Private - parent pay revenue		104,400
State general fund/general purpose	$	7,391,300
Sec. 103. MILITARY TRAINING SITES AND SUPPORT FACILITIES		
Full-time equated classified positions 181.0		
Military training sites and support facilities—181.0 FTE positions	$	24,482,600
Military training sites and support facilities test projects		100,000
GROSS APPROPRIATION	$	24,582,600
Appropriated from:		
Federal revenues:		
DOD-DOA-NGB		23,139,400
Special revenue funds:		
Test project fees		100,000
State general fund/general purpose	$	1,343,200
Sec. 104. DEPARTMENTWIDE APPROPRIATIONS		
Departmentwide accounts	$	1,946,500
Special maintenance - state		651,200
Special maintenance - federal		5,300,000
Military retirement		3,407,800
Counter narcotic operations		50,000
Starbase grant		2,322,000
GROSS APPROPRIATION	$	13,677,500
Appropriated from:		
Federal revenues:		
DOD-DOA-NGB		9,288,100
Federal counternarcotic revenues		50,000
State general fund/general purpose	$	4,339,400
Sec. 105. VETERANS ADVICE, ADVOCACY AND ASSISTANCE		
American legion	$	339,800
Disabled American veterans		280,800
Marine corps league		129,000
American veterans of World War II and Korea		178,100

		For Fiscal Year Ending Sept. 30, 2010
Veterans of foreign wars	$	339,800
Michigan paralyzed veterans of America		63,500
Purple heart		60,500
Polish legion of American veterans		15,800
Jewish veterans of America		15,800
State of Michigan council - Vietnam veterans of America		61,100
Catholic war veterans		15,800
Veterans advice, advocacy and assistance grants for 4-1-10 to 9-30-10		1,529,600
GROSS APPROPRIATION	$	3,029,600
Appropriated from:		
State general fund/general purpose	$	3,029,600

Sec. 106. GRAND RAPIDS VETERANS' HOME

Full-time equated classified positions 513.0		
Grand Rapids veterans' home—513.0 FTE positions	$	48,767,300
Board of managers		665,000
GROSS APPROPRIATION	$	49,432,300
Appropriated from:		
Federal revenues:		
DVA-VHA		15,862,600
HHS, Medicaid		157,300
HHS, Medicare		2,452,700
Special revenue funds:		
Private - veterans' home post and posthumous funds		415,000
Income and assessments		15,304,700
Military family relief fund		250,000
Lease revenue		12,200
State general fund/general purpose	$	14,977,800

Sec. 107. D.J. JACOBETTI VETERANS' HOME

Full-time equated classified positions 158.0		
D.J. Jacobetti veterans' home—158.0 FTE positions	$	15,656,100
Board of managers		275,000
GROSS APPROPRIATION	$	15,931,100
Appropriated from:		
Federal revenues:		
DVA-VHA		4,604,400
HHS, Medicare		562,400
HHS, Medicaid		10,300
Special revenue funds:		
Private - veterans' home post and posthumous funds		125,000
Military family relief fund		150,000
Income and assessments		5,741,100
State general fund/general purpose	$	4,737,900

Sec. 108. VETERANS' AFFAIRS DIRECTORATE

Full-time equated classified positions 8.0		
Veterans' affairs directorate administration—2.0 FTE positions	$	276,700
Veterans' trust fund administration—6.0 FTE positions		1,251,500
Veterans' trust fund grants		3,746,500
GROSS APPROPRIATION	$	5,274,700
Appropriated from:		
Special revenue funds:		
Michigan veterans' trust fund		4,998,000
State general fund/general purpose	$	276,700

Sec. 109. INFORMATION TECHNOLOGY

Information technology services and projects	$	1,154,300
GROSS APPROPRIATION	$	1,154,300

		For Fiscal Year Ending Sept. 30, 2010
Appropriated from:		
Federal revenues:		
DOD-DOA-NGB	$	123,900
DVA-VHA		339,000
HHS, Medicare		10,000
Special revenue funds:		
Income and assessments		351,800
State general fund/general purpose	$	329,600
Sec. 110. CAPITAL OUTLAY		
Special maintenance, remodeling and additions	$	15,000,000
GROSS APPROPRIATION	$	15,000,000
Appropriated from:		
Federal revenues:		
DOD-DOA-NGB		15,000,000
Special revenue funds:		
State general fund/general purpose	$	0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2009-2010 is $64,349,700.00 and state spending from state resources to be paid to local units of government for fiscal year 2009-2010 is $120,000.00. 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		
Payments in lieu of taxes	$	70,000
MICHIGAN VETERANS' TRUST FUND		
County counselor education and training expenses	$	50,000
TOTAL	$	120,000

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

Sec. 203. As used in this act:

(a) "Department" means the department of military and veterans affairs.

(b) "Director" means the director of the department of military and veterans affairs.

(c) "DOD" means the United States department of defense.

(d) "DOD-DOA-NGB" means the DOD department of the army, national guard bureau.

(e) "DVA" means the United States department of veterans affairs.

(f) "DVA-VHA" means the DVA veterans health administration.

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

(h) "HHS" means the United States department of health and human services.

(i) "IDG" means interdepartmental grant.

(j) "Large veterans service organization" means a VSO that can certify that its membership exceeds 30,000 individuals.

(k) "Medium veterans service organization" means a VSO that can certify that its membership is between 2,500 and 30,000 individuals.

(*l*) "Small veterans service organization" means a VSO that can certify that its membership is between 1,000 and 2,499 individuals.

(m) "VSO" means veterans service organization.

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

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

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

Sec. 208. Unless otherwise specified, the department shall use the Internet to fulfill the reporting requirements of this act. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement or it may include placement of reports on 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 should be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality. In addition, preference should be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

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

Sec. 211. The departments and agencies receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. The department shall follow all federal guidelines and state laws regarding short-term and long-term retention of records.

Sec. 213. The department shall consult with the house and senate appropriations subcommittees on military and veterans affairs regarding the projected closing or consolidation of any national guard armories.

Sec. 214. It is the intent of the legislature that, should the necessary legislation be enacted and funding become available, funds be appropriated for state military cemeteries in Crawford and Dickinson Counties.

Sec. 221. From the funds appropriated in part 1 for information technology, departments and agencies shall pay user fees to the department of information technology for technology-related services and projects. These user fees shall be subject to provisions of an interagency agreement between the departments and agencies and the department of information technology.

Sec. 223. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 225. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2010 shall be limited to situations in which 1 or more of the following conditions apply:

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

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

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

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

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

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

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

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

(a) The 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. 226. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 227. Sixty days prior to the public announcement of the intention to sell any department property, the department shall submit notification of that intent to the appropriate senate and house appropriations subcommittees and the senate and house fiscal agencies.

Sec. 228. 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. 232. (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 this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $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 this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

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

Sec. 233. Not later than September 30, 2010, the department shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the office of the state budget, the chairpersons of the senate and house appropriations committees, and the senate and house fiscal agencies.

Sec. 234. Any fiscal year 2009-2010 unused general fund/general purpose funds identified by the department of military and veterans affairs as lapsed funds shall be transferred to the appropriation for special maintenance - state in part 1 and shall be used for the repair and maintenance of state-owned armories.

Sec. 235. The department of military and veterans affairs shall seek partnerships with United States armed forces reserve units for the colocation of activities, including sharing in the acquisition and costs for facilities.

HEADQUARTERS AND ARMORIES

Sec. 301. The department may charge reasonable rental and equipment usage fees for renting an armory or using the distance learning network. The fee shall include the cost of overtime compensation, insurance coverage, and any maintenance required.

Sec. 302. (1) The funds appropriated in this act for private donations to the challenge program shall be considered state restricted revenue, and unexpended funds remaining at the close of the fiscal year shall not lapse to the general fund but shall be carried forward to the subsequent fiscal year.

(2) The department may charge a parent or guardian of a participant in the challenge program a fee for participating in the program if the participant is a member of a family with an income that exceeds 200% of the federal poverty guidelines as published by the United States department of health and human services. The amount charged the parent or guardian shall not exceed the per-student state share cost of administering the program. The parent or guardian shall be notified of any charge to be assessed under this subsection prior to enrollment of the child in the program.

(3) 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.

Sec. 304. The department will partner with the department of human services to identify youth who may be eligible for the challenge program from those youth served by department of human services programs. These eligible youth shall be given priority for enrollment in the program.

VETERANS ADVICE, ADVOCACY, AND ASSISTANCE

Sec. 501. (1) The department shall develop and operate a program which will provide benefits counseling and representation to veterans of this state for the purpose of assisting veterans to obtain United States department of veterans affairs health, financial, and memorial benefits for which they are eligible. The department shall work to maximize the coordination between veterans service organizations and any other organization which assists veterans.

(2) The department shall create a 5-member veterans advisory board to assist in matters pertaining to veterans advice, advocacy, and assistance, including recommendations concerning disbursement of any grant money. The department shall request that the state commanders group name candidates serving as president/commander from 2 large veterans service organizations, 2 medium veterans service organizations, and 1 small veterans service organization to serve on the advisory board. The veterans advisory board shall meet no less than twice a year, without reimbursement by the department.

(3) The duties of the veterans advisory board shall include, but are not limited to, the following:

(a) Serving as a liaison between grant recipients, the department, and the legislature.

(b) Assisting in recognizing any deficiencies in the grant process and performance.

(c) Providing a forum regarding veterans issues.

(d) Suggesting changes in department programs that would help keep pace with changing veterans needs.

(e) Providing a direct contact with the veterans administration regarding updates on procedures.

(f) Creating an awareness to make sure that grant recipients are performing the services intended.

(g) Representing a voice for veterans service organizations.

(h) Providing for a sounding board for grant recipients.

(i) Assisting the department in establishing criteria for grant awards.

(j) Assisting the department in developing plans, reviewing service delivery, and identifying goals to better assist veterans in applying for and receiving benefits from the federal, state, and local governments.

(k) Providing testimony, if requested, to legislative committees.

(4) The funds appropriated in part 1 for veterans advice, advocacy, and assistance shall be distributed to the following organizations in the amounts listed for the period of October 1, 2009 through March 31, 2010: American legion, $339,800.00; disabled American veterans, $280,800.00; marine corps league, $129,000.00; American veterans of World War II and Korea, $178,100.00; veterans of foreign wars, $339,800.00; Michigan paralyzed veterans of America, $63,500.00; purple heart, $60,500.00; Polish legion of American veterans, $15,800.00; Jewish veterans of America, $15,800.00; state of Michigan council - Vietnam veterans of America, $61,100.00; and Catholic war veterans, $15,800.00.

(5) Of the appropriations in part 1 for veterans advice, advocacy, and assistance grants for the period of April 1, 2010 to September 30, 2010, $1,529,600.00 shall be distributed by the department in the form of 5 grants: 2 large, 2 small, and 1 specialized grant for the 6-month period beginning April 1, 2010. The specialized grant shall be awarded to a group specializing in advocacy for paralyzed veterans. The department, while utilizing advice provided by the veterans advisory board establishing grant criteria, is solely responsible for determination of the amounts and recipients of these grants.

(6) Money used for grants to veterans service organizations shall be used only for salaries, wages, related personnel costs, in-state training, and equipment for accredited veteran service advocacy officers and necessary support and managerial staff. Training shall be provided for service advocacy officers and shall be conducted by accredited advocacy officers.

(7) To receive a grant from the money appropriated in part 1, a veterans service organization or a veterans service organization which is part of a combination of organizations receiving a grant shall meet the following eligibility requirements:

(a) Be congressionally chartered by the United States Congress.

(b) Be an active participating member of the Michigan veterans organizations' rehabilitation and veterans service committee and abide by its rules, guidelines, and programs.

(c) Demonstrate the receipt of monetary or service support from its own organization.

(d) Comply with the department's and the legislature's requirements of accounting audits, service work activity, accounting of recoveries, listing of volunteer hours, budget requests, and other requirements specified in subsection (3). Each veterans service organization receiving a grant from the money appropriated in part 1 shall provide a copy of the most recent audit report to the department not later than May 1, 2010.

(e) For a veterans service organization founded after September 30, 1989, be in operation and providing service to Michigan veterans for not less than 2 years before receiving an initial state grant. During this 2-year period of time, the organization shall file a listing of service work activity and an accounting of recoveries with the department, the senate and house fiscal agencies, the senate and house of representatives appropriations subcommittees on military affairs, and the state budget office on forms as prescribed by the department.

(8) A veterans service organization receiving a grant from the money appropriated in part 1 shall file with the department an accounting of its expenditures, audited and certified by a certified public accountant, within 120 days after the organization's fiscal year end. Each veterans service organization shall provide 5 copies of a listing of all service activity, an accounting of recoveries, and a listing of volunteer hours for the fiscal year ending September 30, 2009 to the department by January 31, 2010. Each organization shall include a listing of expenditures by spending category, including a listing of individual salaries of each officer and administrative staff. The listing of volunteer hours shall include the hours, services, and donations provided to residents of the Grand Rapids veterans' home and the D.J. Jacobetti veterans' home. Each veterans service organization shall provide a copy of the most recent and completed internal revenue service form 990 to the department at the end of the fiscal year ending September 30, 2009. A veterans service organization receiving a grant from the money appropriated in part 1 shall use the forms recommended by the Michigan veterans organizations rehabilitation and veterans service committee for filing reports required by this act. The department shall provide a report not later than June 1, 2010 to the senate and house fiscal agencies, the senate and house appropriations subcommittees on state police and military and veterans affairs, and the state budget office detailing the most recent expenditure information provided by the veterans service organizations. The department shall also provide within that report specific notification whether any veterans service organization receiving a grant from the money appropriated in part 1 failed to comply with the reporting requirements of this section.

(9) The veterans service directors committee and the department shall take steps to improve the coordination of veterans benefits counseling in the state to maximize the effective and efficient use of taxpayer dollars in this goal and to ensure that every veteran is served.

(10) To accomplish the goal of subsection (9), the veterans service directors committee and the department shall take steps to increase their responsibility in the administration, management, oversight, and outreach of the delivery of services to veterans. The veterans service directors committee and the department shall involve county veterans counselors and representatives from the Michigan veterans trust fund to work in concert to identify, implement, and evaluate steps to do all of the following:

(a) Increase the veterans service directors committee and the department's role in working directly with the United States department of veterans affairs to enhance the delivery of services to Michigan veterans.

(b) Increase the number of initial claims filed with the United States department of veterans affairs on behalf of veterans for service-connected disability or pension benefits. The veterans service directors committee and the department may work toward either an absolute increase of approved claims or an increase in the percentage of Michigan veterans with approved claims.

(c) Develop methods to increase rates of recovery paid by the United States department of veterans affairs to Michigan veterans either by an increase in compensation paid per approved claim or an increase in compensation paid on a per capita basis.

(d) Expand training opportunities for veterans service organization service officers.

(e) Increase either the number or percentage of Michigan veterans enrolled in the veterans affairs health care system.

(f) Publicize the availability, benefit, and value of burial in the Fort Custer and Great Lakes national cemeteries.

(g) Review each grant recipient's performance under the program and require that performance be a major consideration in the future funding of each grant recipient.

(h) Identify areas of redundancy which may exist among services provided by veterans service organizations grantees, Michigan veterans trust fund county committees, and county veterans counselors and provide a proposal on how any redundancies may be minimized and identify specific cost savings which could result.

(11) Each veterans service organization receiving a grant from the money appropriated in part 1 shall file a report with the department not later than May 1, 2010 detailing the following information:

(a) Training completed by each veterans service officer employed by or working on behalf of the veterans service organization.

(b) A report of the cases that each veterans service organization is serving or processing, including if those cases have been completed or are still pending, whether those cases have been initiated and completed by the veterans service organization, and which cases have been referred to and by county veterans counselors, congressional or senate offices, or any other organizations that serve veterans.

(12) The veterans advisory board, the Michigan association of county veterans counselors, and the department shall create a report of the efforts to complete the goals outlined in this section and shall provide suggestions on how a more effective and efficient veterans benefit counseling program may best be designed for implementation for fiscal year 2010-2011. This report shall be delivered to the house and senate appropriations subcommittees no later than March 1, 2010.

(13) The department shall record any additional administrative costs for collecting and compiling the information from subsections (8) and (11) and also provide this information with the reports required under subsection (8).

(14) The veterans affairs directorate shall design and operate an advocacy program to coordinate with other organizations which assist veterans, including county counselors and other groups, to ensure referrals between groups occur when warranted and to provide the veterans of the state with the most cost-effective and comprehensive counseling services possible. The department shall also take steps to become certified with the United States department of veterans affairs to assist in this task.

(15) The veterans affairs directorate shall deliver progress reports regarding the activities of the advocacy program to the senate and house appropriations subcommittees on state police and military and veterans affairs, with the first report due not later than April 1, 2010 and the second report due not later than October 1, 2010.

(16) The department shall issue performance standards to each veterans service organization grant recipient. It is the intent of the legislature that compliance with these performance standards shall be the basis for funding for future years. Failure to meet any or all of the performance standards may result in that organization losing funding in future years, and the department shall forward to the senate and house of representatives appropriations subcommittees on state police and military and veterans affairs corrective action and penalty recommendations.

VETERANS' HOMES

Sec. 601. Appropriations in this act for the Grand Rapids veterans' home and the D.J. Jacobetti veterans' home shall not be used for any purpose other than for veterans and veterans' families.

Sec. 602. The Grand Rapids veterans' home and the D.J. Jacobetti veterans' home, together with the department and the department of management and budget, shall produce and deliver to the senate and house of representatives appropriations subcommittees on state police and military and veterans affairs an annual written report. The report shall include an accounting of member populations and bed space available; a description and accounting of services and activities provided to members; financial information; current state nursing home licensure status; the steps required for Medicaid certification, including a listing of any personnel, equipment, supplies, or budgetary increases required; and whether or not steps are being taken toward Medicaid certification. The annual report shall be submitted to the senate and house of representatives appropriations subcommittees on military affairs no later than February 1, 2010.

Sec. 603. The money appropriated in this act for the boards of managers may be expended for facility improvements, the purchase and repair of equipment and furnishings, member services, and other purposes that benefit the Grand Rapids veterans' home and the D.J. Jacobetti veterans' home.

Sec. 605. The department shall, prior to altering the spending plan by the board of managers of post and posthumous funds, report to the appropriate senate and house appropriations subcommittees 30 days prior to that action and shall indicate the rationale for that decision.

Sec. 606. The department shall conduct a feasibility study to determine at least 3 means by which to increase operational efficiencies at the Grand Rapids veterans' home. The department shall submit this study to the senate and house of representatives appropriations committees no later than April 1, 2010.

VETERANS' AFFAIRS DIRECTORATE

Sec. 703. By April 1, 2010, the department shall submit to the senate and house of representatives appropriations subcommittees on military affairs and the state budget office a detailed annual report of the Michigan veterans' trust fund for fiscal year 2008-2009. The report shall include information on grants provided from the emergency grant program, including details concerning the methodology of allocations, the selection of emergency grant program authorized agents, and a detailed breakdown of trust fund expenditures for that year. The report shall also provide an update on the department's efforts to reduce program administrative costs and restore the Michigan veterans' trust fund corpus to its original amount of $50,000,000.00.

Sec. 704. The Michigan veterans' affairs directorate administration and the Michigan veterans' trust fund administration shall take steps to assist the county veterans counselors of the state to obtain training necessary for the execution of their duties.

Sec. 705. It is the intent of the legislature that the department create incentives for all counties in the state to fund at least 1 full-time county veteran's counselor for the purpose of assisting veterans with obtaining federal veterans benefits that they may be eligible to receive. The incentives could include, but not be limited to, matching funds or sharing IT resources from the department for counties to use in maximizing benefits received by Michigan veterans.

CAPITAL OUTLAY

Sec. 801. The appropriations in part 1 for the department of military and veterans affairs design and construction projects are contingent upon the availability of federal and state restricted funds for financing.

Sec. 802. (1) The director shall allocate lump-sum appropriations made in this bill consistent with statutory provisions and the purposes for which funds were appropriated. Lump-sum allocations shall address priority program or facility needs and may include, but are not limited to, design, construction, remodeling and addition, special maintenance, major special maintenance, energy conservation, and demolition.

(2) The state budget director may authorize that funds appropriated for lump-sum appropriations shall be available for no more than 3 fiscal years following the fiscal year in which the original appropriation was made. Any remaining balance from allocations made in this section shall lapse to the fund from which it was appropriated pursuant to the lapsing of funds as provided in the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 803. 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.

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate

Richard J. Brown

Clerk of the House of Representatives

Approved .....

.....

Governor

SCHOOL AID

Act No. 121
Public Acts of 2009
Approved by the Governor*
October 19, 2009

Filed with the Secretary of State
October 19, 2009

EFFECTIVE DATE: October 19, 2009

*Item Vetoes

Sec. 20j.
Entire Section. (Page 18)

Sec. 32c.
Entire Section. (Pages 27-28)

Sec. 39a. (1)(m)
The words: "Of these funds, $50,000.00 may be used to support the Michigan after-school partnership. All of the following apply to the Michigan after-school partnership:
(*i*) The department shall collaborate with the department of human services to extend the duration of the Michigan after-school initiative, to be renamed the Michigan after-school partnership and oversee its efforts to implement the policy recommendations and strategic next steps identified in the Michigan after-school initiative's report of December 15, 2003.
(*ii*) Funds shall be used to leverage other private and public funding to engage the public and private sectors in building and sustaining high-quality out-of-school-time programs and resources. The co-chairs, representing the department and the department of human services, shall name a fiduciary agent and may authorize the fiduciary to expend funds and hire people to accomplish the work of the Michigan after-school partnership.
(*iii*) Participation in the Michigan after-school partnership shall be expanded beyond the membership of the initial Michigan after-school initiative to increase the representation of parents, youth, foundations, employers, and others with experience in education, child care, after-school and youth development services, and crime and violence prevention, and to include representation from the department of community health. Each year, on or before December 31, the Michigan after-school partnership shall report its progress in reaching the recommendations set forth in the Michigan after-school initiative's report to the legislature and the governor." (Pages 32-33)

Sec. 57.
Entire Section (Page 38)

Sec. 61a. (3)
Entire Subsection. (Page 38)

Sec. 65. (3)
Entire Subsection. (Page 39)

Sec. 99p.
Entire Section. (Page 45)

STATE OF MICHIGAN
95TH LEGISLATURE
REGULAR SESSION OF 2009

Introduced by Rep. Terry Brown

ENROLLED HOUSE BILL No. 4447

AN ACT to amend 1979 PA 94, entitled "An act to make appropriations to aid in the support of the public schools and the intermediate school districts of the state; to make appropriations for certain other purposes relating to education; to provide for the disbursement of the appropriations; to supplement the school aid fund by the levy and collection of certain taxes; to authorize the issuance of certain bonds and provide for the security of those bonds; to prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to create certain funds and provide for their expenditure; to prescribe penalties; and to repeal acts and parts of acts," by amending sections 3, 6, 11, 11a, 11g, 11j, 11k, 11m, 15, 18, 19, 20, 20d, 20j, 22a, 22b, 22d, 22e, 24, 24a, 24c, 26a, 26b, 29, 31a, 31d, 31f, 32b, 32c, 32d, 32j, 32*l*, 32n, 39, 39a, 41, 51a, 51c, 51d, 53a, 54, 56, 57, 61a, 62, 64, 65, 74, 81, 94a, 98, 99, 99i, 99p, 101, 104, 107, 147, and 164c (MCL 388.1603, 388.1606, 388.1611, 388.1611a, 388.1611g, 388.1611j, 388.1611k, 388.1611m, 388.1615, 388.1618, 388.1619, 388.1620, 388.1620d, 388.1620j, 388.1622a, 388.1622b, 388.1622d, 388.1622e, 388.1624, 388.1624a, 388.1624c, 388.1626a, 388.1626b, 388.1629, 388.1631a, 388.1631d, 388.1631f, 388.1632b, 388.1632c, 388.1632d, 388.1632j, 388.1632*l*, 388.1632n, 388.1639, 388.1639a, 388.1641, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1656, 388.1657, 388.1661a, 388.1662, 388.1664, 388.1665, 388.1674, 388.1681, 388.1694a, 388.1698, 388.1699, 388.1699i, 388.1699p, 388.1701, 388.1704, 388.1707, 388.1747, and 388.1764c), sections 3, 11a, 11g, 11k, 11m, 15, 18, 19, 20d, 22d, 24, 24a, 24c, 26b, 29, 31d, 31f, 32c, 32d, 32j, 32*l*, 39, 39a, 41, 51d, 54, 56, 57, 61a, 62, 64, 65, 74, 81, 98, 99, 99i, 99p, 104, 107, 147, and 164c as amended and section 22e as added by 2008 PA 268, sections 6, 11, 11j, 20, 22a, 22b, 26a, 31a, 51a, 51c, 53a, and 94a as amended by 2009 PA 73, sections 20j and 32b as amended by 2008 PA 561, section 32n as added by 2007 PA 137, and section 101 as amended by 2006 PA 342, and by adding section 11d; and to repeal acts and parts of acts.

The People of the State of Michigan enact:

Sec. 3. (1) "Average daily attendance", for the purposes of complying with federal law, means 92% of the pupils counted in membership on the pupil membership count day, as defined in section 6(7).

(2) "Board" means the governing body of a district or public school academy.

(3) "Center" means the center for educational performance and information created in section 94a.

(4) "Cooperative education program" means a written voluntary agreement between and among districts to provide certain educational programs for pupils in certain groups of districts. The written agreement shall be approved by all affected districts at least annually and shall specify the educational programs to be provided and the estimated number of pupils from each district who will participate in the educational programs.

(5) "Department", except in section 107, means the department of education.

(6) "District" means a local school district established under the revised school code or, except in sections 6(4), 6(6), 13, 20, 22a, 23, 29, 31a, 51a(15), 105, and 105c, a public school academy. Except in sections 6(4), 6(6), 13, 20, 22a, 29, 51a(15), 105, and 105c, district also includes a university school.

(7) "District of residence", except as otherwise provided in this subsection, means the district in which a pupil's custodial parent or parents or legal guardian resides. For a pupil described in section 24b, the pupil's district of residence is the district in which the pupil enrolls under that section. For a pupil described in section 6(4)(d), the pupil's district of residence shall be considered to be the district or intermediate district in which the pupil is counted in membership under that section. For a pupil under court jurisdiction who is placed outside the district in which the pupil's custodial parent or parents or legal guardian resides, the pupil's district of residence shall be considered to be the educating district or educating intermediate district.

(8) "District superintendent" means the superintendent of a district, the chief administrator of a public school academy, or the chief administrator of a university school.

Sec. 6. (1) "Center program" means a program operated by a district or intermediate district for special education pupils from several districts in programs for pupils with autism spectrum disorder, pupils with severe cognitive impairment, pupils with moderate cognitive impairment, pupils with severe multiple impairments, pupils with hearing impairment, pupils with visual impairment, and pupils with physical impairment or other health impairment. Programs for pupils with emotional impairment housed in buildings that do not serve regular education pupils also qualify. Unless otherwise approved by the department, a center program either shall serve all constituent districts within an intermediate district or shall serve several districts with less than 50% of the pupils residing in the operating district. In addition, special education center program pupils placed part-time in noncenter programs to comply with the least restrictive environment provisions of section 612 of part B of the individuals with disabilities education act, 20 USC 1412, may be considered center program pupils for pupil accounting purposes for the time scheduled in either a center program or a noncenter program.

(2) "District and high school graduation rate" means the annual completion and pupil dropout rate that is calculated by the center pursuant to nationally recognized standards.

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

(4) "Membership", except as otherwise provided in this act, means for a district, public school academy, university school, or intermediate district the sum of the product of .75 times the number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance on the pupil membership count day for the current school year, plus the product of .25 times the final audited count from the supplemental count day for the immediately preceding school year. All pupil counts used in this subsection are as determined by the department and calculated by adding the number of pupils registered for attendance plus pupils received by transfer and minus pupils lost as defined by rules promulgated by the superintendent, and as corrected by a subsequent department audit. The amount of the foundation allowance for a pupil in membership is determined under section 20. In making the calculation of membership, all of the following, as applicable, apply to determining the membership of a district, public school academy, university school, or intermediate district:

(a) Except as otherwise provided in this subsection, and pursuant to subsection (6), a pupil shall be counted in membership in the pupil's educating district or districts. An individual pupil shall not be counted for more than a total of 1.0 full-time equated membership.

(b) If a pupil is educated in a district other than the pupil's district of residence, if the pupil is not being educated as part of a cooperative education program, if the pupil's district of residence does not give the educating district its approval to count the pupil in membership in the educating district, and if the pupil is not covered by an exception specified in subsection (6) to the requirement that the educating district must have the approval of the pupil's district of residence to count the pupil in membership, the pupil shall not be counted in membership in any district.

(c) A special education pupil educated by the intermediate district shall be counted in membership in the intermediate district.

(d) A pupil placed by a court or state agency in an on-grounds program of a juvenile detention facility, a child caring institution, or a mental health institution, or a pupil funded under section 53a, shall be counted in membership in the district or intermediate district approved by the department to operate the program.

(e) A pupil enrolled in the Michigan schools for the deaf and blind shall be counted in membership in the pupil's intermediate district of residence.

(f) A pupil enrolled in a vocational education program supported by a millage levied over an area larger than a single district or in an area vocational-technical education program established pursuant to section 690 of the revised school code, MCL 380.690, shall be counted only in the pupil's district of residence.

(g) A pupil enrolled in a university school shall be counted in membership in the university school.

(h) A pupil enrolled in a public school academy shall be counted in membership in the public school academy.

(i) For a new district, university school, or public school academy beginning its operation after December 31, 1994, membership for the first 2 full or partial fiscal years of operation shall be determined as follows:

(*i*) If operations begin before the pupil membership count day for the fiscal year, membership is the average number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance on the pupil membership count day for the current school year and on the supplemental count day for the current school year, as determined by the department and calculated by adding the number of pupils registered for attendance on the pupil membership count day plus pupils received by transfer and minus pupils lost as defined by rules promulgated by the superintendent, and as corrected by a subsequent department audit, plus the final audited count from the supplemental count day for the current school year, and dividing that sum by 2.

(*ii*) If operations begin after the pupil membership count day for the fiscal year and not later than the supplemental count day for the fiscal year, membership is the final audited count of the number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance on the supplemental count day for the current school year.

(j) If a district is the authorizing body for a public school academy, then, in the first school year in which pupils are counted in membership on the pupil membership count day in the public school academy, the determination of the district's membership shall exclude from the district's pupil count for the immediately preceding supplemental count day any pupils who are counted in the public school academy on that first pupil membership count day who were also counted in the district on the immediately preceding supplemental count day.

(k) In a district, public school academy, university school, or intermediate district operating an extended school year program approved by the superintendent, a pupil enrolled, but not scheduled to be in regular daily attendance on a pupil membership count day, shall be counted.

(*l*) Pupils to be counted in membership shall be not less than 5 years of age on December 1 and less than 20 years of age on September 1 of the school year except a special education pupil who is enrolled and receiving instruction in a special education program or service approved by the department and not having a high school diploma who is less than 26 years of age as of September 1 of the current school year shall be counted in membership.

(m) An individual who has obtained a high school diploma shall not be counted in membership. An individual who has obtained a general educational development (G.E.D.) certificate shall not be counted in membership. An individual participating in a job training program funded under former section 107a or a jobs program funded under former section 107b, administered by the Michigan strategic fund or the department of energy, labor, and economic growth, or participating in any successor of either of those 2 programs, shall not be counted in membership.

(n) If a pupil counted in membership in a public school academy is also educated by a district or intermediate district as part of a cooperative education program, the pupil shall be counted in membership only in the public school academy unless a written agreement signed by all parties designates the party or parties in which the pupil shall be counted in membership, and the instructional time scheduled for the pupil in the district or intermediate district shall be included in the full-time equated membership determination under subdivision (q). However, for pupils receiving instruction in both a public school academy and in a district or intermediate district but not as a part of a cooperative education program, the following apply:

(*i*) If the public school academy provides instruction for at least 1/2 of the class hours specified in subdivision (q), the public school academy shall receive as its prorated share of the full-time equated membership for each of those pupils an amount equal to 1 times the product of the hours of instruction the public school academy provides divided by the number of hours specified in subdivision (q) for full-time equivalency, and the remainder of the full-time membership for each of those pupils shall be allocated to the district or intermediate district providing the remainder of the hours of instruction.

(*ii*) If the public school academy provides instruction for less than 1/2 of the class hours specified in subdivision (q), the district or intermediate district providing the remainder of the hours of instruction shall receive as its prorated share of the full-time equated membership for each of those pupils an amount equal to 1 times the product of the hours of instruction the district or intermediate district provides divided by the number of hours specified in subdivision (q) for full-time equivalency, and the remainder of the full-time membership for each of those pupils shall be allocated to the public school academy.

(o) An individual less than 16 years of age as of September 1 of the current school year who is being educated in an alternative education program shall not be counted in membership if there are also adult education participants being educated in the same program or classroom.

(p) The department shall give a uniform interpretation of full-time and part-time memberships.

(q) The number of class hours used to calculate full-time equated memberships shall be consistent with section 101(3). In determining full-time equated memberships for pupils who are enrolled in a postsecondary institution, a pupil shall not be considered to be less than a full-time equated pupil solely because of the effect of his or her postsecondary enrollment, including necessary travel time, on the number of class hours provided by the district to the pupil.

(r) Except as otherwise provided in this subdivision, full-time equated memberships for pupils in kindergarten shall be determined by dividing the number of class hours scheduled and provided per year per kindergarten pupil by a number equal to 1/2 the number used for determining full-time equated memberships for pupils in grades 1 to 12.

(s) For a district, university school, or public school academy that has pupils enrolled in a grade level that was not offered by the district, university school, or public school academy in the immediately preceding school year, the number of pupils enrolled in that grade level to be counted in membership is the average of the number of those pupils enrolled and in regular daily attendance on the pupil membership count day and the supplemental count day of the current school year, as determined by the department. Membership shall be calculated by adding the number of pupils registered for attendance in that grade level on the pupil membership count day plus pupils received by transfer and minus pupils lost as defined by rules promulgated by the superintendent, and as corrected by subsequent department audit, plus the final audited count from the supplemental count day for the current school year, and dividing that sum by 2.

(t) A pupil enrolled in a cooperative education program may be counted in membership in the pupil's district of residence with the written approval of all parties to the cooperative agreement.

(u) If, as a result of a disciplinary action, a district determines through the district's alternative or disciplinary education program that the best instructional placement for a pupil is in the pupil's home or otherwise apart from the general school population, if that placement is authorized in writing by the district superintendent and district alternative or disciplinary education supervisor, and if the district provides appropriate instruction as described in this subdivision to the pupil at the pupil's home or otherwise apart from the general school population, the district may count the pupil in membership on a pro rata basis, with the proration based on the number of hours of instruction the district actually provides to the pupil divided by the number of hours specified in subdivision (q) for full-time equivalency. For the purposes of this subdivision, a district shall be considered to be providing appropriate instruction if all of the following are met:

(*i*) The district provides at least 2 nonconsecutive hours of instruction per week to the pupil at the pupil's home or otherwise apart from the general school population under the supervision of a certificated teacher.

(*ii*) The district provides instructional materials, resources, and supplies, except computers, that are comparable to those otherwise provided in the district's alternative education program.

(*iii*) Course content is comparable to that in the district's alternative education program.

(*iv*) Credit earned is awarded to the pupil and placed on the pupil's transcript.

(v) A pupil enrolled in an alternative or disciplinary education program described in section 25 shall be counted in membership in the district or public school academy that is educating the pupil.

(w) If a pupil was enrolled in a public school academy on the pupil membership count day, if the public school academy's contract with its authorizing body is revoked or the public school academy otherwise ceases to operate, and if the pupil enrolls in a district within 45 days after the pupil membership count day, the department shall adjust the district's pupil count for the pupil membership count day to include the pupil in the count.

(x) For a public school academy that has been in operation for at least 2 years and that suspended operations for at least 1 semester and is resuming operations, membership is the sum of the product of .75 times the number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance on the first pupil membership count day or supplemental count day, whichever is first, occurring after operations resume, plus the product of .25 times the final audited count from the most recent pupil membership count day or supplemental count day that occurred before suspending operations, as determined by the superintendent.

(y) If a district's membership for a particular fiscal year, as otherwise calculated under this subsection, would be less than 1,550 pupils and the district has 4.5 or fewer pupils per square mile, as determined by the department, and, beginning in 2007-2008, if the district does not receive funding under section 22d(2), the district's membership shall be considered to be the membership figure calculated under this subdivision. If a district educates and counts in its membership pupils in grades 9 to 12 who reside in a contiguous district that does not operate grades 9 to 12 and if 1 or both of the affected districts request the department to use the determination allowed under this sentence, the department shall include the square mileage of both districts in determining the number of pupils per square mile for each of the districts for the purposes of this subdivision. The membership figure calculated under this subdivision is the greater of the following:

(*i*) The average of the district's membership for the 3-fiscal-year period ending with that fiscal year, calculated by adding the district's actual membership for each of those 3 fiscal years, as otherwise calculated under this subsection, and dividing the sum of those 3 membership figures by 3.

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

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

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

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

(cc) For the first year in which a pupil is counted in membership on the pupil membership count day in a middle college program described in section 64, the membership is the average of the full-time equated membership on the pupil membership count day and on the supplemental count day for the current school year, as determined by the department. If a pupil was counted by the operating district on the immediately preceding supplemental count day, the pupil shall be excluded from the district's immediately preceding supplemental count for purposes of determining the district's membership.

(dd) A district that educates a pupil who attends a United States Olympic education center may count the pupil in membership regardless of whether or not the pupil is a resident of this state.

(5) "Public school academy" means a public school academy, urban high school academy, or strict discipline academy operating under the revised school code.

(6) "Pupil" means a person in membership in a public school. A district must have the approval of the pupil's district of residence to count the pupil in membership, except approval by the pupil's district of residence is not required for any of the following:

(a) A nonpublic part-time pupil enrolled in grades 1 to 12 in accordance with section 166b.

(b) A pupil receiving 1/2 or less of his or her instruction in a district other than the pupil's district of residence.

(c) A pupil enrolled in a public school academy or university school.

(d) A pupil enrolled in a district other than the pupil's district of residence under an intermediate district schools of choice pilot program as described in section 91a or former section 91 if the intermediate district and its constituent districts have been exempted from section 105.

(e) A pupil enrolled in a district other than the pupil's district of residence if the pupil is enrolled in accordance with section 105 or 105c.

(f) A pupil who has made an official written complaint or whose parent or legal guardian has made an official written complaint to law enforcement officials and to school officials of the pupil's district of residence that the pupil has been the victim of a criminal sexual assault or other serious assault, if the official complaint either indicates that the assault occurred at school or that the assault was committed by 1 or more other pupils enrolled in the school the pupil would otherwise attend in the district of residence or by an employee of the district of residence. A person who intentionally makes a false report of a crime to law enforcement officials for the purposes of this subdivision is subject to section 411a of the Michigan penal code, 1931 PA 328, MCL 750.411a, which provides criminal penalties for that conduct. As used in this subdivision:

(*i*) "At school" means in a classroom, elsewhere on school premises, on a school bus or other school-related vehicle, or at a school-sponsored activity or event whether or not it is held on school premises.

(*ii*) "Serious assault" means an act that constitutes a felony violation of chapter XI of the Michigan penal code, 1931 PA 328, MCL 750.81 to 750.90g, or that constitutes an assault and infliction of serious or aggravated injury under section 81a of the Michigan penal code, 1931 PA 328, MCL 750.81a.

(g) A pupil whose district of residence changed after the pupil membership count day and before the supplemental count day and who continues to be enrolled on the supplemental count day as a nonresident in the district in which he or she was enrolled as a resident on the pupil membership count day of the same school year.

(h) A pupil enrolled in an alternative education program operated by a district other than his or her district of residence who meets 1 or more of the following:

(*i*) The pupil has been suspended or expelled from his or her district of residence for any reason, including, but not limited to, a suspension or expulsion under section 1310, 1311, or 1311a of the revised school code, MCL 380.1310, 380.1311, and 380.1311a.

(*ii*) The pupil had previously dropped out of school.

(*iii*) The pupil is pregnant or is a parent.

(*iv*) The pupil has been referred to the program by a court.

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

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

(j) A pupil who is the child of a person who is employed by the district. As used in this subdivision, "child" includes an adopted child, stepchild, or legal ward.

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

(*l*) A pupil enrolled in a district other than the pupil's district of residence in a program described in section 64 if the pupil's district of residence and the enrolling district are both constituent districts of the same intermediate district.

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

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

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

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

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

(*i*) Fourth Wednesday in July.

(*ii*) Fourth Wednesday after Labor day.

(*iii*) Second Wednesday in February.

(*iv*) Fourth Wednesday in April.

(8) "Pupils in grades K to 12 actually enrolled and in regular daily attendance" means pupils in grades K to 12 in attendance and receiving instruction in all classes for which they are enrolled on the pupil membership count day or the supplemental count day, as applicable. Except as otherwise provided in this subsection, a pupil who is absent from any of the classes in which the pupil is enrolled on the pupil membership count day or supplemental count day and who does not attend each of those classes during the 10 consecutive school days immediately following the pupil membership count day or supplemental count day, except for a pupil who has been excused by the district, shall not be counted as 1.0 full-time equated membership. A pupil who is excused from attendance on the pupil membership count day or supplemental count day and who fails to attend each of the classes in which the pupil is enrolled within 30 calendar days after the pupil membership count day or supplemental count day shall not be counted as 1.0 full-time equated membership. In addition, a pupil who was enrolled and in attendance in a district, intermediate district, or public school academy before the pupil membership count day or supplemental count day of a particular year but was expelled or suspended on the pupil membership count day or supplemental count day shall only be counted as 1.0 full-time equated membership if the pupil resumed attendance in the district, intermediate district, or public school academy within 45 days after the pupil membership count day or supplemental count day of that particular year. Pupils not counted as 1.0 full-time equated membership due to an absence from a class shall be counted as a prorated membership for the classes the pupil attended. For purposes of this subsection, "class" means a period of time in 1 day when pupils and a certificated teacher or legally qualified substitute teacher are together and instruction is taking place.

(9) "Rule" means a rule promulgated pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

(10) "The revised school code" means 1976 PA 451, MCL 380.1 to 380.1852.

(11) "School district of the first class", "first class school district", and "district of the first class", except in subsection (6), mean a district that had at least 60,000 pupils in membership for the immediately preceding fiscal year.

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

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

(14) "Superintendent", unless the context clearly refers to a district or intermediate district superintendent, means the superintendent of public instruction described in section 3 of article VIII of the state constitution of 1963.

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

(16) "Tuition pupil" means a pupil of school age attending school in a district other than the pupil's district of residence for whom tuition may be charged. Tuition pupil does not include a pupil who is a special education pupil or a pupil described in subsection (6)(c) to (m). A pupil's district of residence shall not require a high school tuition pupil, as provided under section 111, to attend another school district after the pupil has been assigned to a school district.

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

(18) "Taxable value" means the taxable value of property as determined under section 27a of the general property tax act, 1893 PA 206, MCL 211.27a.

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

(20) "Total state aid" or "total state school aid" means the total combined amount of all funds due to a district, intermediate district, or other entity under all of the provisions of this act.

(21) "University school" means an instructional program operated by a public university under section 23 that meets the requirements of section 23.

Sec. 11. (1) For the fiscal year ending September 30, 2010, there is appropriated for the public schools of this state and certain other state purposes relating to education the sum of $10,793,954,100.00 from the state school aid fund established by section 11 of article IX of the state constitution of 1963 and the sum of $31,800,000.00 from the general fund. For the fiscal year ending September 30, 2010, there is also appropriated the sum of $450,000,000.00 from the federal funding awarded to this state under title XIV of the American recovery and reinvestment act of 2009, Public Law 111-5, to be used solely for the purpose of funding the primary funding formula calculated under section 20, in accordance with federal law. In addition, other available federal funds are appropriated for the fiscal year ending September 30, 2010.

(2) The appropriations under this section shall be allocated as provided in this act. Money appropriated under this section from the general fund shall be expended to fund the purposes of this act before the expenditure of money appropriated under this section from the state school aid fund. If the maximum amount appropriated under this section from the state school aid fund for a fiscal year exceeds the amount necessary to fully fund allocations under this act from the state school aid fund, that excess amount shall not be expended in that state fiscal year and shall not lapse to the general fund, but instead shall be deposited into the school aid stabilization fund created in section 11a.

(3) If the maximum amount appropriated under this section from the state school aid fund and the school aid stabilization fund for a fiscal year exceeds the amount available for expenditure from the state school aid fund for that fiscal year, payments under sections 11f, 11g, 11j, 22a, 26a, 26b, 31d, 31f, 51a(2), 51a(12), 51c, 53a, and 56 shall be made in full. In addition, for districts beginning operations after 1994-95 that qualify for payments under section 22b, payments under section 22b shall be made so that the qualifying districts receive the lesser of an amount equal to the 1994-95 foundation allowance of the district in which the district beginning operations after 1994-95 is located or $5,500.00. The amount of the payment to be made under section 22b for these qualifying districts shall be as calculated under section 22a, with the balance of the payment under section 22b being subject to the proration otherwise provided under this subsection and subsection (4). If proration is necessary, state payments under each of the other sections of this act from all state funding sources shall be prorated in the manner prescribed in subsection (4) as necessary to reflect the amount available for expenditure from the state school aid fund for the affected fiscal year. However, if the department of treasury determines that proration will be required under this subsection, or if the department of treasury determines that further proration is required under this subsection after an initial proration has already been made for a fiscal year, the department of treasury shall notify the state budget director, and the state budget director shall notify the legislature at least 30 calendar days or 6 legislative session days, whichever is more, before the department reduces any payments under this act because of the proration. During the 30 calendar day or 6 legislative session day period after that notification by the state budget director, the department shall not reduce any payments under this act because of proration under this subsection. The legislature may prevent proration from occurring by, within the 30 calendar day or 6 legislative session day period after that notification by the state budget director, enacting legislation appropriating additional funds from the general fund, countercyclical budget and economic stabilization fund, state school aid fund balance, or another source to fund the amount of the projected shortfall.

(4) If proration is necessary under subsection (3), the department shall calculate the proration in district and intermediate district payments that is required under subsection (3) as follows:

(a) The department shall calculate the percentage of total state school aid allocated under this act for the affected fiscal year for each of the following:

(*i*) Districts.

(*ii*) Intermediate districts.

(*iii*) Entities other than districts or intermediate districts.

(b) The department shall recover a percentage of the proration amount required under subsection (3) that is equal to the percentage calculated under subdivision (a)(*i*) for districts by reducing payments to districts. This reduction shall be made by calculating an equal dollar amount per pupil as necessary to recover this percentage of the proration amount

and reducing each district's total state school aid from state sources, other than payments under sections 11f, 11g, 11j, 22a, 26a, 26b, 31d, 31f, 51a(2), 51a(12), 51c, and 53a, by that amount.

(c) The department shall recover a percentage of the proration amount required under subsection (3) that is equal to the percentage calculated under subdivision (a)(*ii*) for intermediate districts by reducing payments to intermediate districts. This reduction shall be made by reducing the payments to each intermediate district, other than payments under sections 11f, 11g, 26a, 26b, 51a(2), 51a(12), 53a, and 56, on an equal percentage basis.

(d) The department shall recover a percentage of the proration amount required under subsection (3) that is equal to the percentage calculated under subdivision (a)(*iii*) for entities other than districts and intermediate districts by reducing payments to these entities. This reduction shall be made by reducing the payments to each of these entities, other than payments under sections 11j, 26a, and 26b, on an equal percentage basis.

(5) Except for the allocation under section 26a, any general fund allocations under this act that are not expended by the end of the state fiscal year are transferred to the school aid stabilization fund created under section 11a.

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

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

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

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

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

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

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

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

(6) If the maximum amount appropriated under section 11 from the state school aid fund for a fiscal year exceeds the amount available for expenditure from the state school aid fund for that fiscal year, there is appropriated from the school aid stabilization fund to the state school aid fund an amount equal to the projected shortfall as determined by the department of treasury, but not to exceed available money in the school aid stabilization fund. If the money in the school aid stabilization fund is insufficient to fully fund an amount equal to the projected shortfall, the state budget director shall notify the legislature as required under section 11(3) and state payments in an amount equal to the remainder of the projected shortfall shall be prorated in the manner provided under section 11(4).

(7) For 2009-2010, there is appropriated from the school aid stabilization fund to the state school aid fund the amount necessary to fully fund the allocations under this act.

Sec. 11d. (1) For 2009-2010 only, the department shall deduct an amount equal to $165.00 per membership pupil from the total state school aid otherwise allocated under this act to each district, except for money allocated under sections 11g, 22a, 31d, 51a(12), 51c, and 53a. If a district complies with subsection (2), a district may choose to apply this reduction to funding the district receives under any provision of this act, other than sections 11g, 22a, 31d, 51a(12), 51c, and 53a, even if the reduction chosen by the district results in a program being reduced or discontinued. If a district does not comply with subsection (2), the district shall apply this reduction to available funding under section 22b first, up to the total amount of the reduction, before reducing other funding the district receives under this act, other than sections 11g, 22a, 31d, 51a(12), 51c, and 53a.

(2) Not later than February 1, 2010, a district shall enter into an agreement with the department to develop a service consolidation plan to reduce school operating costs that is in compliance with department guidelines. The department guidelines may identify, but are not limited to, allowable cost-sharing arrangements for the provision of business services and instructional services and the creation of joint operating agreements between and among districts and intermediate districts. The department shall establish guidelines for service consolidation plans under this subsection not later than 60 days after the effective date of this section.

Sec. 11g. (1) From the appropriation in section 11, there is allocated for this section an amount not to exceed $39,000,000.00 for the fiscal year ending September 30, 2010 and for each succeeding fiscal year through the fiscal year ending September 30, 2015, after which these payments will cease. These allocations are for paying the amounts described in subsection (3) to districts and intermediate districts, other than those receiving a lump-sum payment under section 11f(2), that were not plaintiffs in the consolidated cases known as Durant v State of Michigan, Michigan supreme

court docket no. 104458-104492 and that, on or before March 2, 1998, submitted to the state treasurer a waiver resolution described in section 11f. The amounts paid under this section represent offers of settlement and compromise of any claim or claims that were or could have been asserted by these districts and intermediate districts, as described in this section.

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

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

(a) If the district or intermediate district does not borrow money and issue bonds under section 11i, 1/30 of the total amount listed in section 11h for the district or intermediate district through the fiscal year ending September 30, 2013.

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

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

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

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

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

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

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

Sec. 11j. From the appropriation in section 11, there is allocated an amount not to exceed $40,000,000.00 for 2009-2010 for payments to the school loan bond redemption fund in the department of treasury on behalf of districts and intermediate districts. Notwithstanding section 11 or any other provision of this act, funds allocated under this section are not subject to proration and shall be paid in full.

Sec. 11k. For 2009-2010, there is appropriated from the general fund to the school loan revolving fund an amount equal to the amount of school bond loans assigned to the Michigan municipal bond authority, not to exceed the total amount of school bond loans held in reserve as long-term assets. As used in this section, "school loan revolving fund" means that fund created in section 16c of the shared credit rating act, 1985 PA 227, MCL 141.1066c.

Sec. 11m. From the appropriations in section 11, there is allocated for 2009-2010 an amount not to exceed $45,000,000.00 for fiscal year cash-flow borrowing costs solely related to the state school aid fund established by section 11 of article IX of the state constitution of 1963.

Sec. 15. (1) If a district or intermediate district fails to receive its proper apportionment, the department, upon satisfactory proof that the district or intermediate district was entitled justly, shall apportion the deficiency in the next apportionment. Subject to subsections (2) and (3), if a district or intermediate district has received more than its proper apportionment, the department, upon satisfactory proof, shall deduct the excess in the next apportionment. Notwithstanding any other provision in this act, state aid overpayments to a district, other than overpayments in payments for special education or special education transportation, may be recovered from any payment made under this act other than a special education or special education transportation payment. State aid overpayments made in special education or special education transportation payments may be recovered from subsequent special education or special education transportation payments.

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

(3) If, because of the receipt of new or updated data, the department determines during a fiscal year that the amount paid to a district or intermediate district under this act for a prior fiscal year was incorrect under the law in effect for that year, the department may make the appropriate deduction or payment in the district's or intermediate district's allocation for the fiscal year in which the determination is made. The deduction or payment shall be calculated according to the law in effect in the fiscal year in which the improper amount was paid.

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

(5) In addition to funds appropriated in section 11 for all programs and services, there is appropriated for 2009-2010 for obligations in excess of applicable appropriations an amount equal to the collection of overpayments, but not to exceed amounts available from overpayments.

Sec. 18. (1) Except as provided in another section of this act, each district or other entity shall apply the money received by the district or entity under this act to salaries and other compensation of teachers and other employees, tuition, transportation, lighting, heating, ventilation, water service, the purchase of textbooks which are designated by the board to be used in the schools under the board's charge, other supplies, and any other school operating expenditures defined in section 7. However, not more than 20% of the total amount received by a district under article 2 or intermediate district under article 8 may be transferred by the board to either the capital projects fund or to the debt retirement fund for debt service. The money shall not be applied or taken for a purpose other than as provided in this section. The department shall determine the reasonableness of expenditures and may withhold from a recipient of funds under this act the apportionment otherwise due upon a violation by the recipient.

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

(a) The annual operating budget and subsequent budget revisions.

(b) Using data that have already been collected and submitted to the department, a summary of district or intermediate district expenditures for the most recent fiscal year for which they are available, expressed in the following 2 pie charts:

(*i*) A chart of personnel expenditures, broken into the following subcategories:

(A) Salaries and wages.

(B) Employee benefit costs, including, but not limited to, medical, dental, vision, life, disability, and long-term care benefits.

(C) Retirement benefit costs.

(D) All other personnel costs.

(*ii*) A chart of all district expenditures, broken into the following subcategories:

(A) Instruction.

(B) Support services.

(C) Business and administration.

(D) Operations and maintenance.

(c) Links to all of the following:

(*i*) The current collective bargaining agreement for each bargaining unit.

(*ii*) Each health care benefits plan, including, but not limited to, medical, dental, vision, disability, long-term care, or any other type of benefits that would constitute health care services, offered to any bargaining unit or employee in the district.

(*iii*) The audit report of the audit conducted under subsection (3) for the most recent fiscal year for which it is available.

(d) The total salary and a description and cost of each fringe benefit included in the compensation package for the superintendent of the district or intermediate district and for each employee of the district or intermediate district whose salary exceeds $100,000.00.

(e) The annual amount spent on dues paid to associations.

(f) The annual amount spent on lobbying or lobbying services. As used in this subdivision, "lobbying" means that term as defined in section 5 of 1978 PA 472, MCL 4.415.

(3) For the purpose of determining the reasonableness of expenditures and whether a violation of this act has occurred, the department shall require that each district and intermediate district have an audit of the district's or intermediate district's financial and pupil accounting records conducted at least annually at the expense of the district or intermediate district, as applicable, by a certified public accountant or by the intermediate district superintendent, as may be required by the department, or in the case of a district of the first class by a certified public accountant, the intermediate superintendent, or the auditor general of the city. An intermediate district's annual financial audit shall be accompanied by the intermediate district's pupil accounting procedures report. A district's or intermediate district's annual financial audit shall include an analysis of the financial and pupil accounting data used as the basis for distribution of state school aid. The pupil accounting records and reports, audits, and management letters are subject to requirements established in the auditing and accounting manuals approved and published by the department. Except as otherwise provided in this subsection, a district shall file the annual financial audit reports with the intermediate district not later than 120 days after the end of each school fiscal year and the intermediate district shall forward the annual financial audit reports for its constituent districts and for the intermediate district, and the pupil accounting procedures report for the pupil membership count day and supplemental count day, to the department not later than November 15 of each year. The annual financial audit reports and pupil accounting procedures reports shall be available to the public in compliance with the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246. Not later than December 31 of each year, the department shall notify the state budget director and the legislative appropriations subcommittees responsible for review of the school aid budget of districts and intermediate districts that have not filed an annual financial audit and pupil accounting procedures report required under this section for the school year ending in the immediately preceding fiscal year.

(4) By November 15 of each year, each district and intermediate district shall submit to the center, in a manner prescribed by the center, annual comprehensive financial data consistent with accounting manuals and charts of accounts approved and published by the department. For an intermediate district, the report shall also contain the website address where the department can access the report required under section 620 of the revised school code, MCL 380.620. The department shall ensure that the prescribed Michigan public school accounting manual chart of accounts includes standard conventions to distinguish expenditures by allowable fund function and object. The functions shall include at minimum categories for instruction, pupil support, instructional staff support, general administration, school administration, business administration, transportation, facilities operation and maintenance, facilities acquisition, and debt service; and shall include object classifications of salary, benefits, including categories for active employee health expenditures, purchased services, supplies, capital outlay, and other. Districts shall report the required level of detail consistent with the manual as part of the comprehensive annual financial report. The department shall make this information available online to districts and intermediate districts, and shall include per-pupil amounts spent on instruction and instructional support service functions, and indicate how much of those costs were attributable to salaries. Districts and intermediate districts shall include a link on their websites to the website where the department posts this information.

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

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

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

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

(9) If a district or intermediate district does not comply with subsection (3), (4), (5), or (6), the department shall withhold all state school aid due to the district or intermediate district under this act, beginning with the next payment due to the district or intermediate district, until the district or intermediate district complies with subsections (3), (4), (5), and (6). If the district or intermediate district does not comply with subsections (3), (4), (5), and (6) by the end of the fiscal year, the district or intermediate district forfeits the amount withheld.

Sec. 19. (1) A district shall comply with any requirements of sections 1204a, 1277, 1278, and 1280 of the revised school code, MCL 380.1204a, 380.1277, 380.1278, and 380.1280, commonly referred to as "public act 25 of 1990" that are not also required by the no child left behind act of 2001, Public Law 107-110, as determined by the department.

(2) Each district and intermediate district shall provide to the department, in a form and manner prescribed by the department, information necessary for the development of an annual progress report on the required implementation of sections 1204a, 1277, 1278, and 1280 of the revised school code, MCL 380.1204a, 380.1277, 380.1278, and 380.1280, commonly referred to as "public act 25 of 1990".

(3) A district or intermediate district shall comply with all applicable reporting requirements specified in state and federal law. Data provided to the center, in a form and manner prescribed by the center, shall be aggregated and disaggregated as required by state and federal law. In addition, a district or intermediate district shall cooperate with all measures taken by the center to comply with the provisions of the American recovery and reinvestment act of 2009, Public Law 111-5, requiring the establishment of a statewide P-20 longitudinal data system.

(4) Each district shall furnish to the center not later than 5 weeks after the pupil membership count day, in a manner prescribed by the center, the information necessary for the preparation of the district and high school graduation report. This information shall meet requirements established in the pupil auditing manual approved and published by the department. The center shall calculate an annual graduation and pupil dropout rate for each high school, each district, and this state, in compliance with nationally recognized standards for these calculations. The center shall report all graduation and dropout rates to the senate and house education committees and appropriations committees, the state budget director, and the department not later than 30 days after the publication of the list described in subsection (8).

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

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

(7) If a district or intermediate district fails to meet the requirements of subsection (2), (3), (4), (5), or (6), the department shall withhold 5% of the total funds for which the district or intermediate district qualifies under this act until the district or intermediate district complies with all of those subsections. If the district or intermediate district does not comply with all of those subsections by the end of the fiscal year, the department shall place the amount withheld in an escrow account until the district or intermediate district complies with all of those subsections.

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

Sec. 20. (1) For 2009-2010, the basic foundation allowance is $8,489.00.

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

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

(a) For a district that had a foundation allowance for the immediately preceding state fiscal year that was at least equal to the sum of $7,108.00 plus the total dollar amount of all adjustments made from 2006-2007 to the immediately preceding state fiscal year in the lowest foundation allowance among all districts, but less than the basic foundation allowance for the immediately preceding state fiscal year, the district shall receive a foundation allowance in an amount equal to the sum of the district's foundation allowance for the immediately preceding state fiscal year plus the difference between twice the dollar amount of the adjustment from the immediately preceding state fiscal year to the current state fiscal year made in the basic foundation allowance and [(the dollar amount of the adjustment from the immediately preceding state fiscal year to the current state fiscal year made in the basic foundation allowance minus $20.00) times (the difference between the district's foundation allowance for the immediately preceding state fiscal year and the sum of $7,108.00 plus the total dollar amount of all adjustments made from 2006-2007 to the immediately preceding state fiscal year in the lowest foundation allowance among all districts) divided by the difference between the basic foundation allowance for the current state fiscal year and the sum of $7,108.00 plus the total dollar amount of all adjustments made from 2006-2007 to the immediately preceding state fiscal year in the lowest foundation allowance among all districts]. For 2009-2010, for a district that had a foundation allowance for the immediately preceding state fiscal year that was at least equal to the sum of $7,108.00 plus the total dollar amount of all adjustments made from 2006-2007 to the immediately preceding state fiscal year in the lowest foundation allowance among all districts, but less than the basic foundation allowance for the immediately preceding state fiscal year, the district shall receive a foundation allowance in an amount equal to the district's foundation allowance for the immediately preceding state fiscal year. However, the foundation allowance for a district that had less than the basic foundation allowance for the immediately preceding state fiscal year shall not exceed the basic foundation allowance for the current state fiscal year.

(b) Except as otherwise provided in this subsection, for a district that in the immediately preceding state fiscal year had a foundation allowance in an amount at least equal to the amount of the basic foundation allowance for the

immediately preceding state fiscal year, the district shall receive a foundation allowance in an amount equal to the sum of the district's foundation allowance for the immediately preceding state fiscal year plus the dollar amount of the adjustment from the immediately preceding state fiscal year to the current state fiscal year in the basic foundation allowance.

(c) For a district that in the 1994-95 state fiscal year had a foundation allowance greater than $6,500.00, the district's foundation allowance is an amount equal to the sum of the district's foundation allowance for the immediately preceding state fiscal year plus the lesser of the increase in the basic foundation allowance for the current state fiscal year, as compared to the immediately preceding state fiscal year, or the product of the district's foundation allowance for the immediately preceding state fiscal year times the percentage increase in the United States consumer price index in the calendar year ending in the immediately preceding fiscal year as reported by the May revenue estimating conference conducted under section 367b of the management and budget act, 1984 PA 431, MCL 18.1367b.

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

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

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

(4) Except as otherwise provided in this subsection, the state portion of a district's foundation allowance is an amount equal to the district's foundation allowance or the basic foundation allowance for the current state fiscal year, whichever is less, minus the difference between the sum of the product of the taxable value per membership pupil of all property in the district that is nonexempt property times the district's certified mills and, for a district with certified mills exceeding 12, the product of the taxable value per membership pupil of property in the district that is commercial personal property times the certified mills minus 12 mills and the quotient of the ad valorem property tax revenue of the district captured under tax increment financing acts divided by the district's membership excluding special education pupils. For a district described in subsection (3)(c), the state portion of the district's foundation allowance is an amount equal to $6,962.00 plus the difference between the district's foundation allowance for the current state fiscal year and the district's foundation allowance for 1998-99, minus the difference between the sum of the product of the taxable value per membership pupil of all property in the district that is nonexempt property times the district's certified mills and, for a district with certified mills exceeding 12, the product of the taxable value per membership pupil of property in the district that is commercial personal property times the certified mills minus 12 mills and the quotient of the ad valorem property tax revenue of the district captured under tax increment financing acts divided by the district's membership excluding special education pupils. For a district that has a millage reduction required under section 31 of article IX of the state constitution of 1963, the state portion of the district's foundation allowance shall be calculated as if that reduction did not occur. For the purposes of state law, federal funding awarded to this state under title XIV of the American recovery and reinvestment act of 2009, Public Law 111-5, that is appropriated under section 11 and allocated under section 22b, is considered to be part of the state portion of a district's foundation allowance and is considered to be part of the total state school aid paid to a public school academy.

(5) The allocation calculated under this section for a pupil shall be based on the foundation allowance of the pupil's district of residence. However, for a pupil enrolled in a district other than the pupil's district of residence, if the foundation allowance of the pupil's district of residence has been adjusted pursuant to subsection (19), the allocation calculated under this section shall not include the adjustment described in subsection (19). For a pupil enrolled pursuant to section 105 or 105c in a district other than the pupil's district of residence, the allocation calculated under this section shall be based on the lesser of the foundation allowance of the pupil's district of residence or the foundation allowance of the educating district. For a pupil in membership in a K-5, K-6, or K-8 district who is enrolled in another district in a grade not offered by the pupil's district of residence, the allocation calculated under this section shall be based on the foundation allowance of the educating district if the educating district's foundation allowance is greater than the foundation allowance of the pupil's district of residence. The calculation under this subsection shall take into account a district's per pupil allocation under section 20j(2).

(6) Subject to subsection (7) and except as otherwise provided in this subsection, for pupils in membership, other than special education pupils, in a public school academy or a university school, the allocation calculated under this section is an amount per membership pupil other than special education pupils in the public school academy or university school equal to the sum of the local school operating revenue per membership pupil other than special education pupils for the district in which the public school academy or university school is located and the state portion of that district's foundation allowance, or the state maximum public school academy allocation, whichever is less. Notwithstanding section 101, for a public school academy that begins operations after the pupil membership count day, the amount per

membership pupil calculated under this subsection shall be adjusted by multiplying that amount per membership pupil by the number of hours of pupil instruction provided by the public school academy after it begins operations, as determined by the department, divided by the minimum number of hours of pupil instruction required under section 101(3). The result of this calculation shall not exceed the amount per membership pupil otherwise calculated under this subsection.

(7) If more than 25% of the pupils residing within a district are in membership in 1 or more public school academies located in the district, then the amount per membership pupil calculated under this section for a public school academy located in the district shall be reduced by an amount equal to the difference between the sum of the product of the taxable value per membership pupil of all property in the district that is nonexempt property times the district's certified mills and, for a district with certified mills exceeding 12, the product of the taxable value per membership pupil of property in the district that is commercial personal property times the certified mills minus 12 mills and the quotient of the ad valorem property tax revenue of the district captured under tax increment financing acts divided by the district's membership excluding special education pupils, in the school fiscal year ending in the current state fiscal year, calculated as if the resident pupils in membership in 1 or more public school academies located in the district were in membership in the district. In order to receive state school aid under this act, a district described in this subsection shall pay to the authorizing body that is the fiscal agent for a public school academy located in the district for forwarding to the public school academy an amount equal to that local school operating revenue per membership pupil for each resident pupil in membership other than special education pupils in the public school academy, as determined by the department.

(8) If a district does not receive an amount calculated under subsection (9); if the number of mills the district may levy on a principal residence, qualified agricultural property, qualified forest property, industrial personal property, and commercial personal property under section 1211 of the revised school code, MCL 380.1211, is 0.5 mills or less; and if the district elects not to levy those mills, the district instead shall receive a separate supplemental amount calculated under this subsection in an amount equal to the amount the district would have received had it levied those mills, as determined by the department of treasury. A district shall not receive a separate supplemental amount calculated under this subsection for a fiscal year unless in the calendar year ending in the fiscal year the district levies the district's certified mills on property that is nonexempt property.

(9) For a district that had combined state and local revenue per membership pupil in the 1993-94 state fiscal year of more than $6,500.00 and that had fewer than 350 pupils in membership, if the district elects not to reduce the number of mills from which a principal residence, qualified agricultural property, qualified forest property, industrial personal property, and commercial personal property are exempt and not to levy school operating taxes on a principal residence, qualified agricultural property, qualified forest property, industrial personal property, and commercial personal property as provided in section 1211 of the revised school code, MCL 380.1211, and not to levy school operating taxes on all property as provided in section 1211(2) of the revised school code, MCL 380.1211, there is calculated under this subsection for 1994-95 and each succeeding fiscal year a separate supplemental amount in an amount equal to the amount the district would have received per membership pupil had it levied school operating taxes on a principal residence, qualified agricultural property, qualified forest property, industrial personal property, and commercial personal property at the rate authorized for the district under section 1211 of the revised school code, MCL 380.1211, and levied school operating taxes on all property at the rate authorized for the district under section 1211(2) of the revised school code, MCL 380.1211, as determined by the department of treasury. If in the calendar year ending in the fiscal year a district does not levy the district's certified mills on property that is nonexempt property, the amount calculated under this subsection will be reduced by the same percentage as the millage actually levied compares to the district's certified mills.

(10) Subject to subsection (4), for a district that is formed or reconfigured after June 1, 2002 by consolidation of 2 or more districts or by annexation, the resulting district's foundation allowance under this section beginning after the effective date of the consolidation or annexation shall be the average of the foundation allowances of each of the original or affected districts, calculated as provided in this section, weighted as to the percentage of pupils in total membership in the resulting district who reside in the geographic area of each of the original or affected districts. The calculation under this subsection shall take into account a district's per pupil allocation under section 20j(2).

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

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

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

(a) The pupil membership factor shall be computed by dividing the estimated membership in the school year ending in the current state fiscal year, excluding intermediate district membership, by the estimated membership for the school year ending in the subsequent state fiscal year, excluding intermediate district membership. If a consensus membership

factor is not determined at the revenue estimating conference, the principals of the revenue estimating conference shall report their estimates to the house and senate subcommittees responsible for school aid appropriations not later than 7 days after the conclusion of the revenue conference.

(b) The revenue adjustment factor shall be computed by dividing the sum of the estimated total state school aid fund revenue for the subsequent state fiscal year plus the estimated total state school aid fund revenue for the current state fiscal year, adjusted for any change in the rate or base of a tax the proceeds of which are deposited in that fund and excluding money transferred into that fund from the countercyclical budget and economic stabilization fund under the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, by the sum of the estimated total school aid fund revenue for the current state fiscal year plus the estimated total state school aid fund revenue for the immediately preceding state fiscal year, adjusted for any change in the rate or base of a tax the proceeds of which are deposited in that fund. If a consensus revenue factor is not determined at the revenue estimating conference, the principals of the revenue estimating conference shall report their estimates to the house and senate subcommittees responsible for school aid appropriations not later than 7 days after the conclusion of the revenue conference.

(c) The index shall be calculated by multiplying the pupil membership factor by the revenue adjustment factor. However, for 2009-2010, the index shall be 1.00. If a consensus index is not determined at the revenue estimating conference, the principals of the revenue estimating conference shall report their estimates to the house and senate subcommittees responsible for school aid appropriations not later than 7 days after the conclusion of the revenue conference.

(14) If the principals at the revenue estimating conference reach a consensus on the index described in subsection (13)(c), the lowest foundation allowance among all districts for the subsequent state fiscal year shall be at least the amount of that consensus index multiplied by the lowest foundation allowance among all districts for the immediately preceding state fiscal year.

(15) If at the January revenue estimating conference it is estimated that pupil membership, excluding intermediate district membership, for the subsequent state fiscal year will be greater than 101% of the pupil membership, excluding intermediate district membership, for the current state fiscal year, then it is the intent of the legislature that the executive budget proposal for the school aid budget for the subsequent state fiscal year include a general fund/general purpose allocation sufficient to support the membership in excess of 101% of the current year pupil membership.

(16) For a district that had combined state and local revenue per membership pupil in the 1993-94 state fiscal year of more than $6,500.00, that had fewer than 7 pupils in membership in the 1993-94 state fiscal year, that has at least 1 child educated in the district in the current state fiscal year, and that levies the number of mills of school operating taxes authorized for the district under section 1211 of the revised school code, MCL 380.1211, a minimum amount of combined state and local revenue shall be calculated for the district as provided under this subsection. The minimum amount of combined state and local revenue for 1999-2000 shall be $67,000.00 plus the district's additional expenses to educate pupils in grades 9 to 12 educated in other districts as determined and allowed by the department. The minimum amount of combined state and local revenue under this subsection, before adding the additional expenses, shall increase each fiscal year by the same percentage increase as the percentage increase in the basic foundation allowance from the immediately preceding fiscal year to the current fiscal year. The state portion of the minimum amount of combined state and local revenue under this subsection shall be calculated by subtracting from the minimum amount of combined state and local revenue under this subsection the sum of the district's local school operating revenue and an amount equal to the product of the sum of the state portion of the district's foundation allowance plus the amount calculated under section 20j times the district's membership. As used in this subsection, "additional expenses" means the district's expenses for tuition or fees, not to exceed the basic foundation allowance for the current state fiscal year, plus a room and board stipend not to exceed $10.00 per school day for each pupil in grades 9 to 12 educated in another district, as approved by the department.

(17) For a district in which 7.75 mills levied in 1992 for school operating purposes in the 1992-93 school year were not renewed in 1993 for school operating purposes in the 1993-94 school year, the district's combined state and local revenue per membership pupil shall be recalculated as if that millage reduction did not occur and the district's foundation allowance shall be calculated as if its 1994-95 foundation allowance had been calculated using that recalculated 1993-94 combined state and local revenue per membership pupil as a base. A district is not entitled to any retroactive payments for fiscal years before 2000-2001 due to this subsection.

(18) For a district in which an industrial facilities exemption certificate that abated taxes on property with a state equalized valuation greater than the total state equalized valuation of the district at the time the certificate was issued or $700,000,000.00, whichever is greater, was issued under 1974 PA 198, MCL 207.551 to 207.572, before the calculation of the district's 1994-95 foundation allowance, the district's foundation allowance for 2002-2003 is an amount equal to the sum of the district's foundation allowance for 2002-2003, as otherwise calculated under this section, plus $250.00.

(19) For a district that received a grant under former section 32e for 2001-2002, the district's foundation allowance for 2002-2003 and each succeeding fiscal year shall be adjusted to be an amount equal to the sum of the district's foundation allowance, as otherwise calculated under this section, plus the quotient of 100% of the amount of the grant award to the district for 2001-2002 under former section 32e divided by the number of pupils in the district's membership

for 2001-2002 who were residents of and enrolled in the district. Except as otherwise provided in this subsection, a district qualifying for a foundation allowance adjustment under this subsection shall use the funds resulting from this adjustment for at least 1 of grades K to 3 for purposes allowable under former section 32e as in effect for 2001-2002, and may also use these funds for an early intervening program described in subsection (20). For an individual school or schools operated by a district qualifying for a foundation allowance under this subsection that have been determined by the department to meet the adequate yearly progress standards of the federal no child left behind act of 2001, Public Law 107-110, in both mathematics and English language arts at all applicable grade levels for all applicable subgroups, the district may submit to the department an application for flexibility in using the funds resulting from this adjustment that are attributable to the pupils in the school or schools. The application shall identify the affected school or schools and the affected funds and shall contain a plan for using the funds for specific purposes identified by the district that are designed to reduce class size, but that may be different from the purposes otherwise allowable under this subsection. The department shall approve the application if the department determines that the purposes identified in the plan are reasonably designed to reduce class size. If the department does not act to approve or disapprove an application within 30 days after it is submitted to the department, the application is considered to be approved. If an application for flexibility in using the funds is approved, the district may use the funds identified in the application for any purpose identified in the plan.

(20) An early intervening program that uses funds resulting from the adjustment under subsection (19) shall meet either or both of the following:

(a) Shall monitor individual pupil learning for pupils in grades K to 3 and provide specific support or learning strategies to pupils in grades K to 3 as early as possible in order to reduce the need for special education placement. The program shall include literacy and numeracy supports, sensory motor skill development, behavior supports, instructional consultation for teachers, and the development of a parent/school learning plan. Specific support or learning strategies may include support in or out of the general classroom in areas including reading, writing, math, visual memory, motor skill development, behavior, or language development. These would be provided based on an understanding of the individual child's learning needs.

(b) Shall provide early intervening strategies for pupils in grades K to 3 using schoolwide systems of academic and behavioral supports and shall be scientifically research-based. The strategies to be provided shall include at least pupil performance indicators based upon response to intervention, instructional consultation for teachers, and ongoing progress monitoring. A schoolwide system of academic and behavioral support should be based on a support team available to the classroom teachers. The members of this team could include the principal, special education staff, reading teachers, and other appropriate personnel who would be available to systematically study the needs of the individual child and work with the teacher to match instruction to the needs of the individual child.

(21) For a district that levied 1.9 mills in 1993 to finance an operating deficit, the district's foundation allowance shall be calculated as if those mills were included as operating mills in the calculation of the district's 1994-1995 foundation allowance. A district is not entitled to any retroactive payments for fiscal years before 2006-2007 due to this subsection. A district receiving an adjustment under this subsection shall not receive more than $800,000.00 for a fiscal year as a result of this adjustment.

(22) For a district that levied 2.23 mills in 1993 to finance an operating deficit, the district's foundation allowance shall be calculated as if those mills were included as operating mills in the calculation of the district's 1994-1995 foundation allowance. A district is not entitled to any retroactive payments for fiscal years before 2006-2007 due to this subsection. A district receiving an adjustment under this subsection shall not receive more than $500,000.00 for a fiscal year as a result of this adjustment.

(23) Payments to districts, university schools, or public school academies shall not be made under this section. Rather, the calculations under this section shall be used to determine the amount of state payments under section 22b.

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

(25) As used in this section:

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

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

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

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

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

(f) "Local school operating revenue" means school operating taxes levied under section 1211 of the revised school code, MCL 380.1211.

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

(h) "Maximum public school academy allocation", except as otherwise provided in this subdivision, means the maximum per-pupil allocation as calculated by adding the highest per-pupil allocation among all public school academies for the immediately preceding state fiscal year plus the difference between twice the dollar amount of the adjustment from the immediately preceding state fiscal year to the current state fiscal year made in the basic foundation allowance and [(the dollar amount of the adjustment from the immediately preceding state fiscal year to the current state fiscal year made in the basic foundation allowance minus $20.00) times (the difference between the highest per-pupil allocation among all public school academies for the immediately preceding state fiscal year and the sum of $7,108.00 plus the total dollar amount of all adjustments made from 2006-2007 to the immediately preceding state fiscal year in the lowest per-pupil allocation among all public school academies) divided by the difference between the basic foundation allowance for the current state fiscal year and the sum of $7,108.00 plus the total dollar amount of all adjustments made from 2006-2007 to the immediately preceding state fiscal year in the lowest per-pupil allocation among all public school academies]. For 2009-2010, maximum public school academy allocation means $7,580.00.

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

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

(k) "Principal residence", "qualified agricultural property", "qualified forest property", "industrial personal property", and "commercial personal property" mean those terms as defined in section 7dd of the general property tax act, 1893 PA 206, MCL 211.7dd, and section 1211 of the revised school code, MCL 380.1211.

(*l*) "School operating purposes" means the purposes included in the operation costs of the district as prescribed in sections 7 and 18.

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

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

(o) "Taxable value per membership pupil" means taxable value, as certified by the department of treasury, for the calendar year ending in the current state fiscal year divided by the district's membership excluding special education pupils for the school year ending in the current state fiscal year.

Sec. 20d. In making the final determination required under former section 20a of a district's combined state and local revenue per membership pupil in 1993-94 and in making calculations under section 20 for 2009-2010, the department and the department of treasury shall comply with all of the following:

(a) For a district that had combined state and local revenue per membership pupil in the 1994-95 state fiscal year of $6,500.00 or more and served as a fiscal agent for a state board designated area vocational education center in the 1993-94 school year, total state school aid received by or paid on behalf of the district pursuant to this act in 1993-94 shall exclude payments made under former section 146 and under section 147 on behalf of the district's employees who provided direct services to the area vocational education center. Not later than June 30, 1996, the department shall make an adjustment under this subdivision to the district's combined state and local revenue per membership pupil in the 1994-95 state fiscal year and the department of treasury shall make a final certification of the number of mills that may be levied by the district under section 1211 of the revised school code, MCL 380.1211, as a result of the adjustment under this subdivision.

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

Sec. 20j. (1) Foundation allowance supplemental payments for 2009-2010 to districts that in the 1994-95 state fiscal year had a foundation allowance greater than $6,500.00 shall be calculated under this section.

(2) The per pupil allocation to each district under this section shall be the difference between the basic foundation allowance for the 1998-99 state fiscal year and $7,204.00 less $271.00 minus the dollar amount of the adjustment from the 1998-99 state fiscal year to 2007-2008 in the district's foundation allowance.

(3) If a district's local revenue per pupil does not exceed the sum of its foundation allowance under section 20 plus the per pupil allocation under subsection (2), the total payment to the district calculated under this section shall be the product of the per pupil allocation under subsection (2) multiplied by the district's membership excluding special education pupils. If a district's local revenue per pupil exceeds the foundation allowance under section 20 but does not exceed the sum of the foundation allowance under section 20 plus the per pupil allocation under subsection (2), the total payment to the district calculated under this section shall be the product of the difference between the sum of the foundation allowance under section 20 plus the per pupil allocation under subsection (2) minus the local revenue per pupil multiplied by the district's membership excluding special education pupils. If a district's local revenue per pupil exceeds the sum of the foundation allowance under section 20 plus the per pupil allocation under subsection (2), there is no payment calculated under this section for the district.

(4) Payments to districts shall not be made under this section. Rather, the calculations under this section shall be made and used to determine the amount of state payments under section 22b.

Sec. 22a. (1) From the appropriation in section 11, there is allocated an amount not to exceed $5,882,000,000.00 for 2009-2010 for payments to districts, qualifying university schools, and qualifying public school academies to guarantee each district, qualifying university school, and qualifying public school academy an amount equal to its 1994-95 total state and local per pupil revenue for school operating purposes under section 11 of article IX of the state constitution of 1963. Pursuant to section 11 of article IX of the state constitution of 1963, this guarantee does not apply to a district in a year in which the district levies a millage rate for school district operating purposes less than it levied in 1994. However, subsection (2) applies to calculating the payments under this section. Funds allocated under this section that are not expended in the state fiscal year for which they were allocated, as determined by the department, may be used to supplement the allocations under sections 22b and 51c in order to fully fund those calculated allocations for the same fiscal year.

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

(a) Except as otherwise provided in this subsection, the state portion of a district's 1994-95 foundation allowance is an amount equal to the district's 1994-95 foundation allowance or $6,500.00, whichever is less, minus the difference between the sum of the product of the taxable value per membership pupil of all property in the district that is nonexempt property times the district's certified mills and, for a district with certified mills exceeding 12, the product of the taxable value per membership pupil of property in the district that is commercial personal property times the certified mills minus 12 mills and the quotient of the ad valorem property tax revenue of the district captured under tax increment financing acts divided by the district's membership. For a district that has a millage reduction required under section 31 of article IX of the state constitution of 1963, the state portion of the district's foundation allowance shall be calculated as if that reduction did not occur.

(b) For a district that had a 1994-95 foundation allowance greater than $6,500.00, the state payment under this subsection shall be the sum of the amount calculated under subdivision (a) plus the amount calculated under this subdivision. The amount calculated under this subdivision shall be equal to the difference between the district's 1994-95 foundation allowance minus $6,500.00 and the current year hold harmless school operating taxes per pupil. If the result of the calculation under subdivision (a) is negative, the negative amount shall be an offset against any state payment calculated under this subdivision. If the result of a calculation under this subdivision is negative, there shall not be a state payment or a deduction under this subdivision. The taxable values per membership pupil used in the calculations under this subdivision are as adjusted by ad valorem property tax revenue captured under tax increment financing acts divided by the district's membership.

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

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

(5) For a district that is formed or reconfigured after June 1, 2000 by consolidation of 2 or more districts or by annexation, the resulting district's 1994-95 foundation allowance under this section beginning after the effective date of

the consolidation or annexation shall be the average of the 1994-95 foundation allowances of each of the original or affected districts, calculated as provided in this section, weighted as to the percentage of pupils in total membership in the resulting district in the state fiscal year in which the consolidation takes place who reside in the geographic area of each of the original districts. If an affected district's 1994-95 foundation allowance is less than the 1994-95 basic foundation allowance, the amount of that district's 1994-95 foundation allowance shall be considered for the purpose of calculations under this subsection to be equal to the amount of the 1994-95 basic foundation allowance.

(6) As used in this section:

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

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

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

(d) "Current year hold harmless school operating taxes per pupil" means the per pupil revenue generated by multiplying a district's 1994-95 hold harmless millage by the district's current year taxable value per membership pupil.

(e) "Hold harmless millage" means, for a district with a 1994-95 foundation allowance greater than $6,500.00, the number of mills by which the exemption from the levy of school operating taxes on a homestead, qualified agricultural property, qualified forest property, industrial personal property, and commercial personal property could be reduced as provided in section 1211 of the revised school code, MCL 380.1211, and the number of mills of school operating taxes that could be levied on all property as provided in section 1211(2) of the revised school code, MCL 380.1211, as certified by the department of treasury for the 1994 tax year.

(f) "Homestead" means that term as defined in section 1211 of the revised school code, MCL 380.1211.

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

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

(i) "Qualified agricultural property" means that term as defined in section 1211 of the revised school code, MCL 380.1211.

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

(k) "Qualifying university school" means a university school that was in operation in the 1994-95 school year and is in operation in the current fiscal year.

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

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

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

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

(*ii*) For the number of mills of school operating taxes that may be levied on all property as provided in section 1211(2) of the revised school code, MCL 380.1211, the taxable value of all property for the calendar year ending in the current state fiscal year.

Sec. 22b. (1) From the state funds appropriated in section 11, there is allocated for 2009-2010 an amount not to exceed $3,323,800,000.00 for discretionary nonmandated payments to districts under this section. Funds allocated under this section that are not expended in the state fiscal year for which they were allocated, as determined by the department, may be used to supplement the allocations under sections 22a and 51c in order to fully fund those calculated allocations for the same fiscal year.

(2) In addition to the funds allocated in subsection (1), there is allocated an amount estimated at $450,000,000.00 from the federal funds awarded to this state under title XIV of the American recovery and reinvestment act of 2009, Public

Law 111-5. These funds shall be distributed in a form and manner determined by the department based on an equal dollar amount per the number of membership pupils used to calculate the August 20, 2009 state aid payment and shall be expended in a manner prescribed by federal law.

(3) Subject to subsection (4) and section 11, the allocation to a district under this section shall be an amount equal to the sum of the amounts calculated under sections 20, 20j, 51a(2), 51a(3), and 51a(12), minus the sum of the allocations to the district under sections 22a and 51c.

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

(a) Administer in each grade level that it operates in grades 1 to 5 a standardized assessment approved by the department of grade-appropriate basic educational skills. A district may use the Michigan literacy progress profile to satisfy this requirement for grades 1 to 3. Also, if the revised school code is amended to require annual assessments at additional grade levels, in order to receive an allocation under this section each district shall comply with that requirement.

(b) Comply with sections 1278a and 1278b of the revised school code, MCL 380.1278a and 380.1278b.

(c) Furnish data and other information required by state and federal law to the center and the department in the form and manner specified by the center or the department, as applicable.

(d) Comply with section 1230g of the revised school code, MCL 380.1230g.

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

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

(7) It is the intent of the legislature that all constitutional obligations of this state have been fully funded under sections 22a, 31d, 51a, and 51c. If a claim is made by an entity receiving funds under this act that challenges the legislative determination of the adequacy of this funding or alleges that there exists an unfunded constitutional requirement, the state budget director may escrow or allocate from the discretionary funds for nonmandated payments under this section the amount as may be necessary to satisfy the claim before making any payments to districts under subsection (3). If funds are escrowed, the escrowed funds are a work project appropriation and the funds are carried forward into the following fiscal year. The purpose of the work project is to provide for any payments that may be awarded to districts as a result of litigation. The work project shall be completed upon resolution of the litigation.

(8) If the local claims review board or a court of competent jurisdiction makes a final determination that this state is in violation of section 29 of article IX of the state constitution of 1963 regarding state payments to districts, the state budget director shall use work project funds under subsection (7) or allocate from the discretionary funds for nonmandated payments under this section the amount as may be necessary to satisfy the amount owed to districts before making any payments to districts under subsection (3).

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

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

(11) If a lawsuit challenging payments made to districts related to costs reimbursed by federal title XIX medicaid funds is filed against this state, then, for the purpose of addressing potential liability under such a lawsuit, the state budget director may place funds allocated under this section in escrow or allocate money from the funds otherwise allocated under this section, up to a maximum of 50% of the amount allocated in subsection (1). If funds are placed in escrow under this subsection, those funds are a work project appropriation and the funds are carried forward into the following fiscal year. The purpose of the work project is to provide for any payments that may be awarded to districts as a result of the litigation. The work project shall be completed upon resolution of the litigation. In addition, this state reserves the right to terminate future federal title XIX medicaid reimbursement payments to districts if the amount or allocation of reimbursed funds is challenged in the lawsuit. As used in this subsection, "title XIX" means title XIX of the social security act, 42 USC 1396 to 1396v.

Sec. 22d. (1) From the appropriation in section 11, an amount not to exceed $2,025,000.00 is allocated for 2009-2010 for additional payments to small, geographically isolated districts under this section.

(2) From the allocation under subsection (1), there is allocated for 2009-2010 an amount not to exceed $750,000.00 for payments under this subsection to districts that meet all of the following:

(a) Operates grades K to 12.

(b) Has fewer than 250 pupils in membership.

(c) Each school building operated by the district meets at least 1 of the following:

(*i*) Is located in the Upper Peninsula at least 30 miles from any other public school building.

(*ii*) Is located on an island that is not accessible by bridge.

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

(4) Subject to subsection (6), from the allocation in subsection (1), there is allocated for 2009-2010 an amount not to exceed $1,275,000.00 for payments under this subsection to districts that meet all of the following:

(a) The district has 5.0 or fewer pupils per square mile as determined by the department.

(b) The district has a total square mileage greater than 200.0 or is 1 of 2 districts that have consolidated transportation services and have a combined total square mileage greater than 200.0.

(5) The funds allocated under subsection (4) shall be allocated on an equal per pupil basis.

(6) A district receiving funds allocated under subsection (2) is not eligible for funding allocated under subsection (4).

Sec. 22e. (1) Beginning in 2008-2009, an amount will be allocated each fiscal year from the appropriation in section 11 for additional payments under this section to districts that meet the eligibility requirements under subsection (2). For 2009-2010, there is allocated for this purpose from the appropriation in section 11 an amount not to exceed $1,300,000.00.

(2) To be eligible for a payment under this section, a district must be determined by the department and the department of treasury to meet all of the following:

(a) The district levies 1 of the following operating millage amounts:

(*i*) All of the operating millage it is authorized to levy under section 1211 of the revised school code, MCL 380.1211.

(*ii*) The amount of operating millage it is authorized to levy after a voluntary reduction of its operating millage rate adopted by the board of the district.

(*iii*) The amount of operating millage it is authorized to levy after a millage reduction required under the limitation of section 31 of article IX of the state constitution of 1963, if a ballot question asking for approval to levy millage in excess of the limitation has been rejected in the district.

(b) The district receives a reduced amount of local school operating revenue under section 1211 of the revised school code, MCL 380.1211, as a result of the exemptions of industrial personal property and commercial personal property that were enacted in 2007 PA 37.

(c) The district does not receive any state portion of its foundation allowance, as calculated under section 20(4).

(3) The amount of the additional funding to each eligible district under this section is the sum of the following and shall be paid to the eligible districts in the same manner as payments under section 22b:

(a) The product of the taxable value of the district's industrial personal property for the calendar year ending in the fiscal year multiplied by the total number of mills the district levies on nonexempt property under section 1211 of the revised school code, MCL 380.1211, for that calendar year.

(b) The product of the taxable value of the district's commercial personal property for the calendar year ending in the fiscal year multiplied by the lesser of 12 mills or the total number of mills the district levies on nonexempt property under section 1211 of the revised school code, MCL 380.1211, for that calendar year.

Sec. 24. (1) From the appropriation in section 11, there is allocated for 2009-2010 an amount not to exceed $8,000,000.00 for payments to the educating district or intermediate district for educating pupils assigned by a court or the department of human services to reside in or to attend a juvenile detention facility or child caring institution licensed by the

department of human services and approved by the department to provide an on-grounds education program. The amount of the payment under this section to a district or intermediate district shall be calculated as prescribed under subsection (2).

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

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

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

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

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

Sec. 24a. From the appropriation in section 11, there is allocated an amount not to exceed $2,523,200.00 for 2009-2010 for payments to intermediate districts for pupils who are placed in juvenile justice service facilities operated by the department of human services. Each intermediate district shall receive an amount equal to the state share of those costs that are clearly and directly attributable to the educational programs for pupils placed in facilities described in this section that are located within the intermediate district's boundaries. The intermediate districts receiving payments under this section shall cooperate with the department of human services to ensure that all funding allocated under this section is utilized by the intermediate district and department of human services for educational programs for pupils described in this section. Pupils described in this section are not eligible to be funded under section 24. However, a program responsibility or other fiscal responsibility associated with these pupils shall not be transferred from the department of human services to a district or intermediate district unless the district or intermediate district consents to the transfer.

Sec. 24c. From the appropriation in section 11, there is allocated an amount not to exceed $642,300.00 for 2009-2010 for payments to districts for pupils who are enrolled in a nationally administered community-based education and youth mentoring program, known as the youth challenge program, that is located within the district and is administered by the department of military and veterans affairs. A district receiving payments under this section shall contract with the department of military and veterans affairs to ensure that all funding allocated under this section is utilized by the district and the department of military and veterans affairs for the youth challenge program.

Sec. 26a. From the state school aid fund appropriation in section 11, there is allocated an amount not to exceed $26,300,000.00 for 2009-2010, and from the general fund appropriation in section 11, there is allocated an amount not to exceed $9,200,000.00 for 2009-2010 to reimburse districts, intermediate districts, and the state school aid fund pursuant to section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692, for taxes levied in 2009. The allocations shall be made not later than 60 days after the department of treasury certifies to the department and to the state budget director that the department of treasury has received all necessary information to properly determine the amounts due to each eligible recipient.

Sec. 26b. (1) From the appropriation in section 11, there is allocated for 2009-2010 an amount not to exceed $3,400,000.00 for payments to districts, intermediate districts, and community college districts for the portion of the payment in lieu of taxes obligation that is attributable to districts, intermediate districts, and community college districts pursuant to section 2154 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.2154.

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

Sec. 29. (1) From the appropriation in section 11, there is allocated an amount not to exceed $20,000,000.00 for 2009-2010 for additional payments to eligible districts for declining enrollment assistance.

(2) A district is eligible for a payment under this section if all of the following apply:

(a) The district's pupil membership for the current fiscal year is less than the district's pupil membership for the immediately preceding fiscal year and the district's pupil membership for the immediately preceding fiscal year is less than the district's pupil membership for the previously preceding fiscal year as calculated under section 6 for that fiscal year.

(b) The district's average pupil membership is greater than the district's pupil membership for the current fiscal year as calculated under section 6.

(c) The district is not eligible to receive funding under section 6(4)(y) or 22d(2).

(3) Payments to each eligible district shall be equal to the difference between the district's average pupil membership and the district's pupil membership as calculated under section 6 for the current fiscal year multiplied by the district's foundation allowance as calculated under section 20. If the total amount of the payments calculated under this subsection exceeds the allocation for this section, the payment to each district shall be prorated on an equal percentage basis.

(4) For the purposes of this section, "average pupil membership" means the average of the district's membership for the 3-fiscal-year period ending with the current fiscal year, calculated by adding the district's actual membership for each of those 3 fiscal years, as otherwise calculated under section 6, and dividing the sum of those 3 membership figures by 3.

Sec. 31a. (1) From the state school aid fund money appropriated in section 11, there is allocated for 2009-2010 an amount not to exceed $317,695,500.00 for payments to eligible districts and eligible public school academies under this section. Subject to subsection (14), the amount of the additional allowance under this section, other than funding under subsection (6) or (7), shall be based on the number of actual pupils in membership in the district or public school academy who met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding state fiscal year, as determined under the Richard B. Russell national school lunch act, 42 USC 1751 to 1769i, and reported to the department by October 31 of the immediately preceding fiscal year and adjusted not later than December 31 of the immediately preceding fiscal year. However, for a public school academy that began operations as a public school academy after the pupil membership count day of the immediately preceding school year, the basis for the additional allowance under this section shall be the number of actual pupils in membership in the public school academy who met the income eligibility criteria for free breakfast, lunch, or milk in the current state fiscal year, as determined under the Richard B. Russell national school lunch act.

(2) To be eligible to receive funding under this section, other than funding under subsection (6) or (7), a district or public school academy that has not been previously determined to be eligible shall apply to the department, in a form and manner prescribed by the department, and a district or public school academy must meet all of the following:

(a) The sum of the district's or public school academy's combined state and local revenue per membership pupil in the current state fiscal year, as calculated under section 20, plus the amount of the district's per pupil allocation under section 20j(2), is less than or equal to the basic foundation allowance under section 20 for the current state fiscal year.

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

(3) Except as otherwise provided in this subsection, an eligible district or eligible public school academy shall receive under this section for each membership pupil in the district or public school academy who met the income eligibility criteria for free breakfast, lunch, or milk, as determined under the Richard B. Russell national school lunch act and as reported to the department by October 31 of the immediately preceding fiscal year and adjusted not later than December 31 of the immediately preceding fiscal year, an amount per pupil equal to 11.5% of the sum of the district's foundation allowance or public school academy's per pupil amount calculated under section 20, plus the amount of the district's per pupil allocation under section 20j(2), not to exceed the basic foundation allowance under section 20 for the current state fiscal year, or of the public school academy's per membership pupil amount calculated under section 20 for the current state fiscal year. A public school academy that began operations as a public school academy after the pupil membership count day of the immediately preceding school year shall receive under this section for each membership pupil in the public school academy who met the income eligibility criteria for free breakfast, lunch, or milk, as determined under the Richard B. Russell national school lunch act and as reported to the department by October 31 of the current fiscal year and adjusted not later than December 31 of the current fiscal year, an amount per pupil equal to 11.5% of the public school academy's per membership pupil amount calculated under section 20 for the current state fiscal year.

(4) Except as otherwise provided in this section, a district or public school academy receiving funding under this section shall use that money only to provide instructional programs and direct noninstructional services, including, but not limited to, medical or counseling services, for at-risk pupils; for school health clinics; and for the purposes of subsection (5), (6), or (7). In addition, a district that is a school district of the first class or a district or public school academy in which at least 50% of the pupils in membership met the income eligibility criteria for free breakfast, lunch,

or milk in the immediately preceding state fiscal year, as determined and reported as described in subsection (1), may use not more than 20% of the funds it receives under this section for school security. A district or public school academy shall not use any of that money for administrative costs or to supplant another program or other funds, except for funds allocated to the district or public school academy under this section in the immediately preceding year and already being used by the district or public school academy for at-risk pupils. The instruction or direct noninstructional services provided under this section may be conducted before or after regular school hours or by adding extra school days to the school year and may include, but are not limited to, tutorial services, early childhood programs to serve children age 0 to 5, and reading programs as described in former section 32f as in effect for 2001-2002. A tutorial method may be conducted with paraprofessionals working under the supervision of a certificated teacher. The ratio of pupils to paraprofessionals shall be between 10:1 and 15:1. Only 1 certificated teacher is required to supervise instruction using a tutorial method. As used in this subsection, "to supplant another program" means to take the place of a previously existing instructional program or direct noninstructional services funded from a funding source other than funding under this section.

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

(6) From the funds allocated under subsection (1), there is allocated for 2009-2010 an amount not to exceed $3,557,300.00 to support child and adolescent health centers. These grants shall be awarded for 5 consecutive years beginning with 2003-2004 in a form and manner approved jointly by the department and the department of community health. Each grant recipient shall remain in compliance with the terms of the grant award or shall forfeit the grant award for the duration of the 5-year period after the noncompliance. To continue to receive funding for a child and adolescent health center under this section a grant recipient shall ensure that the child and adolescent health center has an advisory committee and that at least one-third of the members of the advisory committee are parents or legal guardians of school-aged children. A child and adolescent health center program shall recognize the role of a child's parents or legal guardian in the physical and emotional well-being of the child. Funding under this subsection shall be used to support child and adolescent health center services provided to children up to age 21. If any funds allocated under this subsection are not used for the purposes of this subsection for the fiscal year in which they are allocated, those unused funds shall be used that fiscal year to avoid or minimize any proration that would otherwise be required under subsection (14) for that fiscal year.

(7) From the funds allocated under subsection (1), there is allocated for 2009-2010 an amount not to exceed $5,150,000.00 for the state portion of the hearing and vision screenings as described in section 9301 of the public health code, 1978 PA 368, MCL 333.9301. A local public health department shall pay at least 50% of the total cost of the screenings. The frequency of the screenings shall be as required under R 325.13091 to R 325.13096 and R 325.3271 to R 325.3276 of the Michigan administrative code. Funds shall be awarded in a form and manner approved jointly by the department and the department of community health. Notwithstanding section 17b, payments to eligible entities under this subsection shall be paid on a schedule determined by the department.

(8) Each district or public school academy receiving funds under this section shall submit to the department by July 15 of each fiscal year a report, not to exceed 10 pages, on the usage by the district or public school academy of funds under this section, which report shall include at least a brief description of each program conducted by the district or public school academy using funds under this section, the amount of funds under this section allocated to each of those programs, the number of at-risk pupils eligible for free or reduced price school lunch who were served by each of those programs, and the total number of at-risk pupils served by each of those programs. If a district or public school academy does not comply with this subsection, the department shall withhold an amount equal to the August payment due under this section until the district or public school academy complies with this subsection. If the district or public school academy does not comply with this subsection by the end of the state fiscal year, the withheld funds shall be forfeited to the school aid fund.

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

(10) Subject to subsections (5), (6), (7), (12), and (13), any district may use up to 100% of the funds it receives under this section to reduce the ratio of pupils to teachers in grades K-6, or any combination of those grades, in school buildings in which the percentage of pupils described in subsection (1) exceeds the district's aggregate percentage of those pupils. Subject to subsections (5), (6), (7), (12), and (13), if a district obtains a waiver from the department, the district may use up to 100% of the funds it receives under this section to reduce the ratio of pupils to teachers in grades K-6, or any combination of those grades, in school buildings in which the percentage of pupils described in subsection (1) is at least 60% of the district's aggregate percentage of those pupils and at least 30% of the total number of pupils enrolled in the school building. To obtain a waiver, a district must apply to the department and demonstrate

to the satisfaction of the department that the class size reductions would be in the best interests of the district's at-risk pupils.

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

(12) For an individual school or schools operated by a district or public school academy receiving funds under this section that have been determined by the department to meet the adequate yearly progress standards of the no child left behind act of 2001, Public Law 107-110, in both mathematics and English language arts at all applicable grade levels for all applicable subgroups, the district or public school academy may submit to the department an application for flexibility in using the funds received under this section that are attributable to the pupils in the school or schools. The application shall identify the affected school or schools and the affected funds and shall contain a plan for using the funds for specific purposes identified by the district that are designed to benefit at-risk pupils in the school, but that may be different from the purposes otherwise allowable under this section. The department shall approve the application if the department determines that the purposes identified in the plan are reasonably designed to benefit at-risk pupils in the school. If the department does not act to approve or disapprove an application within 30 days after it is submitted to the department, the application is considered to be approved. If an application for flexibility in using the funds is approved, the district may use the funds identified in the application for any purpose identified in the plan.

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

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

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

(14) If necessary, and before any proration required under section 11, the department shall prorate payments under this section by reducing the amount of the per pupil payment under this section by a dollar amount calculated by determining the amount by which the amount necessary to fully fund the requirements of this section exceeds the maximum amount allocated under this section and then dividing that amount by the total statewide number of pupils who met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding fiscal year, as described in subsection (1).

(15) If a district is formed by consolidation after June 1, 1995, and if 1 or more of the original districts was not eligible before the consolidation for an additional allowance under this section, the amount of the additional allowance under this section for the consolidated district shall be based on the number of pupils described in subsection (1) enrolled in the consolidated district who reside in the territory of an original district that was eligible before the consolidation for an additional allowance under this section.

(16) A district or public school academy that does not meet the eligibility requirement under subsection (2)(a) is eligible for funding under this section if at least 1/4 of the pupils in membership in the district or public school academy met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding state fiscal year, as determined and reported as described in subsection (1), and at least 4,500 of the pupils in membership in the district or public school academy met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding state fiscal year, as determined and reported as described in subsection (1). A district or public school academy that is eligible for funding under this section because the district meets the requirements of this subsection shall receive under this section for each membership pupil in the district or public school academy who met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding fiscal year, as determined and reported as described in subsection (1), an amount per pupil equal to 8.63% of the sum of the district's foundation allowance or public school academy's per pupil allocation under section 20, plus the amount of the district's per pupil allocation under section 20j(2), not to exceed the basic foundation allowance under section 20 for the current state fiscal year.

(17) A district that does not meet the eligibility requirement under subsection (2)(a) is eligible for funding under this section if at least 75% of the pupils in membership in the district met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding state fiscal year, as determined and reported as described in subsection (1),

the district receives an adjustment under section 20(19), and the district does not receive any state portion of its foundation allowance as calculated under section 20. A district that is eligible for funding under this section because the district meets the requirements of this subsection shall receive under this section for each membership pupil in the district who met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding fiscal year, as determined and reported as described in subsection (1), an amount per pupil equal to 11.5% of the sum of the district's foundation allowance under section 20, not to exceed the basic foundation allowance under section 20 for the current state fiscal year.

(18) As used in this section, "at-risk pupil" means a pupil for whom the district has documentation that the pupil meets at least 2 of the following criteria: is a victim of child abuse or neglect; is below grade level in English language and communication skills or mathematics; is a pregnant teenager or teenage parent; is eligible for a federal free or reduced-price lunch subsidy; has atypical behavior or attendance patterns; or has a family history of school failure, incarceration, or substance abuse. For pupils for whom the results of at least the applicable Michigan education assessment program (MEAP) test have been received, at-risk pupil also includes a pupil who does not meet the other criteria under this subsection but who did not achieve at least a score of level 2 on the most recent MEAP English language arts, mathematics, or science test for which results for the pupil have been received. For pupils for whom the results of the Michigan merit examination have been received, at-risk pupil also includes a pupil who does not meet the other criteria under this subsection but who did not achieve proficiency on the reading component of the most recent Michigan merit examination for which results for the pupil have been received, did not achieve proficiency on the mathematics component of the most recent Michigan merit examination for which results for the pupil have been received, or did not achieve basic competency on the science component of the most recent Michigan merit examination for which results for the pupil have been received. For pupils in grades K-3, at-risk pupil also includes a pupil who is at risk of not meeting the district's core academic curricular objectives in English language arts or mathematics.

Sec. 31d. (1) From the appropriations in section 11, there is allocated an amount not to exceed $22,495,100.00 for 2009-2010 for the purpose of making payments to districts and other eligible entities under this section.

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

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

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

(5) From the federal funds appropriated in section 11, there is allocated for 2009-2010 all available federal funding, estimated at $370,000,000.00, for the national school lunch program and all available federal funding, estimated at $2,506,000.00, for the emergency food assistance program.

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

Sec. 31f. (1) From the appropriations in section 11, there is allocated an amount not to exceed $9,625,000.00 for 2009-2010 for the purpose of making payments to districts to reimburse for the cost of providing breakfast.

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

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

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

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

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

Sec. 32b. (1) From the funds appropriated under section 11, there is allocated an amount not to exceed $6,000,000.00 for 2009-2010 for competitive grants to intermediate districts for the creation and continuance of great start communities or other community purposes as identified by the early childhood investment corporation. These dollars may not be expended until both of the following conditions have been met:

(a) The early childhood investment corporation has identified matching dollars of at least an amount equal to the amount of the matching dollars for 2006-2007.

(b) The executive committee of the corporation includes, in addition to the members of the executive committee provided for by the interlocal agreement creating the corporation under the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.510 to 124.512, 4 members appointed by the governor as provided in this subdivision. Not later than 30 days after the convening of a regular legislative session in an odd-numbered year, the speaker of the house of representatives, the house minority leader, the senate majority leader, and the senate minority leader shall each submit to the governor a list of 3 or more individuals as nominees for appointment as members of the executive committee of the corporation. The corporation shall notify each of the legislative leaders of this requirement to submit a list of nominees not later than 30 days before the date that the list is due. Within 60 days of the submission to the governor of nominees by each of the 4 legislative leaders, the governor shall appoint 1 member of the executive committee from each list of nominees submitted by each of the 4 legislative leaders. A member appointed under this subdivision shall serve a term as a member of the executive committee through the next regular legislative session unless he or she resigns or is otherwise unable to serve. When a vacancy occurs other than by expiration of a term, the corporation shall notify the legislative leader who originally nominated the member of the vacancy and that legislative leader shall submit to the governor a list of 3 or more individuals as nominees for appointment to fill the vacancy within 30 days after being notified by the corporation of the vacancy. The governor shall make an appointment to fill that vacancy in the same manner as the original appointment not later than 60 days after the date the vacancy occurs.

(2) The early childhood investment corporation shall award grants to eligible intermediate districts in an amount to be determined by the corporation.

(3) In order to receive funding, each intermediate district applicant shall agree to convene a local great start collaborative to address the availability of the 6 components of a great start system in its communities: physical health, social-emotional health, family supports, basic needs, economic stability and safety, and parenting education and early education and care, to ensure that every child in the community is ready for kindergarten. Specifically, each grant will fund the following:

(a) The completion of a community needs assessment and strategic plan for the creation of a comprehensive system of early childhood services and supports, accessible to all children from birth to kindergarten and their families.

(b) Identification of local resources and services for children with disabilities, developmental delays, or special needs and their families.

(c) Coordination and expansion of infrastructure to support high-quality early childhood and childcare programs.

(d) Evaluation of local programs.

(4) Not later than December 1 of each fiscal year, for the grants awarded under this section for the immediately preceding fiscal year, the department shall provide to the house and senate appropriations subcommittees on state school aid, the state budget director, and the house and senate fiscal agencies a report detailing the amount of each grant awarded under this section, the grant recipients, the activities funded by each grant under this section, and an analysis of each grant recipient's success in addressing the development of a comprehensive system of early childhood services and supports.

(5) An intermediate district receiving funds under this section may carry over any unexpended funds received under this section into the next fiscal year and may expend those unused funds in the next fiscal year. A recipient of a grant shall return any unexpended grant funds to the department in the manner prescribed by the department not later than September 30 of the next fiscal year after the fiscal year in which the funds are received.

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

Sec. 32c. (1) From the general fund appropriation in section 11, there is allocated an amount not to exceed $1,593,800.00 for 2009-2010 to the department for grants for community-based collaborative prevention services designed to foster positive parenting skills; improve parent/child interaction, especially for children 0-3 years of age; promote access to needed community services; increase local capacity to serve families at risk; improve school readiness; and support healthy family environments that discourage alcohol, tobacco, and other drug use. The allocation under this section is to fund secondary prevention programs as defined by the children's trust fund for the prevention of child abuse and neglect.

(2) The funds allocated under subsection (1) shall be distributed through a joint request for proposals process established by the department in conjunction with the children's trust fund and the interagency director's workgroup. Projects funded with grants awarded under this section shall meet all of the following:

(a) Be secondary prevention initiatives and voluntary to consumers. This appropriation is not intended to serve the needs of children for whom and families in which neglect or abuse has been substantiated.

(b) Demonstrate that the planned services are part of a community's integrated comprehensive family support strategy endorsed by the community collaborative and, where there is a great start collaborative, demonstrate that the planned services are part of the community's great start strategic plan.

(c) Provide a 25% local match, of which not more than 10% may be in-kind services, unless this requirement is waived by the interagency director's workgroup.

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

(4) Not later than January 30 of the next fiscal year, the department shall prepare and submit to the governor and the legislature an annual report of outcomes achieved by the providers of the community-based collaborative prevention services funded under this section for a fiscal year.

Sec. 32d. (1) For 2009-2010, from the state school aid fund appropriation in section 11, there is allocated an amount not to exceed $88,100,000.00 to eligible districts for great start readiness programs and from the general fund appropriation in section 11, there is allocated an amount not to exceed $7,575,000.00 for competitive great start readiness program grants. Funds allocated under this section shall be used to provide part-day or full-day comprehensive free compensatory programs designed to do 1 or both of the following:

(a) Improve the readiness and subsequent achievement of educationally disadvantaged children as defined by the department who will be at least 4, but less than 5 years of age, as of December 1 of the school year in which the programs are offered, and who show evidence of 2 or more risk factors as defined by the state board.

(b) Provide preschool and parenting education programs similar to those under former section 32b as in effect for 2001-2002. Beginning in 2007-2008, funds spent by a district for programs described in this subdivision shall not exceed the lesser of the amount spent by the district under this subdivision for 2006-2007 or the amount spent under this subdivision in any subsequent fiscal year.

(2) To be eligible to receive payments under this section, a district shall comply with this section and section 39. To receive competitive grant payments under this section, an eligible grant recipient shall comply with this section and section 32*l*.

(3) In addition to the allocation under subsection (1), from the general fund money appropriated under section 11, there is allocated an amount not to exceed $300,000.00 for 2009-2010 for a competitive grant to continue a longitudinal evaluation of children who have participated in great start readiness programs.

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

(a) Participation in a collaborative recruitment and enrollment process. At a minimum, the process shall include all other funded preschool programs that may serve children in the same geographic area, to assure that each child is enrolled in the program most appropriate to his or her needs and to maximize the use of federal, state, and local funds.

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

(c) Nutritional services for all program participants.

(d) Health screening services for all program participants.

(e) Referral services for families of program participants to community social service agencies, as appropriate.

(f) Active and continuous involvement of the parents or guardians of the program participants.

(g) A plan to conduct and report annual great start readiness program evaluations and continuous improvement plans using criteria approved by the department.

(h) Participation in a multidistrict, multiagency, school readiness advisory committee that provides for the involvement of classroom teachers, parents or guardians of program participants, and community, volunteer, and social service agencies and organizations, as appropriate. The advisory committee shall review the program components listed in this subsection and make recommendations for changes to the great start readiness program for which it is an advisory committee.

(i) For great start readiness programs operated by a district or consortium of districts, provide for the ongoing articulation of the early childhood, kindergarten, and first grade programs offered by the district or districts.

(5) An application for funding under this section shall provide for the following, in a form and manner determined by the department:

(a) Ensure compliance with all program components described in subsection (4).

(b) Ensure that more than 50% of the children participating in an eligible great start readiness program are children who live with families with a household income that is equal to or less than 300% of the federal poverty level.

(c) Ensure that the applicant only employs qualified personnel for this program, as follows:

(*i*) Teachers possessing proper training. For programs the district manages itself, a valid teaching certificate and an early childhood (ZA) endorsement are required. This provision does not apply to a district that subcontracts with an eligible child development program. In that situation, a teacher must have a valid Michigan teaching certificate with an early childhood (ZA) endorsement, a valid Michigan teaching certificate with a child development associate credential, or a bachelor's degree in child development with specialization in preschool teaching. However, both of the following apply to this subparagraph:

(A) If a district demonstrates to the department that it is unable to fully comply with this subparagraph after making reasonable efforts to comply, teachers who have significant but incomplete training in early childhood education or child development may be employed by the district if the district provides to the department, and the department approves, a plan for each teacher to come into compliance with the standards in this subparagraph. A teacher's compliance plan must be completed within 4 years of the date of employment. Progress toward completion of the compliance plan shall consist of at least 2 courses per calendar year.

(B) For a subcontracted program, the department shall consider a teacher with 90 credit hours and at least 4 years' teaching experience in a qualified preschool program to meet the requirements under this subparagraph.

(*ii*) Paraprofessionals possessing proper training in early childhood development, including an associate's degree in early childhood education or child development or the equivalent, or a child development associate (CDA) credential, or the equivalent as approved by the state board. However, if a district demonstrates to the department that it is unable to fully comply with this subparagraph after making reasonable efforts to comply, the district may employ paraprofessionals who have completed at least 1 course in early childhood education or child development if the district provides to the department, and the department approves, a plan for each paraprofessional to come into compliance with the standards in this subparagraph. A paraprofessional's compliance plan must be completed within 2 years of the date of employment. Progress toward completion of the compliance plan shall consist of at least 2 courses or 60 clock hours of training per calendar year.

(d) Include a program budget that contains only those costs that are not reimbursed or reimbursable by federal funding, that are clearly and directly attributable to the great start readiness program, and that would not be incurred if the program were not being offered. The program budget shall indicate the extent to which these funds will supplement other federal, state, local, or private funds. Funds received under this section shall not be used to supplant any federal funds by the applicant to serve children eligible for a federally funded existing preschool program that has the capacity to serve those children.

(6) For a grant recipient that enrolls pupils in a full-day program funded under this section, each child enrolled in the full-day program shall be counted as 2 children served by the program for purposes of determining the number of children to be served and for determining the amount of the grant award. A grant award shall not be increased solely on the basis of providing a full-day program. As used in this subsection, "full-day program" means a program that operates for at least the same length of day as a district's first grade program for a minimum of 4 days per week, 30 weeks per year. A classroom that offers a full-day program must enroll all children for the full day to be considered a full-day program.

(7) A district or consortium of districts receiving a grant under this section may contract with for-profit or nonprofit preschool center providers that meet all requirements of subsection (4) and retain for administrative services an amount equal to not more than 5% of the grant amount. A district or consortium of districts may expend not more than 10% of the total grant amount for administration of the program.

(8) Any public or private for-profit or nonprofit legal entity or agency may apply for a competitive grant under this section. However, a district or intermediate district may not apply for a competitive grant under this section unless the district, intermediate district, or consortium of districts or intermediate districts is acting as a local grantee for the federal head start program operating under the head start act, 42 USC 9831 to 9852.

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

Sec. 32j. (1) From the appropriations in section 11, there is allocated an amount not to exceed $5,000,000.00 for 2009-2010 for great parents, great start grants to intermediate districts to provide programs for parents with young children. The purpose of these programs is to encourage early mathematics and reading literacy, improve school readiness, reduce the need for special education services, and foster the maintenance of stable families by encouraging positive parenting skills.

(2) To qualify for funding under this section, a program shall provide services to all families with children age 5 or younger residing within the intermediate district who choose to participate, including at least all of the following services:

(a) Providing parents with information on child development from birth to age 5.

(b) Providing parents with methods to enhance parent-child interaction that promote social and emotional development and age-appropriate language, mathematics, and early reading skills for young children; including, but not limited to, encouraging parents to read to their preschool children at least 1/2 hour per day.

(c) Providing parents with examples of learning opportunities to promote intellectual, physical, and social growth of young children, including the acquisition of age-appropriate language, mathematics, and early reading skills.

(d) Promoting access to needed community services through a community-school-home partnership.

(3) To receive a grant under this section, an intermediate district shall submit a plan to the department not later than October 15, 2009 in the form and manner prescribed by the department. The plan shall do all of the following in a manner prescribed by the department:

(a) Provide a plan for the delivery of the program components described in subsection (2) that targets resources based on family need and provides for educators trained in child development to help parents understand their role in their child's developmental process, thereby promoting school readiness and mitigating the need for special education services.

(b) Demonstrate an adequate collaboration of local entities involved in providing programs and services for preschool children and their parents and, where there is a great start collaborative, demonstrate that the planned services are part of the community's great start strategic plan.

(c) Provide a projected budget for the program to be funded. The intermediate district shall provide at least a 20% local match from local public or private resources for the funds received under this section. Not more than 1/2 of this matching requirement, up to a total of 10% of the total project budget, may be satisfied through in-kind services provided by participating providers of programs or services. In addition, not more than 10% of the grant may be used for program administration.

(4) Each intermediate district receiving a grant under this section shall agree to include a data collection system approved by the department. The data collection system shall provide a report by October 15 of each year on the number of children in families with income below 200% of the federal poverty level that received services under this program and the total number of children who received services under this program.

(5) The department or superintendent, as applicable, shall do all of the following:

(a) The superintendent shall approve or disapprove the plans and notify the intermediate district of that decision not later than November 15, 2009. The amount allocated to each intermediate district shall be at least an amount equal to 100% of the intermediate district's 2008-2009 payment under this section.

(b) The department shall ensure that all programs funded under this section utilize the most current validated research-based methods and curriculum for providing the program components described in subsection (2).

(c) The department shall submit a report to the state budget director and the senate and house fiscal agencies summarizing the data collection reports described in subsection (4) by December 1 of each year.

(6) An intermediate district receiving funds under this section shall use the funds only for the program funded under this section. An intermediate district receiving funds under this section may carry over any unexpended funds received under this section into the next fiscal year and may expend those unused funds in the next fiscal year. A recipient of a grant shall return any unexpended grant funds to the department in the manner prescribed by the department not later than September 30 of the next fiscal year after the fiscal year in which the funds are received.

Sec. 32*l*. (1) The department shall establish a diverse interagency committee to review the applications for competitive grants under section 32d. The committee shall be composed of representatives of the department, appropriate community, volunteer, and social service agencies and organizations, and parents.

(2) The superintendent shall award the competitive grants under section 32d to applicants that are in compliance with that section and shall give priority for awarding the competitive grants to programs that offer or contract with another nonprofit or for-profit early childhood program to provide supplementary day care and thereby offers full-day programs as part of its early childhood development program.

(3) The superintendent may award competitive grants under section 32d at whatever level the superintendent determines appropriate. However, the amount of a competitive grant under that section, when combined with other sources of state revenue for this program, shall not exceed $3,400.00 per participating child or the cost of the program, whichever is less.

(4) All grant awards under this section are contingent on the availability of funds and documented evidence of grantee compliance with early childhood standards of quality for prekindergarten, as approved by the state board, and with all operational, fiscal, administrative, and other program requirements.

(5) Notwithstanding section 17b, competitive grant payments to eligible entities under section 32d shall be paid on a schedule and in a manner determined by the department.

Sec. 32n. (1) From the funds appropriated in section 11, there is allocated an amount not to exceed $0.00 for a statewide before- or after-school program for children and youth. Before-school programs are limited to school-aged children. This allocation will be distributed through grants to counties based upon demonstrated need. A single county shall not receive any more than 20% of the total allocation. The department shall give priority for distribution of this funding to programs that have secured additional governmental and nongovernmental matching funds.

(2) The department shall share the administrative duties of operating this program with the department of human services, department of community health, and department of energy, labor, and economic growth.

(3) Funding priority in subsection (1) shall be reserved for programs that use a curriculum focused upon improving academic performance and healthy behavior, including abstinence from abuse of alcohol and illegal drugs.

Sec. 39. (1) A district receiving funds under section 32d shall submit a preapplication, in a form and manner prescribed by the department, by a date specified by the department in the immediately preceding state fiscal year. The preapplication shall include a comprehensive needs assessment and community collaboration plan, which is endorsed by the local great start collaborative and is part of the community's great start strategic plan that includes, but is not limited to, great start readiness program and head start providers, and shall identify all of the following:

(a) The estimated total number of children in the community who meet the criteria of section 32d and how that calculation was made.

(b) The estimated number of children in the community who meet the criteria of section 32d and are being served by other early childhood development programs operating in the community, and how that calculation was made.

(c) The number of children the district will be able to serve who meet the criteria of section 32d including a verification of physical facility and staff resources capacity.

(d) The estimated number of children who meet the criteria of section 32d who will remain unserved after the district and community early childhood programs have met their funded enrollments. The school district shall maintain a waiting list of identified unserved eligible children who would be served when openings are available.

(2) A district receiving funds under section 32d shall also submit a final application for approval, in a form and manner prescribed by the department, by a date specified by the department, that details how the district complies with the program components established by the department pursuant to section 32d.

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

(4) Beginning in 2008-2009, the initial allocation for each fiscal year to each eligible district under section 32d shall be determined by multiplying the number of children determined by the formula under subsection (3) or the number of children the district indicates it will be able to serve under subsection (1)(c), whichever is less, by $3,400.00 and shall be distributed among districts in decreasing order of concentration of eligible children as determined by the formula under subsection (3). If the number of children a district indicates it will be able to serve under subsection (1)(c) includes children able to be served in a full-day program, then the number able to be served in a full-day program shall be doubled for the purposes of making this calculation of the lesser of the number of children determined by the formula under subsection (3) and the number of children the district indicates it will be able to serve under subsection (1)(c) and determining the amount of the initial allocation to the district under section 32d. A district may contract with a head start agency to serve children enrolled in head start with a full-day program by blending head start funds with a part-day great start readiness program allocation. All head start and great start readiness program policies and regulations apply to the blended program.

(5) If funds appropriated for eligible districts in section 32d remain after the initial allocation under subsection (4), the allocation under this subsection shall be distributed to each eligible district under section 32d in decreasing order of concentration of eligible children as determined by the formula under subsection (3). The allocation shall be determined by multiplying the number of children each eligible district served in the immediately preceding fiscal year or the number of children the district indicates it will be able to serve under subsection (1)(c), whichever is less, minus the number of children for which the district received funding in subsection (4) by $3,400.00.

(6) If funds appropriated for eligible districts in section 32d remain after the allocations under subsections (4) and (5), remaining funds shall be distributed to each eligible district under section 32d in decreasing order of concentration of eligible children as determined by the formula under subsection (3). If the number of children the district indicates it will be able to serve under subsection (1)(c) exceeds the number of children for which funds have been received under

subsections (4) and (5), the allocation under this subsection shall be determined by multiplying the number of children the district indicates it will be able to serve under subsection (1)(c) less the number of children for which funds have been received under subsections (4) and (5) by $3,400.00 until the funds allocated for eligible districts in section 32d are distributed.

(7) If a district is participating in a program under section 32d for the first year, the maximum allocation under this section is 32 multiplied by $3,400.00.

(8) A district that offers supplementary day care funded by funds other than those received under this section and therefore offers full-day programs as part of its early childhood development program shall receive priority in the allocation of funds under section 32d over other eligible districts.

(9) For any district with 315 or more eligible pupils, the number of eligible pupils shall be 65% of the number calculated using the formula under subsection (3). However, none of these districts may have less than 315 pupils for purposes of calculating the tentative allocation for eligible districts under section 32d.

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

(11) A consortium of 2 or more districts shall be eligible for an allocation under section 32d if the districts designate a district or intermediate district to serve as the fiscal agent for the consortium's allocation. A consortium shall submit a single application for the total number of children to be served. The consortium may decide, with approval of all consortium members, to serve numbers of children based on the allocation to each district or based on the allocation to the entire consortium, allowing children residing in any district in the consortium to be served by the consortium at any location.

Sec. 39a. (1) From the federal funds appropriated in section 11, there is allocated for 2009-2010 to districts, intermediate districts, and other eligible entities all available federal funding, estimated at $752,987,500.00, for the federal programs under the no child left behind act of 2001, Public Law 107-110. These funds are allocated as follows:

(a) An amount estimated at $8,033,600.00 to provide students with drug- and violence-prevention programs and to implement strategies to improve school safety, funded from DED-OESE, drug-free schools and communities funds.

(b) An amount estimated at $7,461,800.00 for the purpose of improving teaching and learning through a more effective use of technology, funded from DED-OESE, educational technology state grant funds.

(c) An amount estimated at $109,411,900.00 for the purpose of preparing, training, and recruiting high-quality teachers and class size reduction, funded from DED-OESE, improving teacher quality funds.

(d) An amount estimated at $10,322,300.00 for programs to teach English to limited English proficient (LEP) children, funded from DED-OESE, language acquisition state grant funds.

(e) An amount estimated at $8,550,000.00 for the Michigan charter school subgrant program, funded from DED-OESE, charter school funds.

(f) An amount estimated at $898,300.00 for rural and low income schools, funded from DED-OESE, rural and low income school funds.

(g) An amount estimated at $1,000.00 to help schools develop and implement comprehensive school reform programs, funded from DED-OESE, title I and title X, comprehensive school reform funds.

(h) An amount estimated at $517,479,800.00 to provide supplemental programs to enable educationally disadvantaged children to meet challenging academic standards, funded from DED-OESE, title I, disadvantaged children funds.

(i) An amount estimated at $2,152,700.00 for the purpose of providing unified family literacy programs, funded from DED-OESE, title I, even start funds.

(j) An amount estimated at $7,797,700.00 for the purpose of identifying and serving migrant children, funded from DED-OESE, title I, migrant education funds.

(k) An amount estimated at $24,733,200.00 to promote high-quality school reading instruction for grades K-3, funded from DED-OESE, title I, reading first state grant funds.

(*l*) An amount estimated at $2,849,000.00 for the purpose of implementing innovative strategies for improving student achievement, funded from DED-OESE, title VI, innovative strategies funds.

(m) An amount estimated at $35,710,100.00 for the purpose of providing high-quality extended learning opportunities, after school and during the summer, for children in low-performing schools, funded from DED-OESE, twenty-first century community learning center funds. Of these funds, $50,000.00 may be used to support the Michigan after-school partnership. All of the following apply to the Michigan after-school partnership:

(*i*) The department shall collaborate with the department of human services to extend the duration of the Michigan after-school initiative, to be renamed the Michigan after-school partnership and oversee its efforts to implement the

policy recommendations and strategic next steps identified in the Michigan after-school initiative's report of December 15, 2003.

(*ii*) Funds shall be used to leverage other private and public funding to engage the public and private sectors in building and sustaining high-quality out-of-school-time programs and resources. The co-chairs, representing the department and the department of human services, shall name a fiduciary agent and may authorize the fiduciary to expend funds and hire people to accomplish the work of the Michigan after-school partnership.

(*iii*) Participation in the Michigan after-school partnership shall be expanded beyond the membership of the initial Michigan after-school initiative to increase the representation of parents, youth, foundations, employers, and others with experience in education, child care, after-school and youth development services, and crime and violence prevention, and to include representation from the department of community health. Each year, on or before December 31, the Michigan after-school partnership shall report its progress in reaching the recommendations set forth in the Michigan after-school initiative's report to the legislature and the governor.

(n) An amount estimated at $17,586,100.00 to help support local school improvement efforts, funded from DED-OESE, title I, local school improvement grants.

(2) From the federal funds appropriated in section 11, there is allocated for 2009-2010 to districts, intermediate districts, and other eligible entities all available federal funding, estimated at $32,559,700.00, for the following programs that are funded by federal grants:

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

(b) An amount estimated at $1,814,100.00 to provide services to homeless children and youth, funded from DED-OVAE, homeless children and youth funds.

(c) An amount estimated at $200,000.00 for refugee children school impact grants, funded from HHS-ACF, refugee children school impact funds.

(d) An amount estimated at $1,445,600.00 for serve America grants, funded from the corporation for national and community service funds.

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

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

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

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

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

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

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

(5) As used in this section:

(a) "DED" means the United States department of education.

(b) "DED-OESE" means the DED office of elementary and secondary education.

(c) "DED-OVAE" means the DED office of vocational and adult education.

(d) "HHS" means the United States department of health and human services.

(e) "HHS-ACF" means the HHS administration for children and families.

Sec. 41. From the appropriation in section 11, there is allocated an amount not to exceed $2,800,000.00 for 2009-2010 to applicant districts and intermediate districts offering programs of instruction for pupils of limited English-speaking ability under section 1153 of the revised school code, MCL 380.1153. Reimbursement shall be on a per pupil basis and shall be based on the number of pupils of limited English-speaking ability in membership on the pupil membership count day. Funds allocated under this section shall be used solely for instruction in speaking, reading, writing, or comprehension

of English. A pupil shall not be counted under this section or instructed in a program under this section for more than 3 years.

Sec. 51a. (1) From the appropriation in section 11, there is allocated for 2009-2010 an amount not to exceed $1,061,283,000.00 from state sources and all available federal funding under sections 611 to 619 of part B of the individuals with disabilities education act, 20 USC 1411 to 1419, estimated at $350,700,000.00, plus any carryover federal funds from previous year appropriations. The allocations under this subsection are for the purpose of reimbursing districts and intermediate districts for special education programs, services, and special education personnel as prescribed in article 3 of the revised school code, MCL 380.1701 to 380.1766; net tuition payments made by intermediate districts to the Michigan schools for the deaf and blind; and special education programs and services for pupils who are eligible for special education programs and services according to statute or rule. For meeting the costs of special education programs and services not reimbursed under this article, a district or intermediate district may use money in general funds or special education funds, not otherwise restricted, or contributions from districts to intermediate districts, tuition payments, gifts and contributions from individuals, or federal funds that may be available for this purpose, as determined by the intermediate district plan prepared pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766. All federal funds allocated under this section in excess of those allocated under this section for 2002-2003 may be distributed in accordance with the flexible funding provisions of the individuals with disabilities education act, Public Law 108-446, including, but not limited to, 34 CFR 300.206 and 300.208. Notwithstanding section 17b, payments of federal funds to districts, intermediate districts, and other eligible entities under this section shall be paid on a schedule determined by the department.

(2) From the funds allocated under subsection (1), there is allocated the amount necessary, estimated at $240,300,000.00 for 2009-2010, for payments toward reimbursing districts and intermediate districts for 28.6138% of total approved costs of special education, excluding costs reimbursed under section 53a, and 70.4165% of total approved costs of special education transportation. Allocations under this subsection shall be made as follows:

(a) The initial amount allocated to a district under this subsection toward fulfilling the specified percentages shall be calculated by multiplying the district's special education pupil membership, excluding pupils described in subsection (12), times the sum of the foundation allowance under section 20 of the pupil's district of residence plus the amount of the district's per pupil allocation under section 20j(2), not to exceed the basic foundation allowance under section 20 for the current fiscal year, or, for a special education pupil in membership in a district that is a public school academy or university school, times an amount equal to the amount per membership pupil calculated under section 20(6). For an intermediate district, the amount allocated under this subdivision toward fulfilling the specified percentages shall be an amount per special education membership pupil, excluding pupils described in subsection (12), and shall be calculated in the same manner as for a district, using the foundation allowance under section 20 of the pupil's district of residence, not to exceed the basic foundation allowance under section 20 for the current fiscal year, and that district's per pupil allocation under section 20j(2).

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

(3) From the funds allocated under subsection (1), there is allocated for 2009-2010 the amount necessary, estimated at $1,300,000.00, to make payments to districts and intermediate districts under this subsection. If the amount allocated to a district or intermediate district for a fiscal year under subsection (2)(b) is less than the sum of the amounts allocated to the district or intermediate district for 1996-97 under sections 52 and 58, there is allocated to the district or intermediate district for the fiscal year an amount equal to that difference, adjusted by applying the same proration factor that was used in the distribution of funds under section 52 in 1996-97 as adjusted to the district's or intermediate district's necessary costs of special education used in calculations for the fiscal year. This adjustment is to reflect reductions in special education program operations or services between 1996-97 and subsequent fiscal years. Adjustments for reductions in special education program operations or services shall be made in a manner determined by the department and shall include adjustments for program or service shifts.

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

(5) State funds shall be allocated on a total approved cost basis. Federal funds shall be allocated under applicable federal requirements, except that an amount not to exceed $3,500,000.00 may be allocated by the department for

2009-2010 to districts, intermediate districts, or other eligible entities on a competitive grant basis for programs, equipment, and services that the department determines to be designed to benefit or improve special education on a statewide scale.

(6) From the amount allocated in subsection (1), there is allocated an amount not to exceed $2,200,000.00 for 2009-2010 to reimburse 100% of the net increase in necessary costs incurred by a district or intermediate district in implementing the revisions in the administrative rules for special education that became effective on July 1, 1987. As used in this subsection, "net increase in necessary costs" means the necessary additional costs incurred solely because of new or revised requirements in the administrative rules minus cost savings permitted in implementing the revised rules. Net increase in necessary costs shall be determined in a manner specified by the department.

(7) For purposes of this article, all of the following apply:

(a) "Total approved costs of special education" shall be determined in a manner specified by the department and may include indirect costs, but shall not exceed 115% of approved direct costs for section 52 and section 53a programs. The total approved costs include salary and other compensation for all approved special education personnel for the program, including payments for social security and medicare and public school employee retirement system contributions. The total approved costs do not include salaries or other compensation paid to administrative personnel who are not special education personnel as defined in section 6 of the revised school code, MCL 380.6. Costs reimbursed by federal funds, other than those federal funds included in the allocation made under this article, are not included. Special education approved personnel not utilized full time in the evaluation of students or in the delivery of special education programs, ancillary, and other related services shall be reimbursed under this section only for that portion of time actually spent providing these programs and services, with the exception of special education programs and services provided to youth placed in child caring institutions or juvenile detention programs approved by the department to provide an on-grounds education program.

(b) Beginning with the 2004-2005 fiscal year, a district or intermediate district that employed special education support services staff to provide special education support services in 2003-2004 or in a subsequent fiscal year and that in a fiscal year after 2003-2004 receives the same type of support services from another district or intermediate district shall report the cost of those support services for special education reimbursement purposes under this act. This subdivision does not prohibit the transfer of special education classroom teachers and special education classroom aides if the pupils counted in membership associated with those special education classroom teachers and special education classroom aides are transferred and counted in membership in the other district or intermediate district in conjunction with the transfer of those teachers and aides.

(c) If the department determines before bookclosing for 2008-2009 that the amounts allocated for 2008-2009 under subsections (2), (3), (6), (8), and (12) and sections 53a, 54, and 56 will exceed expenditures for 2008-2009 under subsections (2), (3), (6), (8), and (12) and sections 53a, 54, and 56, then for 2008-2009 only, for a district or intermediate district whose reimbursement for 2008-2009 would otherwise be affected by subdivision (b), subdivision (b) does not apply to the calculation of the reimbursement for that district or intermediate district and reimbursement for that district or intermediate district shall be calculated in the same manner as it was for 2003-2004. If the amount of the excess allocations under subsections (2), (3), (6), (8), and (12) and sections 53a, 54, and 56 is not sufficient to fully fund the calculation of reimbursement to those districts and intermediate districts under this subdivision, then the calculations and resulting reimbursement under this subdivision shall be prorated on an equal percentage basis.

(d) Reimbursement for ancillary and other related services, as defined by R 340.1701c of the Michigan administrative code, shall not be provided when those services are covered by and available through private group health insurance carriers or federal reimbursed program sources unless the department and district or intermediate district agree otherwise and that agreement is approved by the state budget director. Expenses, other than the incidental expense of filing, shall not be borne by the parent. In addition, the filing of claims shall not delay the education of a pupil. A district or intermediate district shall be responsible for payment of a deductible amount and for an advance payment required until the time a claim is paid.

(e) Beginning with calculations for 2004-2005, if an intermediate district purchases a special education pupil transportation service from a constituent district that was previously purchased from a private entity; if the purchase from the constituent district is at a lower cost, adjusted for changes in fuel costs; and if the cost shift from the intermediate district to the constituent does not result in any net change in the revenue the constituent district receives from payments under sections 22b and 51c, then upon application by the intermediate district, the department shall direct the intermediate district to continue to report the cost associated with the specific identified special education pupil transportation service and shall adjust the costs reported by the constituent district to remove the cost associated with that specific service.

(8) From the allocation in subsection (1), there is allocated for 2009-2010 an amount not to exceed $15,313,900.00 to intermediate districts. The payment under this subsection to each intermediate district shall be equal to the amount of the 1996-97 allocation to the intermediate district under subsection (6) of this section as in effect for 1996-97.

(9) A pupil who is enrolled in a full-time special education program conducted or administered by an intermediate district or a pupil who is enrolled in the Michigan schools for the deaf and blind shall not be included in the membership count of a district, but shall be counted in membership in the intermediate district of residence.

(10) Special education personnel transferred from 1 district to another to implement the revised school code shall be entitled to the rights, benefits, and tenure to which the person would otherwise be entitled had that person been employed by the receiving district originally.

(11) If a district or intermediate district uses money received under this section for a purpose other than the purpose or purposes for which the money is allocated, the department may require the district or intermediate district to refund the amount of money received. Money that is refunded shall be deposited in the state treasury to the credit of the state school aid fund.

(12) From the funds allocated in subsection (1), there is allocated the amount necessary, estimated at $7,800,000.00 for 2009-2010, to pay the foundation allowances for pupils described in this subsection. The allocation to a district under this subsection shall be calculated by multiplying the number of pupils described in this subsection who are counted in membership in the district times the sum of the foundation allowance under section 20 of the pupil's district of residence plus the amount of the district's per pupil allocation under section 20j(2), not to exceed the basic foundation allowance under section 20 for the current fiscal year, or, for a pupil described in this subsection who is counted in membership in a district that is a public school academy or university school, times an amount equal to the amount per membership pupil under section 20(6). The allocation to an intermediate district under this subsection shall be calculated in the same manner as for a district, using the foundation allowance under section 20 of the pupil's district of residence, not to exceed the basic foundation allowance under section 20 for the current fiscal year, and that district's per pupil allocation under section 20j(2). This subsection applies to all of the following pupils:

(a) Pupils described in section 53a.

(b) Pupils counted in membership in an intermediate district who are not special education pupils and are served by the intermediate district in a juvenile detention or child caring facility.

(c) Emotionally impaired pupils counted in membership by an intermediate district and provided educational services by the department of community health.

(13) If it is determined that funds allocated under subsection (2) or (12) or under section 51c will not be expended, funds up to the amount necessary and available may be used to supplement the allocations under subsection (2) or (12) or under section 51c in order to fully fund those allocations. After payments under subsections (2) and (12) and section 51c, the remaining expenditures from the allocation in subsection (1) shall be made in the following order:

(a) 100% of the reimbursement required under section 53a.

(b) 100% of the reimbursement required under subsection (6).

(c) 100% of the payment required under section 54.

(d) 100% of the payment required under subsection (3).

(e) 100% of the payment required under subsection (8).

(f) 100% of the payments under section 56.

(14) The allocations under subsections (2), (3), and (12) shall be allocations to intermediate districts only and shall not be allocations to districts, but instead shall be calculations used only to determine the state payments under section 22b.

(15) If a public school academy enrolls pursuant to this section a pupil who resides outside of the intermediate district in which the public school academy is located and who is eligible for special education programs and services according to statute or rule, or who is a child with disabilities, as defined under the individuals with disabilities education act, Public Law 108-446, the provision of special education programs and services and the payment of the added costs of special education programs and services for the pupil are the responsibility of the district and intermediate district in which the pupil resides unless the enrolling district or intermediate district has a written agreement with the district or intermediate district in which the pupil resides or the public school academy for the purpose of providing the pupil with a free appropriate public education and the written agreement includes at least an agreement on the responsibility for the payment of the added costs of special education programs and services for the pupil.

Sec. 51c. As required by the court in the consolidated cases known as Durant v State of Michigan, Michigan supreme court docket no. 104458-104492, from the allocation under section 51a(1), there is allocated for 2009-2010 the amount necessary, estimated at $742,300,000.00, for payments to reimburse districts for 28.6138% of total approved costs of special education excluding costs reimbursed under section 53a, and 70.4165% of total approved costs of special education transportation. Funds allocated under this section that are not expended in the state fiscal year for which they were allocated, as determined by the department, may be used to supplement the allocations under sections 22a and 22b in order to fully fund those calculated allocations for the same fiscal year.

Sec. 51d. (1) From the federal funds appropriated in section 11, there is allocated for 2009-2010 all available federal funding, estimated at $74,000,000.00, for special education programs that are funded by federal grants. All federal funds allocated under this section shall be distributed in accordance with federal law. Notwithstanding section 17b, payments of federal funds to districts, intermediate districts, and other eligible entities under this section shall be paid on a schedule determined by the department.

(2) From the federal funds allocated under subsection (1), the following amounts are allocated for 2009-2010:

(a) An amount estimated at $15,000,000.00 for handicapped infants and toddlers, funded from DED-OSERS, handicapped infants and toddlers funds.

(b) An amount estimated at $14,000,000.00 for preschool grants (Public Law 94-142), funded from DED-OSERS, handicapped preschool incentive funds.

(c) An amount estimated at $45,000,000.00 for special education programs funded by DED-OSERS, handicapped program, individuals with disabilities act funds.

(3) As used in this section, "DED-OSERS" means the United States department of education office of special education and rehabilitative services.

Sec. 53a. (1) For districts, reimbursement for pupils described in subsection (2) shall be 100% of the total approved costs of operating special education programs and services approved by the department and included in the intermediate district plan adopted pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766, minus the district's foundation allowance calculated under section 20, and minus the amount calculated for the district under section 20j. For intermediate districts, reimbursement for pupils described in subsection (2) shall be calculated in the same manner as for a district, using the foundation allowance under section 20 of the pupil's district of residence, not to exceed the basic foundation allowance under section 20 for the current fiscal year, and under section 20j.

(2) Reimbursement under subsection (1) is for the following special education pupils:

(a) Pupils assigned to a district or intermediate district through the community placement program of the courts or a state agency, if the pupil was a resident of another intermediate district at the time the pupil came under the jurisdiction of the court or a state agency.

(b) Pupils who are residents of institutions operated by the department of community health.

(c) Pupils who are former residents of department of community health institutions for the developmentally disabled who are placed in community settings other than the pupil's home.

(d) Pupils enrolled in a department-approved on-grounds educational program longer than 180 days, but not longer than 233 days, at a residential child care institution, if the child care institution offered in 1991-92 an on-grounds educational program longer than 180 days but not longer than 233 days.

(e) Pupils placed in a district by a parent for the purpose of seeking a suitable home, if the parent does not reside in the same intermediate district as the district in which the pupil is placed.

(3) Only those costs that are clearly and directly attributable to educational programs for pupils described in subsection (2), and that would not have been incurred if the pupils were not being educated in a district or intermediate district, are reimbursable under this section.

(4) The costs of transportation shall be funded under this section and shall not be reimbursed under section 58.

(5) Not more than $13,500,000.00 of the allocation for 2009-2010 in section 51a(1) shall be allocated under this section.

Sec. 54. Each intermediate district shall receive an amount per pupil for each pupil in attendance at the Michigan schools for the deaf and blind. The amount shall be proportionate to the total instructional cost at each school. Not more than $1,688,000.00 of the allocation for 2009-2010 in section 51a(1) shall be allocated under this section.

Sec. 56. (1) For the purposes of this section:

(a) "Membership" means for a particular fiscal year the total membership for the immediately preceding fiscal year of the intermediate district and the districts constituent to the intermediate district.

(b) "Millage levied" means the millage levied for special education pursuant to part 30 of the revised school code, MCL 380.1711 to 380.1743, including a levy for debt service obligations.

(c) "Taxable value" means the total taxable value of the districts constituent to an intermediate district, except that if a district has elected not to come under part 30 of the revised school code, MCL 380.1711 to 380.1743, membership and taxable value of the district shall not be included in the membership and taxable value of the intermediate district.

(2) From the allocation under section 51a(1), there is allocated an amount not to exceed $36,881,100.00 for 2009-2010 to reimburse intermediate districts levying millages for special education pursuant to part 30 of the revised school code,

MCL 380.1711 to 380.1743. The purpose, use, and expenditure of the reimbursement shall be limited as if the funds were generated by these millages and governed by the intermediate district plan adopted pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766. As a condition of receiving funds under this section, an intermediate district distributing any portion of special education millage funds to its constituent districts shall submit for departmental approval and implement a distribution plan.

(3) Reimbursement for those millages levied in 2008-2009 shall be made in 2009-2010 at an amount per 2008-2009 membership pupil computed by subtracting from $179,700.00 the 2008-2009 taxable value behind each membership pupil and multiplying the resulting difference by the 2008-2009 millage levied.

Sec. 57. (1) From the appropriation in section 11, there is allocated an amount not to exceed $285,000.00 for 2009-2010 for grants to intermediate districts for advanced and accelerated students.

(2) To qualify for funding under this section, a grant recipient shall support part of the cost of summer institutes for advanced and accelerated students and, to the extent the funding allows, provide comprehensive programs for advanced and accelerated pupils.

(3) Except as otherwise provided in this subsection, the amount of a single grant award under this section shall not exceed $5,000.00. Intermediate districts may form a consortium, and that consortium may receive a maximum grant amount of $5,000.00 for each participant intermediate district. Each intermediate district or consortium must apply for grant funding by April 1, 2010 and demonstrate compliance with subsection (2).

(4) A district, intermediate district, or consortium that receives a grant under this section shall provide at least a 25% match for grant money received under this section from local public or private resources.

(5) Any unallocated grant funds may be allocated to intermediate districts and consortia receiving grants under this section in an equal amount per intermediate district.

Sec. 61a. (1) From the appropriation in section 11, there is allocated an amount not to exceed $27,000,000.00 for 2009-2010 to reimburse on an added cost basis districts, except for a district that served as the fiscal agent for a vocational education consortium in the 1993-94 school year, and secondary area vocational-technical education centers for secondary-level vocational-technical education programs, including parenthood education programs, according to rules approved by the superintendent. Applications for participation in the programs shall be submitted in the form prescribed by the department. The department shall determine the added cost for each vocational-technical program area. The allocation of added cost funds shall be based on the type of vocational-technical programs provided, the number of pupils enrolled, and the length of the training period provided, and shall not exceed 75% of the added cost of any program. With the approval of the department, the board of a district maintaining a secondary vocational-technical education program may offer the program for the period from the close of the school year until September 1. The program shall use existing facilities and shall be operated as prescribed by rules promulgated by the superintendent.

(2) Except for a district that served as the fiscal agent for a vocational education consortium in the 1993-94 school year, districts and intermediate districts shall be reimbursed for local vocational administration, shared time vocational administration, and career education planning district vocational-technical administration. The definition of what constitutes administration and reimbursement shall be pursuant to guidelines adopted by the superintendent. Not more than $800,000.00 of the allocation in subsection (1) shall be distributed under this subsection.

(3) From the allocation in subsection (1), there is allocated an amount not to exceed $388,700.00 for 2009-2010 to intermediate districts with constituent districts that had combined state and local revenue per membership pupil in the 1994-95 state fiscal year of $6,500.00 or more, served as a fiscal agent for a state board designated area vocational education center in the 1993-94 school year, and had an adjustment made to their 1994-95 combined state and local revenue per membership pupil pursuant to section 20d. The payment under this subsection to the intermediate district shall equal the amount of the allocation to the intermediate district for 1996-97 under this subsection.

Sec. 62. (1) For the purposes of this section:

(a) "Membership" means for a particular fiscal year the total membership for the immediately preceding fiscal year of the intermediate district and the districts constituent to the intermediate district or the total membership for the immediately preceding fiscal year of the area vocational-technical program.

(b) "Millage levied" means the millage levied for area vocational-technical education pursuant to sections 681 to 690 of the revised school code, MCL 380.681 to 380.690, including a levy for debt service obligations incurred as the result of borrowing for capital outlay projects and in meeting capital projects fund requirements of area vocational-technical education.

(c) "Taxable value" means the total taxable value of the districts constituent to an intermediate district or area vocational-technical education program, except that if a district has elected not to come under sections 681 to 690 of the revised school code, MCL 380.681 to 380.690, the membership and taxable value of that district shall not be included in the membership and taxable value of the intermediate district. However, the membership and taxable value of a district

that has elected not to come under sections 681 to 690 of the revised school code, MCL 380.681 to 380.690, shall be included in the membership and taxable value of the intermediate district if the district meets both of the following:

(*i*) The district operates the area vocational-technical education program pursuant to a contract with the intermediate district.

(*ii*) The district contributes an annual amount to the operation of the program that is commensurate with the revenue that would have been raised for operation of the program if millage were levied in the district for the program under sections 681 to 690 of the revised school code, MCL 380.681 to 380.690.

(2) From the appropriation in section 11, there is allocated an amount not to exceed $9,000,000.00 for 2009-2010 to reimburse intermediate districts and area vocational-technical education programs established under section 690(3) of the revised school code, MCL 380.690, levying millages for area vocational-technical education pursuant to sections 681 to 690 of the revised school code, MCL 380.681 to 380.690. The purpose, use, and expenditure of the reimbursement shall be limited as if the funds were generated by those millages.

(3) Reimbursement for the millages levied in 2008-2009 shall be made in 2009-2010 at an amount per 2008-2009 membership pupil computed by subtracting from $189,600.00 the 2008-2009 taxable value behind each membership pupil and multiplying the resulting difference by the 2009-2010 millage levied.

Sec. 64. (1) From the appropriation in section 11, there is allocated an amount not to exceed $2,000,000.00 for 2009-2010 for grants to intermediate districts or a district of the first class that are in consortium with a community college or state public university and a hospital or other appropriate entity to create and implement a middle college focused on the field of health sciences or other field approved by the superintendent of public instruction.

(2) Awards shall be made in a manner and form as determined by the department; however, at a minimum, eligible consortia funded under this section shall ensure the middle college provides all of the following:

(a) Outreach programs to provide information to middle school and high school students about career opportunities in the health sciences field or other field approved by the superintendent of public instruction.

(b) An individualized education plan for each pupil enrolled in the program.

(c) Curriculum that includes entry-level college courses.

(d) Clinical rotations that provide opportunities for pupils to observe careers in the health sciences or other field approved by the superintendent of public instruction.

(e) Instruction in mathematics, science, and language arts that is integrated, where appropriate, into the courses in the approved field.

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

(4) Beginning in 2006-2007, a district or intermediate district may receive a grant under this section for up to 4 consecutive fiscal years. For the first 2 fiscal years of the grant period, the grant amount shall be 100% of the award determined by the department. For each of the remaining 2 fiscal years of the grant period, the grant amount shall be an amount equal to 50% of the recipient's grant amount for the previous fiscal year.

Sec. 65. (1) From the amount appropriated in section 11, there is allocated an amount not to exceed $980,100.00 for 2009-2010 for grants to districts or intermediate districts, as determined by the department, for eligible precollege programs in engineering and the sciences.

(2) From the funds allocated under subsection (1), the department shall award $680,100.00 for 2009-2010 to the 2 eligible existing programs that received funds appropriated for these purposes in the appropriations act containing the department of energy, labor, and economic growth budget for 2005-2006.

(3) From the funds allocated under subsection (1), the department shall award $75,000.00 for 2009-2010 to the Kalamazoo regional education service agency to support an area program substantially similar to the 2 eligible existing programs receiving funds under subsection (2).

(4) From the funds allocated under subsection (1), the department shall award $225,000.00 for 2009-2010 to eligible intermediate districts for programs to train pupils in alternative energy. The department shall award $75,000.00 to each eligible intermediate district. The intermediate district shall use the funds for engineering and sciences programs with industry level partnerships that are in proximity to renewable energy facilities. To be eligible for funds under this subsection, an intermediate district must meet all of the following requirements:

(a) The combined total 2007-2008 pupil membership for all of its constituent districts was less than 20,000 pupils.

(b) Levied at least .11 but not more than .19 operating mills in 2007-2008.

(c) Had a 2007 taxable value greater than $1,500,000,000.00.

(d) At least 28% of the combined total number of pupils in membership for all of its constituent districts were eligible for free or reduced-price lunch for 2007-2008.

(e) Is contiguous to at least 1 other intermediate district that meets the requirements of subdivisions (a) to (d).

(5) The department shall submit a report to the appropriations subcommittees responsible for this act, to the state budget director, and to the house and senate fiscal agencies by February 1, 2010 regarding dropout rates, grade point averages, enrollment in science, engineering, and math-based curricula, and employment in science, engineering, and mathematics-based fields for pupils who were enrolled in the programs awarded funds under this section or under preceding legislation. The report shall continue to evaluate the effectiveness of the precollege programs in engineering and sciences funded under this section.

(6) Notwithstanding section 17b, payments under this section shall be paid on a schedule and in a manner determined by the department.

Sec. 74. (1) From the amount appropriated in section 11, there is allocated an amount not to exceed $1,625,000.00 for 2009-2010 for the purposes of this section.

(2) From the allocation in subsection (1), there is allocated for 2009-2010 the amount necessary for payments to state supported colleges or universities and intermediate districts providing school bus driver safety instruction pursuant to section 51 of the pupil transportation act, 1990 PA 187, MCL 257.1851. The payments shall be in an amount determined by the department not to exceed 75% of the actual cost of instruction and driver compensation for each public or nonpublic school bus driver attending a course of instruction. For the purpose of computing compensation, the hourly rate allowed each school bus driver shall not exceed the hourly rate received for driving a school bus. Reimbursement compensating the driver during the course of instruction shall be made by the department to the college or university or intermediate district providing the course of instruction.

(3) From the allocation in subsection (1), there is allocated each fiscal year the amount necessary to pay the reasonable costs of nonspecial education auxiliary services transportation provided pursuant to section 1323 of the revised school code, MCL 380.1323. Districts funded under this subsection shall not receive funding under any other section of this act for nonspecial education auxiliary services transportation.

Sec. 81. (1) Except as otherwise provided in this section, from the appropriation in section 11, there is allocated for 2009-2010 to the intermediate districts the sum necessary, but not to exceed $65,376,800.00, to provide state aid to intermediate districts under this section. Except as otherwise provided in this section, there shall be allocated to each intermediate district for 2009-2010 an amount equal to 80% of the amount appropriated under this subsection for 2008-2009. Funding provided under this section shall be used to comply with requirements of this act and the revised school code that are applicable to intermediate districts, and for which funding is not provided elsewhere in this act, and to provide technical assistance to districts as authorized by the intermediate school board.

(2) Intermediate districts receiving funds under this section shall collaborate with the department to develop expanded professional development opportunities for teachers to update and expand their knowledge and skills needed to support the Michigan merit curriculum.

(3) From the allocation in subsection (1), there is allocated to an intermediate district, formed by the consolidation or annexation of 2 or more intermediate districts or the attachment of a total intermediate district to another intermediate school district or the annexation of all of the constituent K-12 districts of a previously existing intermediate school district which has disorganized, an additional allotment of $3,500.00 each fiscal year for each intermediate district included in the new intermediate district for 3 years following consolidation, annexation, or attachment.

(4) During a fiscal year, the department shall not increase an intermediate district's allocation under subsection (1) because of an adjustment made by the department during the fiscal year in the intermediate district's taxable value for a prior year. Instead, the department shall report the adjustment and the estimated amount of the increase to the house and senate fiscal agencies and the state budget director not later than June 1 of the fiscal year, and the legislature shall appropriate money for the adjustment in the next succeeding fiscal year.

(5) In order to receive funding under this section, an intermediate district shall do all of the following:

(a) Demonstrate to the satisfaction of the department that the intermediate district employs at least 1 person who is trained in pupil counting procedures, rules, and regulations.

(b) Demonstrate to the satisfaction of the department that the intermediate district employs at least 1 person who is trained in rules, regulations, and district reporting procedures for the individual-level student data that serves as the basis for the calculation of the district and high school graduation and dropout rates.

(c) Comply with sections 1278a and 1278b of the revised school code, MCL 380.1278a and 380.1278b.

(d) Furnish data and other information required by state and federal law to the center and the department in the form and manner specified by the center or the department, as applicable.

(e) Comply with section 1230g of the revised school code, MCL 380.1230g.

(f) Comply with section 761 of the revised school code, MCL 380.761.

Sec. 94a. (1) There is created within the office of the state budget director in the department of management and budget the center for educational performance and information. The center shall do all of the following:

(a) Coordinate the collection of all data required by state and federal law from all entities receiving funds under this act.

(b) Collect data in the most efficient manner possible in order to reduce the administrative burden on reporting entities.

(c) Establish procedures to ensure the reasonable validity and reliability of the data and the collection process.

(d) Develop state and model local data collection policies, including, but not limited to, policies that ensure the privacy of individual student data. State privacy policies shall ensure that student social security numbers are not released to the public for any purpose.

(e) Provide data in a useful manner to allow state and local policymakers to make informed policy decisions.

(f) Provide reports to the citizens of this state to allow them to assess allocation of resources and the return on their investment in the education system of this state.

(g) Assist all entities receiving funds under this act in complying with audits performed according to generally accepted accounting procedures.

(h) To the extent funding is available, coordinate the electronic exchange of student records using a unique identification numbering system among entities receiving funds under this act and postsecondary institutions for students participating in public education programs from preschool through postsecondary education.

(i) Other functions as assigned by the state budget director.

(2) Each state department, officer, or agency that collects information from districts or intermediate districts as required under state or federal law shall make arrangements with the center, and with the districts or intermediate districts, to have the center collect the information and to provide it to the department, officer, or agency as necessary. To the extent that it does not cause financial hardship, the center shall arrange to collect the information in a manner that allows electronic submission of the information to the center. Each affected state department, officer, or agency shall provide the center with any details necessary for the center to collect information as provided under this subsection. This subsection does not apply to information collected by the department of treasury under the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a; the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821; the school bond qualification, approval, and loan act, 2005 PA 92, MCL 388.1921 to 388.1939; or section 1351a of the revised school code, MCL 380.1351a.

(3) The state budget director shall appoint a CEPI advisory committee, consisting of the following members:

(a) One representative from the house fiscal agency.

(b) One representative from the senate fiscal agency.

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

(d) One representative from the state education agency.

(e) One representative each from the department of energy, labor, and economic growth and the department of treasury.

(f) Three representatives from intermediate school districts.

(g) One representative from each of the following educational organizations:

(*i*) Michigan association of school boards.

(*ii*) Michigan association of school administrators.

(*iii*) Michigan school business officials.

(h) One representative representing private sector firms responsible for auditing school records.

(i) Other representatives as the state budget director determines are necessary.

(4) The CEPI advisory committee appointed under subsection (3) shall provide advice to the director of the center regarding the management of the center's data collection activities, including, but not limited to:

(a) Determining what data is necessary to collect and maintain in order to perform the center's functions in the most efficient manner possible.

(b) Defining the roles of all stakeholders in the data collection system.

(c) Recommending timelines for the implementation and ongoing collection of data.

(d) Establishing and maintaining data definitions, data transmission protocols, and system specifications and procedures for the efficient and accurate transmission and collection of data.

(e) Establishing and maintaining a process for ensuring the reasonable accuracy of the data.

(f) Establishing and maintaining state and model local policies related to data collection, including, but not limited to, privacy policies related to individual student data.

(g) Ensuring the data is made available to state and local policymakers and citizens of this state in the most useful format possible.

(h) Other matters as determined by the state budget director or the director of the center.

(5) The center may enter into any interlocal agreements necessary to fulfill its functions.

(6) From the general fund appropriation in section 11, there is allocated an amount not to exceed $3,486,100.00 for 2009-2010 to the department of management and budget to support the operations of the center and the development and implementation of a comprehensive longitudinal data collection management and reporting system that includes student-level data. The center shall cooperate with the state education agency to ensure that this state is in compliance with federal law and is maximizing opportunities for increased federal funding to improve education in this state. To the extent that funding under this section allows, the center shall collect data necessary to maximize federal funding under the American recovery and reinvestment act of 2009, Public Law 111-5, and other federal statutes, including data necessary to implement a P-20 longitudinal data system. In addition, from the federal funds appropriated in section 11 for 2009-2010, there is allocated the amount necessary, estimated at $2,793,200.00, in order to fulfill federal reporting requirements.

(7) From the federal funds allocated in subsection (6), there is allocated for 2009-2010 an amount not to exceed $750,000.00 funded from the competitive grants of DED-OESE, title II, educational technology funds for the purposes of this subsection. Not later than November 30, 2008, the department shall award a single grant to an eligible partnership that includes an intermediate district with at least 1 high-need local school district and the center.

(8) The center and the department shall work cooperatively to develop a cost allocation plan that pays for center expenses from the appropriate federal fund revenues.

(9) Funds allocated under this section that are not expended in the fiscal year in which they were allocated may be carried forward to a subsequent fiscal year.

(10) The center may bill departments as necessary in order to fulfill reporting requirements of state and federal law. The center may also enter into agreements to supply custom data, analysis, and reporting to other principal executive departments, state agencies, local units of government, and other individuals and organizations. The center may receive and expend funds in addition to those authorized in subsection (6) to cover the costs associated with salaries, benefits, supplies, materials, and equipment necessary to provide such data, analysis, and reporting services.

(11) As used in this section:

(a) "DED-OESE" means the United States department of education office of elementary and secondary education.

(b) "High-need local school district" means a local educational agency as defined in the enhancing education through technology part of the no child left behind act of 2001, Public Law 107-110.

(c) "State education agency" means the department.

Sec. 98. (1) From the general fund money appropriated in section 11, there is allocated an amount not to exceed $1,687,500.00 for 2009-2010 to provide a grant to the Michigan virtual university for the development, implementation, and operation of the Michigan virtual high school; to provide professional development opportunities for educators; and to fund other purposes described in this section. In addition, from the federal funds appropriated in section 11, there is allocated for 2009-2010 an amount estimated at $2,700,000.00.

(2) The Michigan virtual high school shall have the following goals:

(a) Significantly expand curricular offerings for high schools across this state through agreements with districts or licenses from other recognized providers.

(b) Create statewide instructional models using interactive multimedia tools delivered by electronic means, including, but not limited to, the internet, digital broadcast, or satellite network, for distributed learning at the high school level.

(c) Provide pupils with opportunities to develop skills and competencies through online learning.

(d) Grant high school diplomas through a dual enrollment method with districts.

(e) Act as a broker for college level equivalent courses, as defined in section 1471 of the revised school code, MCL 380.1471, and dual enrollment courses from postsecondary education institutions.

(f) Maintain the accreditation status of the Michigan virtual high school from recognized national and international accrediting entities.

(3) The Michigan virtual high school course offerings shall include, but are not limited to, all of the following:

(a) Information technology courses.

(b) College level equivalent courses, as defined in section 1471 of the revised school code, MCL 380.1471.

(c) Courses and dual enrollment opportunities.

(d) Programs and services for at-risk pupils.

(e) General education development test preparation courses for adjudicated youth.

(f) Special interest courses.

(g) Professional development programs that teach Michigan educators how to develop and deliver online instructional services.

(4) From the federal funds allocated in subsection (1), there is allocated for 2009-2010 an amount estimated at $1,700,000.00 from DED-OESE, title II, improving teacher quality funds for a grant to the Michigan virtual university for the purpose of this subsection. With the approval of the department, the Michigan virtual university shall coordinate the following activities related to DED-OESE, title II, improving teacher quality funds in accordance with federal law:

(a) Develop, and assist districts in the development and use of, proven, innovative strategies to deliver intensive professional development programs that are both cost-effective and easily accessible, such as strategies that involve delivery through the use of technology, peer networks, and distance learning.

(b) Encourage and support the training of teachers and administrators to effectively integrate technology into curricula and instruction.

(c) Coordinate the activities of eligible partnerships that include higher education institutions for the purposes of providing professional development activities for teachers, paraprofessionals, and principals as defined in federal law.

(d) Offer teachers opportunities to learn new skills and strategies for developing and delivering instructional services.

(e) Provide online professional development opportunities for educators to update and expand knowledge and skills needed to support the Michigan merit curriculum core content standards and credit requirements.

(5) The Michigan virtual university shall offer at least 200 hours of online professional development for classroom teachers under this section each fiscal year beginning in 2006-2007 without charge to the teachers or to districts or intermediate districts.

(6) From the federal funds appropriated in subsection (1), there is allocated for 2009-2010 an amount estimated at $1,000,000.00 from the DED-OESE, title II, educational technology grant funds to support e-learning and virtual school initiatives consistent with the goals contained in the United States national educational technology plan issued in January 2005. These funds shall be used to support activities designed to build the capacity of the Michigan virtual university and shall not be used to supplant other funding. Not later than November 30, 2009, from the funds allocated in this subsection, the department shall award a single grant of $1,000,000.00 to a consortium or partnership established by the Michigan virtual university that meets the requirements of this subsection. To be eligible for this funding, a consortium or partnership established by the Michigan virtual university shall include at least 1 intermediate district and at least 1 high-need local district. All of the following apply to this funding:

(a) An eligible consortium or partnership must demonstrate the following:

(*i*) Prior success in delivering online courses and instructional services to K-12 pupils throughout this state.

(*ii*) Expertise in designing, developing, and evaluating online K-12 course content.

(*iii*) Experience in maintaining a statewide help desk service for pupils, online teachers, and other school personnel.

(*iv*) Knowledge and experience in providing technical assistance and support to K-12 schools in the area of online education.

(*v*) Experience in training and supporting K-12 educators in this state to teach online courses.

(*vi*) Demonstrated technical expertise and capacity in managing complex technology systems.

(*vii*) Experience promoting twenty-first century learning skills through the use of online technologies.

(b) The Michigan virtual university, which operates the Michigan virtual high school, shall perform the following tasks related to this funding:

(*i*) Strengthen its capacity by pursuing activities, policies, and practices that increase the overall number of Michigan virtual high school course enrollments and course completions by at-risk students.

(*ii*) Examine the curricular and specific course content needs of middle and high school students in the areas of mathematics and science.

(*iii*) Design, develop, and acquire online courses and related supplemental resources aligned to state standards to create a comprehensive and rigorous statewide catalog of online courses and instructional services.

(*iv*) Continue to evaluate and conduct pilot programs for new and innovative online tools, resources, and courses.

(*v*) Evaluate existing online teaching and learning practices and develop continuous improvement strategies to enhance student achievement.

(*vi*) Develop, support, and maintain the technology infrastructure and related software required to deliver online courses and instructional services to students statewide.

(7) If a home-schooled or nonpublic school student is a resident of a district that subscribes to services provided by the Michigan virtual high school, the student may use the services provided by the Michigan virtual high school to the district without charge to the student beyond what is charged to a district pupil using the same services.

(8) Not later than December 1, 2009, the Michigan virtual university shall provide a report to the house and senate appropriations subcommittees on state school aid, the state budget director, the house and senate fiscal agencies, and the department that includes at least all of the following information related to the Michigan virtual high school for the preceding state fiscal year:

(a) A list of the Michigan schools served by the Michigan virtual high school.

(b) A list of online course titles available to Michigan schools.

(c) The total number of online course enrollments and information on registrations and completions by course.

(d) The overall course completion rate percentage.

(e) A summary of DED-OESE, title IIA, teacher quality grant and DED-OESE, title IID, education technology grant expenditures.

(f) Identification of unmet educational needs that could be addressed by the Michigan virtual high school.

(9) As used in this section:

(a) "DED-OESE" means the United States department of education office of elementary and secondary education.

(b) "High-need local district" means a local educational agency as defined in the enhancing education through technology part of the no child left behind act of 2001, Public Law 107-110.

(c) "State education agency" means the department.

Sec. 99. (1) From the state school aid fund money appropriated in section 11, there is allocated an amount not to exceed $2,515,000.00 for 2009-2010 and from the general fund appropriation in section 11, there is allocated an amount not to exceed $110,000.00 for 2009-2010 to support the activities and programs of mathematics and science centers and for other purposes as described in this section. In addition, from the federal funds appropriated in section 11, there is allocated for 2009-2010 an amount estimated at $5,249,300.00 from DED-OESE, title II, mathematics and science partnership grants.

(2) Within a service area designated locally, approved by the department, and consistent with the comprehensive master plan for mathematics and science centers developed by the department and approved by the state board, an established mathematics and science center shall provide 2 or more of the following 6 basic services, as described in the master plan, to constituent districts and communities: leadership, pupil services, curriculum support, community involvement, professional development, and resource clearinghouse services.

(3) The department shall not award a state grant under this section to more than 1 mathematics and science center located in a designated region as prescribed in the 2007 master plan unless each of the grants serves a distinct target population or provides a service that does not duplicate another program in the designated region.

(4) As part of the technical assistance process, the department shall provide minimum standard guidelines that may be used by the mathematics and science center for providing fair access for qualified pupils and professional staff as prescribed in this section.

(5) Allocations under this section to support the activities and programs of mathematics and science centers shall be continuing support grants to all 33 established mathematics and science centers. Each established mathematics and science center that was funded in 2008-2009 shall receive state funding in an amount equal to 75% of the amount it was allocated under this subsection for 2008-2009. If a center declines state funding or a center closes, the remaining money available under this section shall be distributed to the remaining centers, as determined by the department.

(6) From the funds allocated in subsection (1), there is allocated for 2009-2010 an amount not to exceed $750,000.00 in a form and manner determined by the department to those centers able to provide curriculum and professional development support to assist districts in implementing the Michigan merit curriculum components for mathematics and science. Funding under this subsection is in addition to funding allocated under subsection (5).

(7) In order to receive state or federal funds under this section, a grant recipient shall allow access for the department or the department's designee to audit all records related to the program for which it receives such funds. The grant recipient shall reimburse the state for all disallowances found in the audit.

(8) Not later than September 30, 2013, the department shall reevaluate and update the comprehensive master plan described in subsection (1).

(9) The department shall give preference in awarding the federal grants allocated in subsection (1) to eligible existing mathematics and science centers.

(10) In order to receive state funds under this section, a grant recipient shall provide at least a 10% local match from local public or private resources for the funds received under this section.

(11) As used in this section:

(a) "DED" means the United States department of education.

(b) "DED-OESE" means the DED office of elementary and secondary education.

Sec. 99i. (1) From the funds appropriated in section 11, there is allocated the amount of $300,000.00 for 2009-2010 to a district that meets all of the following requirements:

(a) The district's membership is greater than 9,000 pupils.

(b) At least 60% of the pupils in the district were eligible for free or reduced lunch for 2005-2006.

(c) The district's foundation allowance for 2006-2007 was less than $7,310.00.

(2) Funds allocated to a district under this section shall be used to expand the school-based crisis intervention project that received funds in 2005-2006 under section 304 of 2005 PA 147.

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

Sec. 99p. (1) From the appropriation in section 11, there is allocated an amount not to exceed $100,000.00 for 2009-2010 for competitive grants to districts for programs that provide pupils with access to cultural, art, or music resources and experiences that are available in the community and that may promote reading, literacy, and communications skills among pupils.

(2) A district applying for a grant shall submit an application to the department in a form and manner determined by the department. To be eligible for a grant, a district shall demonstrate in its application that at least 50% of the pupils in membership in the district met the income eligibility criteria for free breakfast, lunch, or milk, as determined under the Richard B. Russell national school lunch act and as reported to the department by October 31 of the immediately preceding fiscal year and adjusted not later than December 31 of the immediately preceding fiscal year.

(3) Grant awards shall be made in a manner determined by the department. However, the department may set maximum grant amounts in a manner that maximizes the number of pupils that will be able to participate.

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

Sec. 101. (1) To be eligible to receive state aid under this act, not later than the fifth Wednesday after the pupil membership count day and not later than the fifth Wednesday after the supplemental count day, each district superintendent shall submit to the center, in the form and manner prescribed by the center, the number of pupils enrolled and in regular daily attendance in the district as of the pupil membership count day and as of the supplemental count day, as applicable, for the current school year. In addition, a district maintaining school during the entire year, as provided under section 1561 of the revised school code, MCL 380.1561, shall submit to the center, in the form and manner prescribed by the center, the number of pupils enrolled and in regular daily attendance in the district for the current school year pursuant to rules promulgated by the superintendent. Not later than the seventh Wednesday after the pupil membership count day and not later than the seventh Wednesday after the supplemental count day, the district shall certify the data in a form and manner prescribed by the center. If a district fails to submit and certify the attendance data, as required under this subsection, the center shall notify the department and state aid due to be distributed under this act shall be withheld from the defaulting district immediately, beginning with the next payment after the failure and continuing with each payment until the district complies with this subsection. If a district does not comply with this subsection by the end of the fiscal year, the district forfeits the amount withheld. A person who willfully falsifies a figure or statement in the certified and sworn copy of enrollment shall be punished in the manner prescribed by section 161.

(2) To be eligible to receive state aid under this act, not later than the twenty-fourth Wednesday after the pupil membership count day and not later than the twenty-fourth Wednesday after the supplemental count day, an intermediate district shall submit to the center, in a form and manner prescribed by the center, the audited enrollment and attendance data for the pupils of its constituent districts and of the intermediate district. If an intermediate district fails to submit the audited data as required under this subsection, state aid due to be distributed under this act shall be withheld from the defaulting intermediate district immediately, beginning with the next payment after the failure and continuing with each payment until the intermediate district complies with this subsection. If an intermediate district does not comply with this subsection by the end of the fiscal year, the intermediate district forfeits the amount withheld.

(3) All of the following apply to the provision of pupil instruction:

(a) Except as otherwise provided in this section, each district shall provide at least 1,098 hours and, beginning in 2010-2011, the required minimum number of days of pupil instruction. For 2010-2011 and for 2011-2012, the required minimum number of days of pupil instruction is 165. Beginning in 2012-2013, the required minimum number of days of pupil instruction is 170. However, beginning in 2010-2011, a district shall not provide fewer days of pupil instruction than the district provided for 2009-2010. Except as otherwise provided in this act, a district failing to comply with the required minimum hours and days of pupil instruction under this subsection shall forfeit from its total state aid allocation an amount determined by applying a ratio of the number of hours or days the district was in noncompliance in relation to the required minimum number of hours and days under this subsection. Not later than August 1, the board of each district shall certify to the department the number of hours and, beginning in 2010-2011, days of pupil instruction in the previous school year. If the district did not provide at least the required minimum number of hours and days of pupil instruction under this subsection, the deduction of state aid shall be made in the following fiscal year from the first payment of state school aid. A district is not subject to forfeiture of funds under this subsection for a fiscal year in which a forfeiture was already imposed under subsection (6). Hours or days lost because of strikes or teachers' conferences shall not be counted as hours or days of pupil instruction. If a collective bargaining agreement that provides a complete school calendar is in effect for employees of a district as of the effective date of the 2009 amendatory act that amended this subsection, and if that school calendar is not in compliance with this subsection, then this subsection does not apply to that district until after the expiration of that collective bargaining agreement.

(b) Except as otherwise provided in subdivision (c), a district not having at least 75% of the district's membership in attendance on any day of pupil instruction shall receive state aid in that proportion of 1/180 that the actual percent of attendance bears to the specified percentage.

(c) Beginning in 2005-2006, at the request of a district that operates a department-approved alternative education program and that does not provide instruction for pupils in all of grades K to 12, the superintendent shall grant a waiver for a period of 3 school years from the requirements of subdivision (b) in order to conduct a pilot study. The waiver shall indicate that an eligible district is subject to the proration provisions of subdivision (b) only if the district does not have at least 50% of the district's membership in attendance on any day of pupil instruction. In order to be eligible for this waiver, a district must maintain records to substantiate its compliance with the following requirements during the pilot study:

(*i*) The district offers the minimum hours of pupil instruction as required under this section.

(*ii*) For each enrolled pupil, the district uses appropriate academic assessments to develop an individual education plan that leads to a high school diploma.

(*iii*) The district tests each pupil to determine academic progress at regular intervals and records the results of those tests in that pupil's individual education plan.

(d) The superintendent shall promulgate rules for the implementation of this subsection.

(4) Except as otherwise provided in this subsection, the first 30 hours or 6 days for which pupil instruction is not provided because of conditions not within the control of school authorities, such as severe storms, fires, epidemics, utility power unavailability, water or sewer failure, or health conditions as defined by the city, county, or state health authorities, shall be counted as hours and days of pupil instruction. With the approval of the superintendent of public instruction, the department shall count as hours and days of pupil instruction for a fiscal year not more than 30 additional hours or 6 additional days for which pupil instruction is not provided in a district after April 1 of the applicable school year due to unusual and extenuating occurrences resulting from conditions not within the control of school authorities such as those conditions described in this subsection. Subsequent such hours or days shall not be counted as hours or days of pupil instruction.

(5) A district shall not forfeit part of its state aid appropriation because it adopts or has in existence an alternative scheduling program for pupils in kindergarten if the program provides at least the number of hours required under subsection (3) for a full-time equated membership for a pupil in kindergarten as provided under section 6(4).

(6) Not later than April 15 of each fiscal year, the board of each district shall certify to the department the planned number of hours and days of pupil instruction in the district for the school year ending in the fiscal year. In addition to any other penalty or forfeiture under this section, if at any time the department determines that 1 or more of the following has occurred in a district, the district shall forfeit in the current fiscal year beginning in the next payment to be calculated by the department a proportion of the funds due to the district under this act that is equal to the proportion below the required minimum number of hours and days of pupil instruction under subsection (3), as specified in the following:

(a) The district fails to operate its schools for at least the required minimum number of hours and days of pupil instruction under subsection (3) in a school year, including hours and days counted under subsection (4).

(b) The board of the district takes formal action not to operate its schools for at least the required minimum number of hours and days of pupil instruction under subsection (3) in a school year, including hours and days counted under subsection (4).

(7) In providing the minimum number of hours and days of pupil instruction required under subsection (3), a district shall use the following guidelines, and a district shall maintain records to substantiate its compliance with the following guidelines:

(a) Except as otherwise provided in this subsection, a pupil must be scheduled for at least the required minimum number of hours of instruction, excluding study halls, or at least the sum of 90 hours plus the required minimum number of hours of instruction, including up to 2 study halls.

(b) The time a pupil is assigned to any tutorial activity in a block schedule may be considered instructional time, unless that time is determined in an audit to be a study hall period.

(c) Except as otherwise provided in this subdivision, a pupil in grades 9 to 12 for whom a reduced schedule is determined to be in the individual pupil's best educational interest must be scheduled for a number of hours equal to at least 80% of the required minimum number of hours of pupil instruction to be considered a full-time equivalent pupil. A pupil in grades 9 to 12 who is scheduled in a 4-block schedule may receive a reduced schedule under this subsection if the pupil is scheduled for a number of hours equal to at least 75% of the required minimum number of hours of pupil instruction to be considered a full-time equivalent pupil.

(d) If a pupil in grades 9 to 12 who is enrolled in a cooperative education program or a special education pupil cannot receive the required minimum number of hours of pupil instruction solely because of travel time between instructional sites during the school day, that travel time, up to a maximum of 3 hours per school week, shall be considered to be pupil instruction time for the purpose of determining whether the pupil is receiving the required minimum number of hours of pupil instruction. However, if a district demonstrates to the satisfaction of the department that the travel time limitation under this subdivision would create undue costs or hardship to the district, the department may consider more travel time to be pupil instruction time for this purpose.

(e) In grades 7 through 12, instructional time that is part of a junior reserve officer training corps (JROTC) program shall be considered to be pupil instruction time regardless of whether the instructor is a certificated teacher if all of the following are met:

(*i*) The instructor has met all of the requirements established by the United States department of defense and the applicable branch of the armed services for serving as an instructor in the junior reserve officer training corps program.

(*ii*) The board of the district or intermediate district employing or assigning the instructor complies with the requirements of sections 1230 and 1230a of the revised school code, MCL 380.1230 and 380.1230a, with respect to the instructor to the same extent as if employing the instructor as a regular classroom teacher.

(8) The department shall apply the guidelines under subsection (7) in calculating the full-time equivalency of pupils.

(9) Upon application by the district for a particular fiscal year, the superintendent may waive for a district the minimum number of hours and days of pupil instruction requirement of subsection (3) for a department-approved alternative education program or another innovative program approved by the department. If a district applies for and receives a waiver under this subsection and complies with the terms of the waiver, for the fiscal year covered by the waiver the district is not subject to forfeiture under this section for the specific program covered by the waiver. If the district does not comply with the terms of the waiver, the amount of the forfeiture shall be calculated based upon a comparison of the number of hours and days of pupil instruction actually provided to the minimum number of hours and days of pupil instruction required under subsection (3).

(10) If at least 5 of the hours of professional development are provided online by the Michigan virtual university under section 98 or by another department-approved intermediate district provider of online professional development, a district may count up to 38 hours of qualifying professional development for teachers as hours of pupil instruction. However, if a collective bargaining agreement that provides more than 38 but not more than 51 hours of professional development for teachers is in effect for employees of a district as of October 1, 2006, then until the fiscal year that begins after the expiration of that collective bargaining agreement a district may count up to 51 hours of qualifying professional development for teachers, including the 5 hours of online professional development, as hours of pupil instruction. A district that elects to use this exception shall notify the department of its election. As used in this subsection, "qualifying professional development" means professional development that is focused on 1 or more of the following:

(a) Achieving or improving adequate yearly progress as defined under the no child left behind act of 2001, Public Law 107-110.

(b) Achieving accreditation or improving a school's accreditation status under section 1280 of the revised school code, MCL 380.1280.

(c) Achieving highly qualified teacher status as defined under the no child left behind act of 2001, Public Law 107-110.

(d) Maintaining teacher certification.

Sec. 104. (1) In order to receive state aid under this act, a district shall comply with sections 1278a, 1278b, 1279, 1279g, and 1280b of the revised school code, MCL 380.1278a, 380.1278b, 380.1279, 380.1279g, and 380.1280b, and 1970 PA 38, MCL 388.1081 to 388.1086. From the state school aid fund money appropriated in section 11, there is allocated for 2009-2010 an amount not to exceed $26,630,700.00 for payments on behalf of districts for costs associated with complying with those provisions of law. In addition, from the federal funds appropriated in section 11, there is allocated for 2009-2010 an amount estimated at $8,313,700.00, funded from DED-OESE, title VI, state assessments funds and DED-OSERS, section 504 of part B of the individuals with disabilities education act, Public Law 94-142, plus any carryover federal funds from previous year appropriations, for the purposes of complying with the federal no child left behind act of 2001, Public Law 107-110.

(2) The department shall determine whether the "Explore" test is at least as robust as the Michigan educational assessment program social studies test. If the department determines that the "Explore" test is at least as robust as the Michigan educational assessment program social studies test, it is the intent of the legislature that the department shall replace the Michigan educational assessment program social studies test with the "Explore" test. If this replacement of tests requires a waiver under federal law in order to comply with federal law, then the department shall apply for that waiver to allow for this replacement.

(3) The results of each test administered as part of the Michigan educational assessment program, including tests administered to high school students, shall include an item analysis that lists all items that are counted for individual pupil scores and the percentage of pupils choosing each possible response.

(4) All federal funds allocated under this section shall be distributed in accordance with federal law and with flexibility provisions outlined in Public Law 107-116, and in the education flexibility partnership act of 1999, Public Law 106-25.

(5) Notwithstanding section 17b, payments on behalf of districts, intermediate districts, and other eligible entities under this section shall be paid on a schedule determined by the department.

(6) The department shall meet with the United States department of education and shall request a waiver to replace the current Michigan educational assessment program tests used for grades 3 to 8 with a standardized catalog version norm-referenced test. Before sending the waiver request to the United States department of education, the department shall seek input on the waiver request from the subcommittees of the senate and house of representatives appropriations committees that have jurisdiction over this act. The department shall submit the waiver request to the subcommittees for input not later than January 15, 2010 and shall submit the waiver request to the United States department of education not later than February 15, 2010. If the waiver is granted by the United States department of education, then the department shall immediately notify the subcommittees of the senate and house of representatives appropriations committees that have jurisdiction over this act of the approval.

(7) As used in this section:

(a) "DED" means the United States department of education.

(b) "DED-OESE" means the DED office of elementary and secondary education.

(c) "DED-OSERS" means the DED office of special education and rehabilitative services.

Sec. 107. (1) From the appropriation in section 11, there is allocated an amount not to exceed $22,000,000.00 for 2009-2010 for adult education programs authorized under this section.

(2) To be eligible for funding under this section, a program shall employ certificated teachers and qualified administrative staff and shall offer continuing education opportunities for teachers to allow them to maintain certification.

(3) To be eligible to be a participant funded under this section, a person shall be enrolled in an adult basic education program, an adult English as a second language program, a general educational development (G.E.D.) test preparation program, a job or employment related program, or a high school completion program, that meets the requirements of this section, and shall meet either of the following, as applicable:

(a) If the individual has obtained a high school diploma or a general educational development (G.E.D.) certificate, the individual meets 1 of the following:

(*i*) Is less than 20 years of age on September 1 of the school year and is enrolled in the Michigan career and technical institute.

(*ii*) Is less than 20 years of age on September 1 of the school year, is not attending an institution of higher education, and is enrolled in a job or employment-related program through a referral by an employer.

(*iii*) Is enrolled in an English as a second language program.

(*iv*) Is enrolled in a high school completion program.

(b) If the individual has not obtained a high school diploma or G.E.D. certificate, the individual meets 1 of the following:

(*i*) Is at least 20 years of age on September 1 of the school year.

(*ii*) Is at least 16 years of age on September 1 of the school year, has been permanently expelled from school under section 1311(2) or 1311a of the revised school code, MCL 380.1311 and 380.1311a, and has no appropriate alternative education program available through his or her district of residence.

(4) Except as otherwise provided in subsection (5), from the amount allocated under subsection (1), at least $21,800,000.00 shall be distributed as follows:

(a) For districts and consortia that received payments for 2008-2009 under this section, the amount allocated to each for 2009-2010 shall be based on the number of participants served by the district or consortium for 2009-2010, using the amount allocated per full-time equated participant under subsection (7), up to a maximum total allocation under this subsection in an amount equal to 93.5% of the amount the district or consortium received for 2008-2009 under this section before any reallocations made for 2008-2009 under subsection (5).

(b) A district or consortium that received funding in 2008-2009 under this section may operate independently of a consortium or join or form a consortium for 2009-2010. The allocation for 2009-2010 to the district or the newly formed consortium under this subsection shall be determined by the department and shall be based on the proportion of the amounts that are attributable to the district or consortium that received funding in 2008-2009. A district or consortium described in this subdivision shall notify the department of its intention with regard to 2009-2010 by October 1, 2009.

(c) If a district had a declaration of financial emergency in place under the local government fiscal responsibility act, 1990 PA 72, MCL 141.1201 to 141.1291, and that declaration was revoked during 2005, the district may operate a program under this section independently of a consortium or may join or form a consortium to operate a program under this section. The allocation for 2009-2010 to the district or the newly formed consortium under this subsection shall be determined by the department and shall be based on the proportion of the amounts that are attributable to the district or consortium that received funding in 2008-2009 or, for a district for which a declaration of financial emergency was revoked during 2005, based on the amount the district received under this section using a 3-year average of the 3 most recent fiscal years the district received funding under this section. A district or consortium described in this subdivision shall notify the department of its intention with regard to 2009-2010 by October 1, 2009.

(5) A district that operated an adult education program in 2008-2009 and does not intend to operate a program in 2009-2010 shall notify the department by October 1, 2009 of its intention. The money intended to be allocated under this section to a district that does not operate a program in 2009-2010 and the unspent money originally allocated under this section to a district or consortium that subsequently operates a program at less than the level of funding allocated under subsection (4) and any other unallocated money under this section shall instead be proportionately reallocated to the other districts described in subsection (4)(a) that are operating an adult education program in 2009-2010 under this section.

(6) From the amount allocated under subsection (1), up to a maximum of $200,000.00 shall be allocated for not more than 1 grant not to exceed $200,000.00 for expansion of an existing innovative community college program that focuses on educating adults. Grants may be used for program operating expenses such as staffing, rent, equipment, and other expenses. To be eligible for this grant funding, a program must meet the following criteria:

(a) Collaborates with local districts and businesses to determine area academic needs and to promote the learning opportunities.

(b) Is located off-campus in an urban residential setting with documented high poverty and low high school graduation rates.

(c) Provides general educational development (G.E.D.) test preparation courses and workshops.

(d) Provides developmental courses taught by college faculty that prepare students to be successful in college-level courses.

(e) Uses learning communities to allow for shared, rather than isolated, learning experiences.

(f) Provides on-site tutoring.

(g) Provides access to up-to-date technology, including personal computers.

(h) Partners with a financial institution to provide financial literacy education.

(i) Assists students in gaining access to financial aid.

(j) Provides on-site academic advising to students.

(k) Provides vouchers for reduced G.E.D. testing costs.

(*l*) Partners with local agencies to provide referrals for social services as needed.

(m) Enrolls participants as students of the community college.

(n) Partners with philanthropic and business entities to provide capital funding.

(7) The amount allocated under this section per full-time equated participant is $2,850.00 for a 450-hour program. The amount shall be proportionately reduced for a program offering less than 450 hours of instruction.

(8) An adult basic education program or an adult English as a second language program operated on a year-round or school year basis may be funded under this section, subject to all of the following:

(a) The program enrolls adults who are determined by a department-approved assessment, in a form and manner prescribed by the department, to be below ninth grade level in reading or mathematics, or both, or to lack basic English proficiency.

(b) The program tests individuals for eligibility under subdivision (a) before enrollment and upon completion of the program in compliance with the state-approved assessment policy.

(c) A participant in an adult basic education program is eligible for reimbursement until 1 of the following occurs:

(*i*) The participant's reading and mathematics proficiency are assessed at or above the ninth grade level.

(*ii*) The participant fails to show progress on 2 successive assessments after having completed at least 450 hours of instruction.

(d) A funding recipient enrolling a participant in an English as a second language program is eligible for funding according to subsection (12) until the participant meets 1 of the following:

(*i*) The participant is assessed as having attained basic English proficiency as determined by a department-approved assessment.

(*ii*) The participant fails to show progress on 2 successive department-approved assessments after having completed at least 450 hours of instruction. The department shall provide information to a funding recipient regarding appropriate assessment instruments for this program.

(9) A general educational development (G.E.D.) test preparation program operated on a year-round or school year basis may be funded under this section, subject to all of the following:

(a) The program enrolls adults who do not have a high school diploma.

(b) The program shall administer a G.E.D. pre-test approved by the department before enrolling an individual to determine the individual's potential for success on the G.E.D. test, and shall administer a post-test upon completion of the program in compliance with the state-approved assessment policy.

(c) A funding recipient shall receive funding according to subsection (12) for a participant, and a participant may be enrolled in the program until 1 of the following occurs:

(*i*) The participant passes the G.E.D. test.

(*ii*) The participant fails to show progress on 2 successive department-approved assessments used to determine readiness to take the G.E.D. test after having completed at least 450 hours of instruction.

(10) A high school completion program operated on a year-round or school year basis may be funded under this section, subject to all of the following:

(a) The program enrolls adults who do not have a high school diploma.

(b) The program tests participants described in subdivision (a) before enrollment and upon completion of the program in compliance with the state-approved assessment policy.

(c) A funding recipient shall receive funding according to subsection (12) for a participant in a course offered under this subsection until 1 of the following occurs:

(*i*) The participant passes the course and earns a high school diploma.

(*ii*) The participant fails to earn credit in 2 successive semesters or terms in which the participant is enrolled after having completed at least 900 hours of instruction.

(11) A job or employment-related adult education program operated on a year-round or school year basis may be funded under this section, subject to all of the following:

(a) The program enrolls adults referred by their employer who are less than 20 years of age, have a high school diploma, are determined to be in need of remedial mathematics or communication arts skills and are not attending an institution of higher education.

(b) An individual may be enrolled in this program and the grant recipient shall receive funding according to subsection (12) until 1 of the following occurs:

(*i*) The individual achieves the requisite skills as determined by department-approved assessment instruments administered at least after every 90 hours of attendance.

(*ii*) The individual fails to show progress on 2 successive assessments after having completed at least 450 hours of instruction. The department shall provide information to a funding recipient regarding appropriate assessment instruments for this program.

(12) A funding recipient shall receive payments under this section in accordance with the following:

(a) Ninety percent for enrollment of eligible participants.

(b) Ten percent for completion of the adult basic education objectives by achieving an increase of at least 1 grade level of proficiency in reading or mathematics; for achieving basic English proficiency, as defined by the department in the adult education guidebook; for obtaining a G.E.D. or passage of 1 or more individual G.E.D. tests; for attainment of a high school diploma or passage of a course required for a participant to attain a high school diploma; or for completion of the course and demonstrated proficiency in the academic skills to be learned in the course, as applicable.

(13) As used in this section, "participant" means the sum of the number of full-time equated individuals enrolled in and attending a department-approved adult education program under this section, using quarterly participant count days on the schedule described in section 6(7)(b).

(14) A person who is not eligible to be a participant funded under this section may receive adult education services upon the payment of tuition. In addition, a person who is not eligible to be served in a program under this section due to the program limitations specified in subsection (8), (9), (10), or (11) may continue to receive adult education services in that program upon the payment of tuition. The tuition level shall be determined by the local or intermediate district conducting the program.

(15) An individual who is an inmate in a state correctional facility shall not be counted as a participant under this section.

(16) A district shall not commingle money received under this section or from another source for adult education purposes with any other funds of the district. A district receiving adult education funds shall establish a separate ledger account for those funds. This subsection does not prohibit a district from using general funds of the district to support an adult education or community education program.

(17) A district or intermediate district receiving funds under this section may establish a sliding scale of tuition rates based upon a participant's family income. A district or intermediate district may charge a participant tuition to receive adult education services under this section from that sliding scale of tuition rates on a uniform basis. The amount of tuition charged per participant shall not exceed the actual operating cost per participant minus any funds received under this section per participant. A district or intermediate district may not charge a participant tuition under this section if the participant's income is at or below 200% of the federal poverty guidelines published by the United States department of health and human services.

(18) In order to receive funds under this section, a district shall furnish to the department, in a form and manner determined by the department, all information needed to administer this program and meet federal reporting requirements; shall allow the department or the department's designee to review all records related to the program for which it receives funds; and shall reimburse the state for all disallowances found in the review, as determined by the department.

(19) All intermediate district participant audits of adult education programs shall be performed pursuant to the adult education participant auditing and accounting manuals published by the department.

(20) As used in this section, "department" means the department of energy, labor, and economic growth.

(21) Not later than October 30, 2009, the department shall create an adult learning planning group. The adult education advisory board in the department shall work with the state adult education division to identify members for the adult learning planning group. Members of the adult learning planning group should include a balance of rural, urban, and suburban community adult education program directors throughout the state and advocacy leaders for adult education, English as a second language, and adult literacy.

(22) Not later than December 30, 2009, the adult learning planning group shall do all of the following:

(a) Evaluate the provisions of this section and make recommendations for updating this section to address the increased demand for adult education, particularly in underserved areas of this state, and the need to align adult education with entry-level requirements for postsecondary education, training, and employment.

(b) Develop program entry and exit requirements to facilitate participant transition from an adult education program to employment or a postsecondary education program.

(c) Submit its recommendations concerning the matters considered under subdivisions (a) and (b) to the department, the senate and house appropriations subcommittees responsible for this act, and the senate and house fiscal agencies.

(23) Not later than February 1, 2010, the adult learning planning group shall do all of the following:

(a) Assess and recommend a comprehensive statewide delivery system that ensures that all areas of this state are adequately served. The adult learning planning group shall give consideration to using intermediate districts or countywide agencies as fiscal agents to lessen the administrative burden on smaller programs and service areas and to foster partnerships for creating seamless transitions between educational levels of attainment, career preparation, and employment in newly designated service areas. The adult learning planning group shall obtain local community input from adult education and training stakeholders, including adult educators and adult learners, and shall combine that input with current enrollment, employment, and other relevant data in developing recommendations, including recommendations concerning fiscal agents and service delivery locations.

(b) Evaluate the grant recipients in the no worker left behind program created under 2008 PA 251 to identify lessons learned and promising practices for consideration in recommendations.

(c) Examine and evaluate the implementation of accessible services using flexible year-round scheduling and distance learning.

(d) Evaluate issues related to staffing of adult education programs.

(e) Evaluate modes of education delivery for adult learners and identify current research-based best instructional practices.

(f) Evaluate current assessment tools and the need for ongoing program evaluation using established performance measures.

(g) Submit its recommendations concerning the matters considered under subdivisions (a) to (f) to the department, the senate and house appropriations subcommittees responsible for this act, and the senate and house fiscal agencies.

Sec. 147. The allocation for 2009-2010 for the public school employees' retirement system pursuant to the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408, shall be made using the entry age normal cost actuarial method and risk assumptions adopted by the public school employees retirement board and the department of management and budget. The annual level percentage of payroll contribution rate is estimated at 16.94% for the 2009-2010 state fiscal year. The portion of the contribution rate assigned to districts and intermediate districts for each fiscal year is all of the total percentage points. This contribution rate reflects an amortization period of 28 years for 2009-2010. The public school employees' retirement system board shall notify each district and intermediate district by February 28 of each fiscal year of the estimated contribution rate for the next fiscal year.

Sec. 164c. A district or intermediate district shall not use funds appropriated under this act to purchase foreign goods or services, or both, if American goods or services, or both, are available and are competitively priced and of comparable quality. 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.

Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at $10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at $10,718,801,700.00.

Enacting section 2. Sections 11n, 37, 38, 54a, 54c, 99a, 99e, 99j, 99k, 99n, and 104a of the state school aid act of 1979, 1979 PA 94, MCL 388.1611n, 388.1637, 388.1638, 388.1654a, 388.1654c, 388.1699a, 388.1699e, 388.1699j, 388.1699k, 388.1699n, and 388.1704a, are repealed effective October 1, 2009.

Enacting section 3. This amendatory act takes effect October 1, 2009.

This act is ordered to take immediate effect.

Richard J. Brown

Clerk of the House of Representatives

Carol Morey Viventi

Secretary of the Senate

Approved .....

.....

Governor

JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
OFFICE OF THE GOVERNOR
LANSING

JOHN D. CHERRY, JR.
LT. GOVERNOR

October 19, 2009

Michigan House of Representatives
State Capitol
Lansing, Michigan 48909-7514

Ladies and Gentlemen:

Today I have signed Enrolled House Bill 4447, the state school aid budget for the fiscal year that began nearly three weeks ago on October 1, 2009. However, I have disapproved several appropriations in the bill, as authorized by Section 19 of Article V of the Michigan Constitution. The specific item vetoes are detailed in the attached copy of the bill, which has been filed with the Secretary of State. While my approval of this bill will enable the continued operation of public schools and allow school districts to make scheduled bond payments, the Legislature has much more work to do to complete a balanced funding plan for our schools.

As presented, Enrolled House Bill 4447 is fiscally flawed. In simple terms, if this School Aid bill were a check written on a bank, it would be returned for insufficient funds. By some estimates there may be as much as a $264 million gap between the expenditures called for in this bill and the School Aid Fund revenues needed to pay for them. Failure to address this revenue shortfall quickly will only make future education funding cuts deeper and more destructive to our schools.

As a first step in addressing this shortfall, I have exercised my constitutional line item veto authority. Specifically, I have disapproved of the following appropriations, totaling $54.0 million:

- Section 20j of the bill, a provision that would authorize special supplemental foundation allowance payments totaling $51.5 million for certain districts with the highest foundation allowances.
- Section 32c, which would provide specialized funding of nearly $1.6 million for secondary prevention services programs.
- Section 57, earmarking $285,000 for advanced and accelerated programs.
- Section 99p, dedicating $100,000 to assist some districts in providing cultural experiences to students.

Printed by members of:

- Section 39a(1)(m), a provision that would allow for up to $50,000 in 21st Century Community Learning Center funds to be used to support the Michigan After-School Partnership.

- Section 61a(3) , a provision that guarantees vocational education funding to a specific intermediate district up to the amount it received in fiscal year 1997, or $388,700.

- Section 65(3), that provides funding of $75,000 for a pre-college engineering program in the Kalamazoo area.

Because these reductions will not fully resolve the shortfall in the State School Aid Fund, other actions will be necessary. If the Legislature fails to secure the revenues needed to fully fund the budget it has passed, state law requires a proration in payments to school districts beyond the mid-year $165 per pupil reduction already assumed in Enrolled House Bill 4447.

Our schools deserve sufficient funding to fulfill the critical mission we have given them and they deserve an honest budget that allows them to make necessary adjustments in their own spending. Enrolled House Bill 4447, as presented to me, gives them neither. It demands urgent additional action by the Legislature.

To provide direction regarding the implementation of this appropriations act, I note that Sections 20(15) and 104(2) of the bill include statements of legislative intent. While the Legislature has the right to state its advice, preferences, or wishes through a statement of intent, such statements do not impose conditions upon appropriations and are non-binding.

By presenting me a school aid budget for fiscal year 2010, you prevented an immediate fiscal crisis in our public schools. However, unless you act to fully fund this budget, it is only a matter of weeks before that crisis confronts our schools with additional destructive mid-year cuts. There is no time to waste. The time to complete work on this school aid budget is now.

Respectfully,

Jennifer M. Granholm
Governor

Attachment
cc: Michigan State Senate
The Honorable Terri Lynn Land, Secretary of State

STATE POLICE

Act No. 133
Public Acts of 2009
Approved by the Governor
October 29, 2009
Filed with the Secretary of State
October 30, 2009
EFFECTIVE DATE: October 30, 2009

STATE OF MICHIGAN
95TH LEGISLATURE
REGULAR SESSION OF 2009

Introduced by Senator Garcia

ENROLLED SENATE BILL No. 253

AN ACT to make appropriations for the department of state police and certain other state purposes for the fiscal year ending September 30, 2010; to provide for the expenditure of those appropriations; to provide for certain reports and the consideration of those reports; to provide for the disposition of other income received by the various state agencies; to provide for certain emergency powers; to provide for the powers and duties of certain committees, certain state agencies, and certain employees; and to provide for the acquisition and disposition of certain real and personal property.

The People of the State of Michigan enact:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of state police for the fiscal year ending September 30, 2010, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF STATE POLICE

APPROPRIATION SUMMARY		
Full-time equated unclassified positions	2.0	
Full-time equated classified positions	2,866.0	
GROSS APPROPRIATION		$ 527,312,700
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		26,108,400
ADJUSTED GROSS APPROPRIATION		$ 501,204,300
Federal revenues:		
Total federal revenues		93,839,000
Special revenue funds:		
Total local revenues		8,545,500
Total private revenues		273,300
Total state restricted revenues		131,287,300
State general fund/general purpose		$ 267,259,200

		For Fiscal Year Ending Sept. 30, 2010
Sec. 102. EXECUTIVE DIRECTION		
Full-time equated unclassified positions 2.0		
Full-time equated classified positions 43.5		
Unclassified positions	$	260,400
Executive direction—22.0 FTE positions		2,623,600
Special operations and events—17.5 FTE positions		2,106,200
Auto theft prevention program—4.0 FTE positions		8,022,800
GROSS APPROPRIATION	$	13,013,000
Appropriated from:		
Interdepartmental grant revenues:		
IDT, truck safety fund		22,700
Special revenue funds:		
Auto theft prevention fund		8,022,800
Motor carrier fees		32,000
Criminal justice information center fees		47,600
Forensic science reimbursement fees		24,700
Highway safety fund		32,900
Traffic law enforcement and safety fund		128,100
State general fund/general purpose	$	4,702,200
Sec. 103. DEPARTMENTWIDE APPROPRIATIONS		
Special maintenance and utilities	$	447,600
Rent and building occupancy charges		9,633,100
Worker's compensation		3,151,300
Fleet leasing		14,037,500
In-service training - law enforcement distribution		450,000
In-service training - competitive		1,000,000
Narcotics investigation funds		265,100
GROSS APPROPRIATION	$	28,984,600
Appropriated from:		
Interdepartmental grant revenues:		
IDG, training academy charges		277,500
IDT, Michigan justice training fund		1,450,000
Federal revenues:		
Federal narcotics investigation revenues		95,000
DOT		24,700
DHS		173,700
Special revenue funds:		
Forensic science reimbursement fee		98,500
Narcotics investigation revenues		170,100
State forensic laboratory fund		98,500
Criminal justice information center service fees		195,200
Secondary road patrol and training fund		17,500
Hazardous materials training center fees		102,900
Michigan justice training fund		29,200
Motor carrier fees		7,300
Highway safety fund		7,800
Traffic law enforcement and safety fund		15,400
State general fund/general purpose	$	26,221,300
Sec. 104. SUPPORT SERVICES		
Full-time equated classified positions 192.5		
Management services—136.0 FTE positions	$	11,846,600
Training administration—33.0 FTE positions		6,708,000
Budget and financial services—23.5 FTE positions		2,269,000
GROSS APPROPRIATION	$	20,823,600
Appropriated from:		
Interdepartmental grant revenues:		
IDT, auto theft funds		3,800

		For Fiscal Year Ending Sept. 30, 2010
IDG, training academy charges	$	3,272,400
IDG-MDOT, state trunkline fund		4,200
IDG-MDTR, casino gaming fees		63,400
IDG-MDTR, emergency telephone fund coordinator		520,400
IDG-MDTR, emergency telephone fund operations		477,800
IDG-MDOS		2,000
IDG-MDOC, contract		1,100,000
Federal revenues:		
DOT		473,200
Special revenues funds:		
Local - LEIN fees		2,800
Local - MPSCS subscriber fees		27,100
Local - school bus revenue		1,700
Highway safety fund		202,400
Nuclear plant emergency planning reimbursement		20,800
Precision driving track fees		287,200
Criminal justice information center service fees		681,600
Traffic law enforcement and safety fund		414,000
Reimbursed services		1,253,200
Forensic science reimbursement fees		7,800
Hazardous materials training center fees		5,100
Michigan justice training fund		1,600
Narcotics investigation revenues		33,800
Motor carrier fees		19,200
State general fund/general purpose	$	11,948,100

Sec. 105. HIGHWAY SAFETY PLANNING

Full-time equated classified positions 30.0		
State program planning and administration—8.0 FTE positions	$	1,236,200
Secondary road patrol program—2.0 FTE positions		14,034,500
Truck safety program—1.0 FTE position		3,005,700
Federal highway traffic safety coordination—19.0 FTE positions		10,568,000
GROSS APPROPRIATION	$	28,844,400
Appropriated from:		
Interdepartmental grant revenues:		
Federal revenues:		
DOT		10,716,300
DOJ		576,900
Special revenue funds:		
Truck driver safety fund		3,005,700
Secondary road patrol and training fund		14,034,500
State general fund/general purpose	$	511,000

Sec. 106. CRIMINAL JUSTICE INFORMATION CENTER

Full-time equated classified positions 136.0		
Criminal justice information center division—116.0 FTE positions	$	10,745,700
Criminal records improvement—1.0 FTE position		2,244,000
Traffic safety—19.0 FTE positions		1,879,100
GROSS APPROPRIATION	$	14,868,800
Appropriated from:		
Interdepartmental grant revenues:		
IDG-MDOS		329,500
IDG-MDCH, crime victim's rights fund		483,600
IDG-MDOT, state trunkline fund		854,500
Federal revenues:		
DOJ		2,244,000
DOT		507,000
Special revenue funds:		
Traffic crash revenue		78,200

		For Fiscal Year Ending Sept. 30, 2010
Motor carrier fees	$	109,900
Sex offender registration fund		61,400
Criminal justice information center service fees		9,414,900
State general fund/general purpose	$	785,800

Sec. 107. FORENSIC SCIENCES

Full-time equated classified positions 239.5		
Laboratory operations—182.0 FTE positions	$	29,745,000
DNA analysis program—57.5 FTE positions		7,970,600
Marquette laboratory		100
Detroit laboratory		100
GROSS APPROPRIATION	$	37,715,800
Appropriated from:		
Interdepartmental grant revenues:		
IDG-MDCH, crime victim's rights fund		443,300
Federal revenues:		
DOJ		4,117,700
DOT		634,000
Federal narcotics investigation revenues		493,200
Special revenue funds:		
Forensic science reimbursement fees		1,455,000
State forensic laboratory fund		1,733,000
Narcotic investigation revenues		1,648,000
Criminal justice information center service fees		319,400
State services fee fund		9,283,100
State general fund/general purpose	$	17,589,100

Sec. 108. MICHIGAN COMMISSION ON LAW ENFORCEMENT STANDARDS

Full-time equated classified positions 26.0		
Standards and training/justice training grants—24.0 FTE positions	$	9,175,500
Concealed weapons enforcement training		240,000
Training only to local units—2.0 FTE positions		618,900
Mental health awareness training		100,000
Officer's survivor tuition program		48,500
Public safety officers benefit program		150,000
GROSS APPROPRIATION	$	10,332,900
Appropriated from:		
Interdepartmental grant revenues:		
IDG-MDOC		100,000
Federal revenues:		
DOJ		175,000
Special revenue funds:		
Secondary road patrol and training fund		618,900
Michigan justice training fund		7,948,600
Licensing fees		9,100
Concealed weapons enforcement fee		240,000
State general fund/general purpose	$	1,241,300

Sec. 109. EMERGENCY MANAGEMENT

Full-time equated classified positions 87.5		
Emergency management planning and administration—56.0 FTE positions	$	4,976,900
Grants to local government		2,482,100
FEMA program assistance—6.0 FTE positions		1,936,100
Nuclear power plant emergency planning—6.0 FTE positions		1,529,300
Hazardous materials programs—19.5 FTE positions		51,079,100
GROSS APPROPRIATION	$	62,003,500

		For Fiscal Year Ending Sept. 30, 2010
Appropriated from:		
Federal revenues:		
DOT	$	583,800
DHS		56,161,600
Special revenue funds:		
Nuclear plant emergency planning reimbursement		1,529,300
Hazardous materials training center fees		1,507,600
State general fund/general purpose	$	2,221,200

Sec. 110. POST UNIFORM SERVICES

Full-time equated classified positions 1,492.0		
Uniform services—385.0 FTE positions	$	46,361,300
Capitol security guards—7.0 FTE positions		518,000
Reimbursed services—11.0 FTE positions		1,812,700
At-post troopers—1,089.0 FTE positions		143,803,900
GROSS APPROPRIATION	$	192,495,900
Appropriated from:		
Interdepartmental grant revenues:		
Special revenue funds:		
Criminal justice information center service fees		760,300
Narcotics investigation revenues		1,000,000
Highway safety fund		15,421,800
Traffic law enforcement and safety fund		29,097,100
Trooper school recruitment fund		1,000
State police service fees		1,812,700
State general fund/general purpose	$	144,403,000

Sec. 111. STATEWIDE FIELD OPERATIONS

Full-time equated classified positions 61.0		
Operational support—54.0 FTE positions	$	6,258,100
Aviation program—7.0 FTE positions		1,478,100
GROSS APPROPRIATION	$	7,736,200
Appropriated from:		
Interdepartmental grant revenues:		
IDG-MDCH, crime victim's rights fund		126,400
IDG-MDOC, contract		101,600
Federal revenues:		
Special revenue funds:		
Private donations		273,300
Rental of department aircraft		51,800
State general fund/general purpose	$	7,183,100

Sec. 112. SPECIAL INVESTIGATIONS

Full-time equated classified positions 329.0		
Criminal investigations—217.0 FTE positions	$	30,677,900
Federal antidrug initiatives—49.5 FTE positions		6,650,100
Reimbursed services, materials, and equipment—3.5 FTE positions		2,669,200
Auto theft prevention—13.0 FTE positions		1,794,800
Casino gaming oversight—32.0 FTE positions		4,564,900
Fire investigation—14.0 FTE positions		1,662,900
Fire investigation training to locals		50,000
Parole absconder sweeps		10,500
GROSS APPROPRIATION	$	48,080,300
Appropriated from:		
Interdepartmental grant revenues:		
IDT, auto theft funds		1,409,000
IDG-MDTR, casino gaming fees		4,564,900

		For Fiscal Year Ending Sept. 30, 2010
Federal revenues:		
Federal investigations - reimbursed services	$	758,400
DOJ		3,611,700
Federal narcotics investigation revenues		483,000
Special revenue funds:		
Local - reimbursed services		1,910,800
Narcotics investigation revenues		694,500
Michigan merit award trust fund		610,000
Forfeiture funds		557,600
State general fund/general purpose	$	33,480,400

Sec. 113. TRAFFIC SAFETY

Full-time equated classified positions 229.0		
Motor carrier enforcement—106.0 FTE positions	$	10,568,100
Truck safety enforcement team operations—10.0 FTE positions		1,345,900
Safety inspections—63.0 FTE positions		8,283,200
School bus inspections—15.0 FTE positions		1,432,900
Safety projects—18.0 FTE positions		2,165,000
Traffic services—17.0 FTE positions		5,233,900
GROSS APPROPRIATION	$	29,029,000
Appropriated from:		
Interdepartmental grant revenues:		
IDT, truck safety fund		1,345,900
IDG-MDOT, state trunkline fund		8,706,900
Federal revenues:		
DOT		10,748,100
Special revenue funds:		
Local school bus revenue		1,432,900
Drunk driving prevention and training fund		1,344,800
Motor carrier fees		3,911,100
State general fund/general purpose	$	1,539,300

Sec. 114. INFORMATION TECHNOLOGY

Information technology services and projects		20,627,200
Michigan public safety communications system		12,757,500
GROSS APPROPRIATION	$	33,384,700
Appropriated from:		
Interdepartmental grant revenues:		
IDG-MDTR, casino gaming fees		88,800
IDG-MDOT, state trunkline fund		242,400
IDG, training academy charges		31,300
IDG-MDOS		4,500
IDG-MDTR, emergency telephone fund coordinator		1,800
IDG-MDTR, emergency telephone fund operations		64,100
IDG-auto theft funds		8,300
IDT-truck safety fund		7,400
Federal revenues:		
DOJ		518,400
DHS		570,100
DOT		173,200
Special revenue funds:		
Local - LEIN fees		3,565,800
Local - AFIS fees		39,200
Local - MPSCS subscriber fees		1,563,300
Local - school bus revenue		1,900
Criminal justice information center service fees		4,095,300
Forensic science reimbursement fees		84,800
Michigan justice training fund		38,800
Narcotics investigation revenue		900

	For Fiscal Year Ending Sept. 30, 2010
Nuclear plant emergency planning reimbursement	$ 4,900
Precision driving track fees	300
Secondary road patrol and training fund	387,400
Sex offender registration fund	210,900
State forensic laboratory fund	162,700
Reimbursed services	156,000
Motor carrier fees	583,600
Commercial mobile radio service fees	5,000,000
Traffic law enforcement and safety fund	77,000
Highway safety fund	42,700
Traffic crash revenue	225,500
State general fund/general purpose	$ 15,433,400

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2009-2010 is $398,546,500.00 and state spending from state resources to be paid to local units of government for fiscal year 2009-2010 is $20,366,500.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF STATE POLICE	
OFFICE OF HIGHWAY SAFETY PLANNING	
Secondary road patrol program	$ 13,894,200
MICHIGAN COMMISSION ON LAW ENFORCEMENT STANDARDS	
Training only to local units	$ 410,800
Justice training grants	$ 5,533,700
SPECIAL INVESTIGATIONS	
Fire investigation training for locals	$ 50,000
SUPPORT SERVICES	
Management services	$ 477,800
Total	$ 20,366,500

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

Sec. 203. As used in this act:

(a) "AFIS" means the automated fingerprint identification system.

(b) "Department" means the department of state police.

(c) "DHS" means the United States department of homeland security.

(d) "DNA" means deoxyribonucleic acid.

(e) "DOJ" means the United States department of justice.

(f) "DOT" means the United States department of transportation.

(g) "FEMA" means the federal emergency management agency.

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

(i) "IDG" means interdepartmental grant.

(j) "IDT" means intradepartmental transfer.

(k) “LEIN” means law enforcement information network.

(*l*) “MCOLES” means the Michigan commission on law enforcement standards.

(m) “MDCH” means the Michigan department of community health.

(n) “MDMB” means the Michigan department of management and budget.

(o) “MDOC” means the Michigan department of corrections.

(p) “MDOS” means the Michigan department of state.

(q) “MDOT” means the Michigan department of transportation.

(r) “MDTR” means the Michigan department of treasury.

(s) “MPSCS” means the Michigan public safety communications system.

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

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

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

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

Sec. 208. Unless otherwise specified, the department shall use the Internet to fulfill the reporting requirements of this act. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement or it may include placement of reports on 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 should be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality. In addition, preference should be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 210. The director of each department receiving appropriations in part 1 shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both, for the department. 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. 211. It is the intent of the legislature that personnel of the department who request and are eligible for reimbursement of expenses related to the operation of the department be reimbursed from the appropriations provided in this act within 30 days after submitting a request, or the eligible personnel shall be paid an additional amount equal to 0.75% of the payment due. The department shall pay an additional amount equal to 0.75% of the payment due for the first month and each succeeding month or portion of a month the payment remains past due.

Sec. 213. (1) It is the intent of the legislature that the department shall not provide any subsidy for contractual services it provides.

(2) 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.

(3) Contractual services provided to an entity other than a local unit of government may be provided by department personnel, but only on an overtime basis outside the normal work schedule of the personnel.

(4) This section does not apply to state agencies.

Sec. 214. The departments and agencies receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. The department shall follow all federal guidelines and state laws regarding short-term and long-term retention of records.

Sec. 215. Not later than January 1, 2010, the department shall report to the state police appropriations subcommittees of the house and senate and the house and senate fiscal agencies. The report shall contain the following information regarding the department's activities related to casino gaming oversight during fiscal year 2008-2009:

(a) The amount of money received and expended.

(b) The nature and structure of the casino gaming oversight unit.

(c) The positions and classifications of employees assigned.

(d) The number of full-time and part-time employees and the aggregate number of FTEs.

(e) The number of enlisted and civilian positions.

(f) The duties and responsibilities of the assigned employees.

(g) The immediate past position of the enlisted employees assigned.

Sec. 216. The department shall collect and computerize the vehicle identification number (VIN) of all vehicles that are entered into the state accident data collection system and make this and other vehicle information available to the public at cost. For bulk access to the accident records in which the VIN 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.

Sec. 217. From the funds appropriated in part 1, the department shall maintain a toll-free hotline in collaboration with the department of education. The toll-free hotline shall be operated 24 hours per day, 7 days per week, and shall provide students, school officials, and other individuals an opportunity to report specific threats of imminent school violence or other suspicious or criminal conduct by juveniles to the appropriate local law enforcement entities for investigation. The department may expend funds for the promotion of the hotline.

Sec. 218. (1) Funds appropriated in part 1 for at-post troopers shall only be expended for trooper salaries, wages, benefits, retirement, equipment, supplies, and other expenses directly related to state troopers assigned to general law enforcement duties at a department post, detachment, satellite office, or a resident trooper function.

(2) It is the intent of the legislature that every effort be made to identify funding sufficient to conduct a trooper school for the purpose of working toward the goal of establishing a minimum at-post trooper strength of 1,075 in this state.

(3) The department shall submit quarterly written reports to the senate and house appropriations subcommittees on state police and military and veterans affairs no later than December 1, 2009, March 1, 2010, June 1, 2010, and September 1, 2010 which shall include a trooper strength report and the status of the department's plan for accomplishing the goal of subsection (2). If the department determines that insufficient appropriations exist under part 1 to accomplish the goal of subsection (2), the department shall submit a proposal outlining a plan to accomplish the goal, including an accounting of any additional funding necessary to that end.

Sec. 219. The department of state police shall notify the house and senate appropriations subcommittees on state police and military and veterans affairs and the house and senate fiscal agencies not less than 180 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. 220. The department of state police, in keeping with its role as the general law enforcement agency of the state and as the law enforcement agency of last resort for communities that are either without local law enforcement resources or are seriously underserved by local law enforcement resources, shall provide general law enforcement assistance to those communities until adequate law enforcement services can be provided to those communities by other means.

Sec. 221. The department of state police may pursue entering into an agreement with Calhoun County to build a new facility in Marshall which would serve as a new state police post to replace the current state police post in Battle Creek.

Sec. 223. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2010 shall be limited to situations in which 1 or more of the following conditions apply:

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

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

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

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

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

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

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

(3) Not later than January 1, 2010, each department shall prepare a travel report listing all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the chairs and members of the 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. 224. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 226. The department of state police, in cooperation with the department of information technology and others, shall take steps to encourage the development of state, local, and regional tactical interoperable communication plans with the ultimate goal being to ensure that effective and efficient communication interoperability between radio communication systems of local, regional, state, and federal agencies is established in every area of the state. The department shall provide a written report to the senate and house appropriations subcommittees on state police and military and veterans affairs no later than April 1, 2010 on the current status of reaching this objective. The report shall include an accounting of exactly where within the state desired interoperability has been achieved and what cooperative measures and use of technology were used to achieve this interoperability, and which areas of the state have not yet achieved such status. The report shall also include a description of what strategies need to be employed to ensure that the remaining areas of the state, and the state as a whole, will have a communication system with efficient and effective interoperability, particularly on occasions when a multijurisdictional response to an emergency is warranted.

Sec. 232. The department shall place emphasis on recruiting MCOLES certified police officers for the trooper recruit school. Emphasis shall be given in the hiring process to those officers who are on layoff and possess valid MCOLES certification. Any emphasis given in the recruiting and selection process shall be consistent with the department's hiring standards and in accordance with civil service rules. The department shall report to the chairpersons of the senate and house of representatives standing committees on appropriations the results of its recruitment and selection process, including the actual number of certified officers selected for any recruit school that is held by September 30, 2010.

Sec. 234. 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. 235. (1) If a spending plan for the funds appropriated in part 1 for special operations and events, or sources of financing related to the spending plan, do not provide the level of program service provided for in the current fiscal year, the funds appropriated in part 1 for post uniform services or forensic sciences shall not be used to fund the shortfall.

(2) If a spending plan for the funds appropriated in part 1 for special operations and events, or sources of financing related to the spending plan, are in excess of that necessary to provide the level of program service provided for in the current fiscal year, the department shall take steps to transfer whatever excess funding may exist to the funds appropriated in part 1 for post uniform services and forensic sciences.

Sec. 238. The department of management and budget shall work with the department of state police to reduce building operations and leasing costs for all Michigan state police facilities and to identify efficiencies and savings.

Sec. 239. It is the intent of the legislature that, should funding become available, funds may be appropriated to the department for traffic control purposes at the Michigan international speedway.

Sec. 240. (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 this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $3,500,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

Sec. 242. Not later than September 30, 2010, the department shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the office of the state budget, the chairpersons of the senate and house appropriations committees, and the senate and house fiscal agencies.

Sec. 245. The department shall work cooperatively with the department of human services to coordinate the functions of the state police LEIN system and the department of human services bridges case management system to provide obtainable data that will allow authorized users of the bridges case management system to identify those persons who may be ineligible to receive certain assistance services due to their law enforcement status. The department shall deliver a report on this effort to the senate and house appropriations subcommittees on state police and military and veterans affairs not later than May 1, 2010.

Sec. 253. From the funds appropriated in part 1, the department, working with MDMB, shall use an amount not to exceed $10,000.00 to develop and maintain a publicly accessible Internet site to post all expenditures made by the department for the fiscal year. The posting of expenditures shall include the purpose for which each expenditure was made. The department is not required to hire additional employees to comply with this section.

Sec. 254. On a bimonthly basis, the department shall report on the number of FTEs in pay status by civil service classification to the house and senate appropriations subcommittees on state police and military and veterans affairs and the house and senate fiscal agencies.

Sec. 255. It is the intent of the legislature that the state honor its lease contracts to avoid the depreciation of the state's credit ratings and to uphold credibility with the state's current and future business relationships.

Sec. 256. (1) This state is authorized to acquire title to property for the purpose of providing office space for state agencies by exercising the purchase option in state lease number 11319, and to transfer title to the state building authority, with the approval of the state administrative board, for an amount necessary to pay off any debt instruments that financed the property, in an aggregate cost not to exceed $52,000,000.00. This state is also authorized to pay any ancillary costs including estimated real estate taxes.

(2) All documents regarding the acquisition of the property described in subsection (1) shall be approved by the attorney general.

(3) The acquisition by the state and subsequent conveyance to the state building authority shall conform to the provisions of 1964 PA 183, MCL 830.411 to 830.425.

INFORMATION TECHNOLOGY

Sec. 301. The money appropriated in part 1 for computer services shall be funded by LEIN user fees sufficient to pay 1/3 of the state's service and contract maintenance costs of the LEIN.

Sec. 302. From the funds appropriated in part 1 for information technology, departments and agencies shall pay user fees to the department of information technology for technology-related services and projects. These user fees shall be subject to provisions of an interagency agreement between the department and the department of information technology.

Sec. 303. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 304. A portion of the funds appropriated in part 1 shall be used by the department to produce a written report detailing departmental policies regarding access to and use of information from the LEIN system. The report shall include a description of departmental measures to protect the security of information in the LEIN system including safeguards that would prevent unauthorized persons from obtaining information from the LEIN system. The department shall submit a copy of this report to the senate and house appropriations committees not later than April 1, 2010.

Sec. 305. The criminal justice information systems policy council shall encourage members of the law enforcement agencies in the state to be sensitive to, and note when necessary, activities or circumstances that may suggest the unauthorized access or misuse of information from the LEIN system. The criminal justice information systems policy council shall advise LEIN auditors, as a part of their audit of law enforcement agencies, to investigate in depth all suspected incidents of improper access or improper use of information from the LEIN system and determine whether or not those incidents were illegal. In those incidents that may be determined to be illegal, the executive secretary for the council shall determine whether those incidents were of a negligent or criminal nature. If an incident is determined to be an illegal act, the council shall inform the chairs of both the senate and house appropriations committees.

Sec. 306. (1) The department of state police, working with the criminal justice information systems policy council, shall implement procedures by which all probation information is placed on the LEIN system. The LEIN system shall include information on each probationer, including any probation conditions placed on a probationer and the name of the probation officer assigned to a probationer. The LEIN system shall also include any nonstandard probation terms.

(2) If the department determines that amendments to the code of criminal procedure, 1927 PA 175, MCL 760.1 to 777.69, are required to include all probation information on the LEIN system, the department shall deliver to members of the senate and house appropriations subcommittees on state police and military affairs amendments to the code of criminal procedure, 1927 PA 175, MCL 760.1 to 777.69, that, in the department's view, are necessary to accomplish this goal. These proposed amendments shall be delivered to subcommittee members not later than December 1, 2009.

Sec. 307. The department of state police shall serve as an active liaison between the department of information technology and local public safety agencies to facilitate the use of the Michigan public safety communications system towers by those local public safety agencies that have an interest in using the towers as a part of their own communications system. The department of state police shall deliver a written report to the senate and house appropriations subcommittees on state police and military and veterans affairs by April 1, 2010, which shall include an assessment of the progress toward establishing local public safety agency use of the Michigan public safety communications system towers, an accounting of problems that may be preventing local use of the towers, and any recommendations the department has that may foster this utilization.

Sec. 308. The department of state police shall report any LEIN fee increase to the senate and house appropriations subcommittees on state police and military and veterans affairs 60 days prior to the effective date of that increase. The report shall contain the following information: the current fee structure and the total revenue earned each year; the new fee structure and the total revenue it is expected to earn annually; the total annual cost of the LEIN system; and the total amount of LEIN fees paid by the department under both the old and the new structure.

Sec. 309. From the funds appropriated in part 1 for information technology, the department may develop and issue a request for proposal for the development, implementation, and maintenance of an electronic system for real-time enforcement of section 3101 of the insurance code of 1956, 1956 PA 218, MCL 500.3101.

Sec. 310. It is the intent of the legislature that the Michigan public safety communications system (MPSCS) begin the necessary expansion and upgrade of the system to allow for more local users to utilize the system. The MPSCS shall use restricted fund dollars, federal funds, and other non-general fund/general purpose funds for this purpose.

HIGHWAY SAFETY PLANNING

Sec. 401. On a quarterly basis, the department shall report to the senate and house appropriations subcommittees on state police and military and veterans affairs on the status of assessments collected and authorized under section 629e of the Michigan vehicle code, 1949 PA 300, MCL 257.629e, for the purposes of supporting the secondary road patrol grant program. Each quarterly report shall contain updated information on collection levels, revised projected grant allotments to counties for the year, a comparison of projected collections and grant distribution levels with the funds appropriated in part 1 for the secondary road patrol program, and the extent collection levels have exceeded or failed to meet appropriated levels for the current fiscal year or expenditure levels from the previous fiscal year.

FORENSIC SCIENCES

Sec. 501. (1) The department shall distribute a copy of the department's protocol for retaining and purging DNA analysis samples and records to each police agency in this state.

(2) The department shall report to the house and senate appropriations subcommittees on state police and military and veterans affairs and the house and senate fiscal agencies when any changes to the department's DNA protocol are made.

Sec. 502. The department shall work with the department of community health, the Michigan health and hospital association, the Michigan state medical society, and the Michigan nurses association to ensure that the recommendations included in the "Standard Recommended Procedures for the Emergency Treatment of Sexual Assault Victims" are followed in the collection of evidence.

MICHIGAN COMMISSION ON LAW ENFORCEMENT STANDARDS

Sec. 601. The money appropriated to the MCOLES for maintenance and delivery of training to locals is provided in accordance with a state reimbursement policy in which 100% of the determined state reimbursement rate shall be distributed upon certification by the MCOLES.

Sec. 603. The appropriation in part 1 for mental health awareness training and coordination shall be expended for training law enforcement officers, mental health practitioners, and other criminal justice personnel in effective and safe ways of assisting people with mental illness and directing people with mental disorders to treatment programs.

Sec. 604. From the funds appropriated in part 1 to the Michigan commission on law enforcement standards funds may be used to provide training for motor carrier officers and capitol security officers for the purpose of qualifying them for MCOLES certification.

EMERGENCY MANAGEMENT

Sec. 801. (1) The state director of emergency management may expend money appropriated under this act 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.

(2) In addition to the money appropriated in this act, 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 house and senate appropriations subcommittees on state police and military and veterans affairs and the house and senate fiscal agencies

within 10 days after the approval. The notification shall include the amount and source of the additional authorization, the date of its approval, and the projected use of funds to be expended under the authorization.

Sec. 803. The department's emergency management division shall make every effort to ensure both of the following:

(a) That homeland security grants offered by the federal government and channeled through the department are allocated to first responder entities in the highest percentage possible.

(b) That homeland security grants awarded to the city of Detroit shall not be used to supplant city general funds designated to support first responder operations.

POST UNIFORM SERVICES

Sec. 901. State police enlisted personnel who are employed to enforce traffic laws as provided in section 629e of the Michigan vehicle code, 1949 PA 300, MCL 257.629e, shall not be prohibited from responding to crimes in progress or other emergency situations, and are responsible for protecting every citizen of this state from harm.

Sec. 902. From the funds appropriated in part 1 for capitol security guards, the department shall only use these funds for security services at the state capitol building.

STATEWIDE FIELD OPERATIONS

Sec. 1002. Money privately donated to the department is appropriated under part 1 to be used for the purposes designated by the donor of the money. Money privately donated to the department's canine unit shall be used to purchase equipment and other items to enhance the operation of the canine unit. It is the intent of the legislature that money from private donations not supplant general fund appropriations.

SPECIAL INVESTIGATIONS

Sec. 1101. (1) There is sufficient money appropriated in part 1 to special investigations to ensure that the citizens in a service area of any state police post in the vicinity of a state prison do not experience a downgrading of state police services in their area. Special investigations shall be available by temporary or permanent assignment of a detective when either a temporary or permanent prison facility is opened.

(2) If the department is unable to comply with subsection (1) and there is a prison scheduled to open, the department shall provide troopers to serve as investigators on an interim basis.

Sec. 1102. From the funds appropriated in part 1 for special investigations, the department shall provide a report to the chairpersons of the senate and house of representatives standing committees on appropriations no later than April 1, 2010 concerning methamphetamine-related criminal activities.

MOTOR CARRIER ENFORCEMENT

Sec. 1201. (1) The department shall report to the house and senate appropriations subcommittees on state police and the house and senate fiscal agencies by March 1, 2010 regarding the inspection of school buses and other motor vehicles under section 715a of the Michigan vehicle code, 1949 PA 300, MCL 257.715a, and section 39 of the pupil transportation act, 1990 PA 187, MCL 257.1839. The report shall include the following information regarding inspections conducted in calendar year 2009:

(a) The number of buses and vehicles inspected by the department.

(b) The number of buses and vehicles passing and failing inspection.

(c) The estimated number of buses and vehicles not inspected.

(2) If each school bus within a school system receives a 100% successful state inspection on its first inspection in a given year, the department shall award a certificate to that school system.

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate

Richard J. Brown

Clerk of the House of Representatives

Approved .....

.....

Governor

TRANSPORTATION

Act No. 116
Public Acts of 2009
Approved by the Governor*
October 12, 2009

Filed with the Secretary of State
October 12, 2009

EFFECTIVE DATE: October 12, 2009

*Item Vetoes

Sec. 306. (3)
Entire Subsection. (Page 11)

Sec. 324.
Entire Section. (Page 12)

Sec. 729.
Entire Section. (Page 17)

STATE OF MICHIGAN
95TH LEGISLATURE
REGULAR SESSION OF 2009

Introduced by Senator Hardiman

ENROLLED SENATE BILL No. 254

AN ACT to make appropriations for the state transportation department and certain transportation purposes for the fiscal year ending September 30, 2010; to provide for the imposition of fees; to provide for reports; to create certain funds and programs; to prescribe requirements for certain railroad and bus facilities; to prescribe certain powers and duties of certain state departments and officials and local units of government; and to provide for the expenditure of the appropriations.

The People of the State of Michigan enact:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the state transportation department and certain state purposes designated in this act for the fiscal year ending September 30, 2010, from the funds indicated in this part. The following is a summary of the appropriations in this part:

STATE TRANSPORTATION DEPARTMENT

APPROPRIATION SUMMARY		
Full-time equated unclassified positions	6.0	
Full-time equated classified positions	3,008.3	
GROSS APPROPRIATION		$ 3,257,748,000
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION		$ 3,257,748,000
Federal revenues:		
DOT, federal transit act		59,062,100
DOT-FHWA, highway research, planning, and construction		1,060,167,700
DOT-FRA, local rail service assistance		100,000
DOT-FRA, rail passenger/HSGT		3,000,000
DOT, federal aviation administration		104,874,700
Total federal revenues		1,227,204,500
Special revenue funds:		
Total local and private revenues		56,073,400
Blue Water Bridge fund		14,706,300
Comprehensive transportation fund		230,507,500
Economic development fund		43,515,000

		For Fiscal Year Ending Sept. 30, 2010
Intercity bus equipment fund	$	2,000,000
Local bridge fund		30,223,700
Michigan transportation fund		968,927,500
Rail freight fund		2,000,000
State aeronautics fund		14,869,000
State trunkline fund		667,721,100
Total other state restricted revenues		1,974,470,100
State general fund/general purpose	$	0

Sec. 102. DEBT SERVICE

State trunkline	$	203,625,200
Economic development		9,228,200
Local bridge fund		3,318,700
Blue Water Bridge fund		2,149,600
Airport safety and protection plan		3,472,400
Comprehensive transportation		29,843,200
GROSS APPROPRIATION	$	251,637,300
Appropriated from:		
Federal revenues:		
DOT-FHWA, highway research, planning, and construction		58,163,500
Special revenue funds:		
Blue Water Bridge fund		2,149,600
Comprehensive transportation fund		29,843,200
Economic development fund		9,228,200
Local bridge fund		3,318,700
State aeronautics fund		3,472,400
State trunkline fund		145,461,700
State general fund/general purpose	$	0

Sec. 103. COLLECTION, ENFORCEMENT, AND OTHER AGENCY SUPPORT SERVICES

MTF grant to department of environmental quality	$	1,087,100
MTF grant to department of state for collection of revenue and fees		20,000,000
MTF grant to department of treasury		7,440,700
MTF grant to legislative auditor general		204,300
STF grant to department of attorney general		2,867,400
STF grant to civil service commission		5,697,000
STF grant to department of history, arts, and libraries		83,100
STF grant to department of management and budget		1,105,200
STF grant to department of state police		9,808,000
STF grant to department of treasury		179,100
STF grant to legislative auditor general		474,600
SAF grant to department of attorney general		160,300
SAF grant to civil service commission		150,000
SAF grant to department of history, arts, and libraries		1,900
SAF grant to department of management and budget		22,800
SAF grant to department of treasury		74,700
SAF grant to legislative auditor general		19,600
CTF grant to department of attorney general		162,400
CTF grant to civil service commission		200,000
CTF grant to department of history, arts, and libraries		2,700
CTF grant to department of management and budget		32,100
CTF grant to department of treasury		4,100
CTF grant to legislative auditor general		25,200
GROSS APPROPRIATION	$	49,802,300
Appropriated from:		
Special revenue funds:		
Comprehensive transportation fund		426,500

		For Fiscal Year Ending Sept. 30, 2010
Michigan transportation fund	$	28,732,100
State aeronautics fund		429,300
State trunkline fund		20,214,400
State general fund/general purpose	$	0

Sec. 104. EXECUTIVE DIRECTION

Full-time equated unclassified positions 6.0		
Full-time equated classified positions 31.3		
Unclassified salaries	$	602,800
Asset management council		1,626,400
Commission audit—31.3 FTE positions		3,574,600
GROSS APPROPRIATION	$	5,803,800
Appropriated from:		
Special revenue funds:		
Michigan transportation fund		1,626,400
State trunkline fund		4,177,400
State general fund/general purpose	$	0

Sec. 105. BUSINESS SUPPORT

Full-time equated classified positions 57.0		
Business support services—48.0 FTE positions	$	6,050,900
Economic development and enhancement programs—9.0 FTE positions		1,175,200
Property management		8,642,100
Worker's compensation		1,726,700
GROSS APPROPRIATION	$	17,594,900
Appropriated from:		
Special revenue funds:		
Comprehensive transportation fund		1,102,900
Economic development fund		482,700
Michigan transportation fund		185,000
State aeronautics fund		549,600
State trunkline fund		15,274,700
State general fund/general purpose	$	0

Sec. 106. INFORMATION TECHNOLOGY

Information technology services and projects	$	29,313,200
GROSS APPROPRIATION	$	29,313,200
Appropriated from:		
Federal revenues:		
DOT-FHWA, highway research, planning, and construction		510,800
Special revenue funds:		
Blue Water Bridge fund		48,200
Comprehensive transportation fund		188,800
Economic development fund		37,100
Michigan transportation fund		249,400
State aeronautics fund		147,400
State trunkline fund		28,131,500
State general fund/general purpose	$	0

Sec. 107. FINANCE, CONTRACTS, AND SUPPORT SERVICES

Full-time equated classified positions 243.5		
Financial operations—80.0 FTE positions	$	8,029,600
Contract services—53.6 FTE positions		5,130,500
Department services—41.9 FTE positions		5,351,400
Performance excellence—13.0 FTE positions		1,560,300
Welcome center operations—55.0 FTE positions		4,986,500
GROSS APPROPRIATION	$	25,058,300

		For Fiscal Year Ending Sept. 30, 2010
Appropriated from:		
Special revenue funds:		
Michigan transportation fund	$	1,625,200
State trunkline fund		23,433,100
State general fund/general purpose	$	0
Sec. 108. TRANSPORTATION PLANNING		
Full-time equated classified positions 176.0		
Statewide planning services—124.0 FTE positions	$	13,536,200
Data collection services—52.0 FTE positions		5,893,400
Specialized planning services and local studies		16,698,200
Grants to regional planning councils		488,800
GROSS APPROPRIATION	$	36,616,600
Appropriated from:		
Federal revenues:		
DOT-FHWA, highway research, planning, and construction		22,000,000
Special revenue funds:		
Comprehensive transportation fund		960,300
Michigan transportation fund		6,304,500
State aeronautics fund		75,000
State trunkline fund		7,276,800
State general fund/general purpose	$	0
Sec. 109. DESIGN AND ENGINEERING SERVICES		
Full-time equated classified positions 1,494.8		
Engineering services—787.1 FTE positions	$	62,992,700
Program services—695.7 FTE positions		40,423,400
Intelligent transportation systems operations—12.0 FTE positions		10,785,400
GROSS APPROPRIATION	$	114,201,500
Appropriated from:		
Federal revenues:		
DOT-FHWA, highway research, planning, and construction		23,529,800
Special revenue funds:		
Michigan transportation fund		5,835,200
State trunkline fund		84,836,500
State general fund/general purpose	$	0
Sec. 110. HIGHWAY MAINTENANCE		
Full-time equated classified positions 834.7		
State trunkline operations—834.7 FTE positions	$	136,667,800
Contract operations		149,860,300
GROSS APPROPRIATION	$	286,528,100
Appropriated from:		
Special revenue funds:		
State trunkline fund		286,528,100
State general fund/general purpose	$	0
Sec. 111. ROAD AND BRIDGE PROGRAMS		
State trunkline federal aid and road and bridge construction	$	794,418,800
Local federal aid and road and bridge construction		248,751,000
Grants to local programs		33,000,000
Rail grade crossing		3,000,000
Local bridge program		26,905,000
County road commissions		568,937,400
Cities and villages		317,208,000
GROSS APPROPRIATION	$	1,992,220,200
Appropriated from:		
Federal revenues:		
DOT-FHWA, highway research, planning, and construction		955,963,600

		For Fiscal Year Ending Sept. 30, 2010
Special revenue funds:		
Local funds	$	30,000,000
Blue Water Bridge fund		7,107,300
Local bridge fund		26,905,000
Michigan transportation fund		922,145,400
State trunkline fund		50,098,900
State general fund/general purpose	$	0

Sec. 112. BLUE WATER BRIDGE

Full-time equated classified positions 41.0		
Blue Water Bridge operations—41.0 FTE positions	$	5,401,200
GROSS APPROPRIATION	$	5,401,200
Appropriated from:		
Special revenue funds:		
Blue Water Bridge fund		5,401,200
State general fund/general purpose	$	0

Sec. 113. TRANSPORTATION ECONOMIC DEVELOPMENT

Forest roads	$	5,040,000
Rural county urban system		2,500,000
Target industries/economic redevelopment		8,863,400
Urban county congestion		8,681,800
Rural county primary		8,681,800
GROSS APPROPRIATION	$	33,767,000
Appropriated from:		
Special revenue funds:		
Economic development fund		33,767,000
State general fund/general purpose	$	0

Sec. 114. AERONAUTICS AND FREIGHT SERVICES

Full-time equated classified positions 84.0		
Airport improvement services—30.0 FTE positions	$	2,936,000
Aviation services—26.0 FTE positions		4,267,100
Freight and safety services—28.0 FTE positions		3,562,700
Air service program		464,600
GROSS APPROPRIATION	$	11,230,400
Appropriated from:		
Special revenue funds:		
Comprehensive transportation fund		1,541,400
Michigan transportation fund		2,021,300
State aeronautics fund		7,667,700
State general fund/general purpose	$	0

Sec. 115. PUBLIC TRANSPORTATION SERVICES

Full-time equated classified positions 46.0		
Passenger transportation services—46.0 FTE positions	$	5,455,400
GROSS APPROPRIATION	$	5,455,400
Appropriated from:		
Federal revenues:		
DOT, federal transit act		762,100
Special revenue funds:		
Comprehensive transportation fund		4,490,300
Michigan transportation fund		203,000
State general fund/general purpose	$	0

Sec. 116. BUS TRANSIT DIVISION: STATUTORY OPERATING

Local bus operating	$	166,624,000
Nonurban operating/capital		21,800,000
GROSS APPROPRIATION	$	188,424,000

		For Fiscal Year Ending Sept. 30, 2010
Appropriated from:		
Federal revenues:		
DOT, federal transit act	$	21,000,000
Special revenue funds:		
Comprehensive transportation fund		166,624,000
Local funds		800,000
State general fund/general purpose	$	0
Sec. 117. INTERCITY PASSENGER AND FREIGHT		
Freight property management	$	1,000,000
Detroit/Wayne County port authority		468,200
Intercity services		7,250,000
Rail passenger service		8,667,000
Freight preservation and development		3,364,200
Marine passenger service		400,000
Terminal development		150,000
GROSS APPROPRIATION	$	21,299,400
Appropriated from:		
Federal revenues:		
DOT, federal transit act		4,500,000
DOT-FRA, local rail service assistance		100,000
DOT-FRA, rail passenger/HSGT		3,000,000
Special revenue funds:		
Local funds		50,000
Comprehensive transportation fund		9,649,400
Intercity bus equipment fund		2,000,000
Rail freight fund		2,000,000
State general fund/general purpose	$	0
Sec. 118. PUBLIC TRANSPORTATION DEVELOPMENT		
Specialized services	$	7,248,100
Municipal credit program		1,873,000
Bus capital		38,178,200
Van pooling		195,000
Service initiatives		1,050,000
Transportation to work		9,136,400
GROSS APPROPRIATION	$	57,680,700
Appropriated from:		
Federal revenues:		
DOT, federal transit act		32,800,000
Special revenue funds:		
Local funds		9,200,000
Comprehensive transportation fund		15,680,700
State general fund/general purpose	$	0
Sec. 119. CAPITAL OUTLAY		
(1) BUILDINGS AND FACILITIES		
Special maintenance, remodeling, and additions	$	2,288,000
GROSS APPROPRIATION	$	2,288,000
Appropriated from:		
Special revenue funds:		
State trunkline fund		2,288,000
State general fund/general purpose	$	0
(2) AIRPORT IMPROVEMENT PROGRAMS		
Airport safety, protection, and improvement program	$	123,425,700
GROSS APPROPRIATION	$	123,425,700
Appropriated from:		
Federal revenues:		
DOT, federal aviation administration		104,874,700

	For Fiscal Year Ending Sept. 30, 2010
Special revenue funds:	
Local funds	$ 16,023,400
State aeronautics fund	2,527,600
State general fund/general purpose	$ 0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2009-2010 is $1,974,470,100.00 and state spending from state resources to be paid to local units of government for fiscal year 2009-2010 is $1,165,761,700.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF TRANSPORTATION	
Grants to local programs	$ 33,000,000
Economic development fund	33,767,000
Grants to cities and villages	317,208,000
Grants to county road commissions	568,937,400
Local bridge fund	26,905,000
Grants to regional planning councils	488,800
Local bus operating	166,624,000
Bus capital	5,178,200
Marine passenger service	400,000
Detroit/Wayne County port authority	468,200
Municipal credit program	1,873,000
Specialized services	3,848,100
Transportation to work	4,536,400
Airport safety, protection, and improvement program	2,527,600
Total payments to local units of government	$ 1,165,761,700

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

Sec. 203. As used in this act:

(a) "CTF" means comprehensive transportation fund.

(b) "Department" means the department of transportation.

(c) "DOT" means the United States department of transportation.

(d) "DOT-FHWA" means DOT, federal highway administration.

(e) "DOT-FRA" means DOT, federal railroad administration.

(f) "DOT-FRA, rail passenger/HSGT" means DOT, federal railroad administration, high-speed ground transportation.

(g) "EDF" means economic development fund.

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

(i) "MTF" means Michigan transportation fund.

(j) "RIF" means recreation improvement fund.

(k) "SAF" means state aeronautics fund.

(*l*) "STF" means state trunkline fund.

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

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

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

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

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $40,000,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

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

Sec. 207. When beginning any effort to privatize, the department shall submit a complete project plan to the house of representatives and senate appropriations subcommittees on transportation, the state budget office, and the house and senate fiscal agencies. The plan shall include the rationale for privatization, including a cost-benefit analysis if appropriate. The evaluation shall be completed and submitted to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies. As used in this section, "privatize" or "privatization" means the transfer of state highway maintenance or activities currently performed by department forces, or by boards of county road commissioners, county boards of commissioners, or local units of government under contract with the department, to private contractors.

Sec. 208. Unless otherwise specified, the department shall use the Internet to fulfill the reporting requirements of this act. This 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 of each department receiving appropriations in part 1 shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. The director shall encourage firms with which the department contracts to subcontract with certified businesses in deprived and depressed communities for services, supplies, or both.

Sec. 211. The departments and state agencies receiving appropriations under this act shall receive and retain copies of all reports funded from appropriations in part 1. These departments and state agencies shall follow federal and state guidelines for short-term and long-term retention of these reports and records.

Sec. 258. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 259. From the funds appropriated in part 1 for information technology, the department shall pay user fees to the department of information technology for technology-related services and projects. The user fees shall be subject to provisions of an interagency agreement between the department and the department of information technology.

Sec. 260. (1) Due to the current budgetary problems in this state, 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) If out-of-state travel is necessary but does not meet 1 or more of the conditions in subsection (1), the state budget director may grant an exception to allow the travel. Any exceptions granted by the state budget director shall be reported on a monthly basis to the house and senate appropriations committees.

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

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

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

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

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

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

Sec. 261. A department or state agency shall not take disciplinary action against an employee for communicating with a member of the legislature or their staff.

Sec. 262. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those activities that the attorney general authorizes.

Sec. 263. (1) The department shall report no later than April 1, 2010 on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year to the house and senate appropriations subcommittees on the budget for the department, the joint committee on administrative rules, and the senate and house fiscal agencies.

(2) Funds appropriated in part 1 shall not be used by the department to adopt a rule that will apply to a small business and that will have a disproportionate economic impact on small businesses because of the size of those businesses if the department fails to reduce the disproportionate economic impact of the rule on small businesses as provided under section 40 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

(3) As used in this section:

(a) "Rule" means that term as defined under section 7 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.207.

(b) "Small business" means that term as defined under section 7a of the administrative procedures act of 1969, 1969 PA 306, MCL 24.207a.

Sec. 264. The department shall continue its efforts to implement continuous process improvement programs. On or before March 1, 2010, the department shall report to the state budget director, the house and senate appropriations subcommittees on transportation, and the house and senate fiscal agencies on department activities to increase efficiency

in the delivery of core programs. The report shall include a description of activities of the performance excellence section in identifying and implementing business process improvements.

Sec. 265. 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 that 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 more than 1 issue in which 1 employee from the department does not have expertise.

Sec. 266. From the funds appropriated in part 1, the department shall use an amount not to exceed $10,000.00 to develop, post, and maintain, on a publicly accessible Internet site, all expenditures made by the agency within a fiscal year. The posting must include the purpose for which each expenditure is made. The department shall not be required to hire additional employees to comply with this section.

DEPARTMENTAL SECTIONS

Sec. 301. (1) The department may establish a fee schedule and collect fees sufficient to cover the costs to issue the permits that the department is authorized by law to issue upon request, unless otherwise stipulated by law. All permit fees are nonrefundable application fees and shall be credited to the appropriate fund to recover the direct and indirect costs of receiving, reviewing, and processing the requests.

(2) A bridge authority shall hold 3 public hearings on an increase in any toll charged by the authority at least 30 days before the toll change will become effective. Two of the hearings shall be held within 5 miles of the bridge over which the bridge authority has jurisdiction. One hearing shall be held in Lansing. Public hearings held under this section shall be conducted in accordance with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275, and shall be conducted so as to provide a reasonable opportunity for public comment, including both spoken and written comments.

Sec. 303. On request, the department shall provide to a legislator, in writing, a report on the amount of money to be received by each city and village and the county road commission of each county, that is included in whole or in part within the legislator's legislative district.

Sec. 304. If, as a requirement of bidding on a highway project, the department requires a contractor to submit financial or proprietary documentation as to how the bid was calculated, that bid documentation shall be kept confidential and shall not be disclosed other than to a department representative without the contractor's written consent. The department may disclose the bid documentation if necessary to address or defend a claim by a contractor.

Sec. 305. The department shall 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 the property.

Sec. 306. (1) The amounts appropriated in section 103 to support tax and fee collection, law enforcement, and other program services provided to the department and to transportation funds by other state departments shall be expended from transportation funds pursuant to annual contracts between the department and those other state departments. The contracts shall be executed prior to the expenditure or obligation of those funds. The contracts shall provide, but are not limited to, the following data applicable to each state department:

(a) Estimated costs to be recovered from transportation funds.

(b) Description of services provided to the department and/or transportation funds and financed with transportation funds.

(c) Detailed cost allocation methods appropriate to the type of services being provided and the activities financed with transportation funds.

(2) Not later than 2 months after publication of the state of Michigan comprehensive annual financial report, each state department receiving funding pursuant to an interdepartment contract with the department shall submit a written report to the department, the state budget director, and the house and senate fiscal agencies stating by spending authorization account the amount of estimated funds contracted with the department, the amount of funds expended, the amount of funds returned to the transportation funds, and any unreimbursed transportation-related costs incurred but not billed to transportation funds. A copy of the report shall be submitted to the auditor general, and the report shall be subject to audit by the auditor general as provided in subsection (4).

(3) In addition to the requirements of subsection (2), the state treasurer shall develop a cost allocation plan to identify the actual costs of work based on time and effort performed by the Michigan department of treasury for state restricted transportation funds. The cost allocation plan shall specifically identify the costs of collecting constitutionally restricted motor fuel taxes. The cost allocation plan shall be submitted to the senate and house of representatives standing committees on appropriations subcommittees on general government, the senate and house fiscal agencies, the auditor general, and the state budget director by November 1. The cost allocation plan shall be subject to audit by the auditor general.

(4) Biennially, in each even-numbered fiscal year, the auditor general shall conduct an audit of charges to transportation funds by state departments for the 2 preceding fiscal years. The audit shall include both charges governed by interdepartmental contracts as well as miscellaneous charges from other state departments not governed by contracts. The auditor general shall prepare a detailed report, with recommendations and conclusions, including a summary of charges and related services to transportation funds by department, the appropriateness of those charges, the cost allocation methodologies used in determining the level of funding, and any unreimbursed transportation-related costs, if any. The report shall be provided to the senate and house of representatives committees on appropriations, the senate and house fiscal agencies, and the state budget director 9 months after publication of the state of Michigan comprehensive annual financial report.

Sec. 307. Before March 1 of each year, the department will provide to the legislature, the state budget office, and the house and senate fiscal agencies its rolling 5-year plan listing by county or by county road commission all highway construction projects for the fiscal year and all expected projects for the ensuing fiscal years.

Sec. 308. The department and local road agencies that receive appropriations under this act shall pursue compliance with contract specifications for construction and maintenance of state highways and local roads and streets. Work shall not be accepted and paid for until it complies with contract requirements. Contractors with unsatisfactory performance ratings shall be restricted from future bidding through the prequalification process established by the department or a local road agency. The department, county road commissions, and cities and villages shall report to the house of representatives and senate appropriations subcommittees on transportation, the senate and house fiscal agencies, and the state budget director on their respective activities under this section.

Sec. 309. The department shall continue its efforts to reduce administrative costs and provide the maximum funding possible for construction projects.

Sec. 310. The department shall provide in a timely manner copies of the agenda and approved minutes of monthly transportation commission meetings to the members of the house and senate appropriations subcommittees on transportation, the house and senate fiscal agencies, and the state budget director.

Sec. 312. 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. 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.

Sec. 314. The department shall provide a report prepared by the department's internal auditor on the activities of the internal auditor for the previous fiscal year. The report shall be due on February 1 of each year and shall be submitted to the senate and house of representatives appropriations committees, the senate and house fiscal agencies, the director of the state budget office, and the auditor general. This report shall include a list of all of the following:

(a) All work activities conducted by the internal auditor, including a listing of all audits, reviews, and investigations.

(b) The time charged to each work activity, including time charged to each audit, review, or investigation.

(c) A listing of which audits, reviews, and investigations have been completed and which audits, reviews, and investigations have had reports of the results issued.

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. 324. From the funds appropriated in part 1, $500,000.00 from the state trunkline fund shall be used for enhanced construction zone traffic law enforcement and the "give 'em a brake" campaign. The funding shall be used to reimburse law enforcement agencies for costs associated with construction zone traffic enforcement. The funding shall be provided based on approved memoranda of understanding between the department and participating law enforcement agencies.

Sec. 334. The department shall continue its program to increase the use of women- and minority-owned businesses in state and local road construction projects. This program shall comprise, at a minimum, outreach and education efforts to inform women- and minority-owned firms of department competitive bidding processes and requirements, and an assessment of the availability of surety for women- and minority-owned businesses. The department shall report by September 30 of each year to the house and senate appropriations subcommittees on transportation and the house and senate fiscal agencies of its progress in complying with this section.

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. 358. On a bimonthly basis, the department shall report on the number of FTEs in pay status by civil service classification to the house and senate appropriations subcommittees on transportation and the house and senate fiscal agencies.

Sec. 374. The department shall produce and distribute all employee newsletters electronically.

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. No later than March 1 of each year, the department shall report to the senate and house appropriations subcommittees on transportation on the status of the 17 projects that were initially deferred in the department's 5-year plan in 2003 and subsequently restored.

Sec. 383. (1) The department shall prepare a quarterly report on all travel by executive branch employees, and others including local public officials, university employees, and other public employees on department-owned aircraft. The report shall include, by department, the name of the traveler, the travel origination location, the travel destination location, type of aircraft, and the 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.

(3) 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 employees on related official state business.

(4) The department shall maintain a system for recovering the cost of operating department-owned aircraft through charges to aircraft users.

Sec. 384. (1) The department may continue with preliminary legal, financial, traffic and revenue study, permitting, engineering, and other ancillary work for the Detroit River International Crossing (DRIC) so that it can solicit from the private sector requests for proposals for public-private partnerships to construct the bridge, plaza, and related infrastructure. The department shall submit proposals to the legislature by May 1, 2010. Those activities associated with the DRIC project shall not bind the state in any way to construction.

(2) The department shall submit an investment grade traffic study to the legislature by May 1, 2010 from a reputable traffic company with appropriate experience intended to provide a detailed traffic projection for the ensuing 10 years, taking into account projected infrastructure modifications, expansions, and improvements announced.

(3) The department shall not expend more than $2,500,000.00 from state transportation revenue sources for activities enumerated in this section.

(4) It is the intent of the legislature to fully adopt or reject authorizing legislation by the full legislative bodies by June 1, 2010 to do all of the following:

(a) Construct a new international crossing jointly and in agreement with Canada.

(b) Create an authorized tolling authority.

(c) Create a public-private partnership.

Sec. 393. 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 mid-life rehabilitation of transit buses.

(b) Coordination with the Michigan economic development corporation to promote transition of bus fleets hybrid transit vehicles with a view to promotion of fuel economy.

(c) 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.

(d) Coordination of transportation dollars among state departments which provide transit-related services, including the department of human services and the department of community health. Priority should be given to use of public transportation services where available.

(e) 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.

Sec. 394. (1) From the funds appropriated in part 1, the department shall conduct a study of the current statutory formulae for the distribution of state and federal revenue for surface transportation programs. The study shall include an analysis of alternative distribution strategies and a discussion of the extent to which current and alternative distribution formulae contribute to statewide transportation goals. The study shall include all of the following:

(a) A discussion of alternative distribution strategies for state and local road and street programs, including distribution methods based on vehicle miles traveled as compared to lane miles. The study shall include a comparison of vehicle miles traveled to lane miles for the sampled geographical areas as well as comparisons to other states and an evaluation of best practices.

(b) A discussion of alternative methods of distributing state operating assistance for local bus transit programs, including an analysis of incentives for those agencies which demonstrate efficient use of resources and increasing ridership levels.

(c) An analysis of the fiscal impact of alternative strategies to individual transit and road agencies.

(2) The department shall deliver a report on the findings of the study by March 1, 2010 to the house and senate appropriations subcommittees on transportation, the house and senate transportation committees, the house and senate fiscal agencies, and the state budget director.

Sec. 395. It is the intent of the legislature that the department assume jurisdiction of county road C-56 between US-31 at Charlevoix and M-75 at Boyne City in Charlevoix County.

Sec. 398. For the fiscal year ending September 30, 2010, the appropriation to a street railway pursuant to section 10e(22) of 1951 PA 51, MCL 247.660e, is $0.

Sec. 399. It is the intent of the legislature that the department and local road agencies that receive appropriations under this act work to develop and adopt complete street policies. In planning, design, construction, maintenance, and operation of streets and highways, the department and local road agencies shall adhere to the adopted complete street policy. The department shall provide assistance to and coordinate with local road agencies and metropolitan planning organizations in developing complete street policies, including the development of model complete street policies. As used in this section:

(a) "Complete street" means a roadway that accommodates all travelers, particularly public transit users, bicyclists, pedestrians (including individuals of all ages and individuals with mobility, sensory, neurological, or hidden disabilities), and motorists, to enable all travelers to use the roadway safely and efficiently.

(b) "Complete street policy" means a state or local law, ordinance, or policy that ensures the adequate accommodation, in all phases of project planning and development, of all users of the transportation system, including pedestrians, bicyclists, public transit users, children, older individuals, motorists, and individuals with disabilities, and the consideration of the safety and convenience of all users in all phases of project planning and development.

FEDERAL

Sec. 401. Within 30 days of receiving the applicable fiscal year authorization from the federal government to commit transportation funds, the department shall notify local agency representatives, the senate and house of representatives appropriations transportation subcommittees, the senate and house fiscal agencies, and the state budget director regarding the amount of federal aid for categorical allocations to state and local agency programs not specifically allocated in either federal or state law.

Sec. 402. A portion of the federal DOT-FHWA highway research, planning, and construction funds made available to the state shall be allocated to transportation programs administered by local jurisdictions in accordance with section 10o of 1951 PA 51, MCL 247.660o. A local road agency, with respect to a project approved for federal aid funding in a state transportation improvement program, may enter into a voluntary buyout agreement with the department or with another local road agency to exchange the federal aid with state restricted transportation funds as agreed to by the respective parties. The state restricted transportation funds received in exchange for federal aid funds shall be used for the same purpose as the federal aid funds were originally intended.

MICHIGAN TRANSPORTATION FUND

Sec. 501. The money received under the motor carrier act, 1933 PA 254, MCL 475.1 to 479.43, and not appropriated to the department of energy, labor, and economic growth or the department of state police is deposited in the Michigan transportation fund.

Sec. 502. The department of treasury shall perform audits and make investigations of the disposition of all state funds received by county road commissions or county boards of commissioners, as applicable, and cities and villages for transportation purposes to determine compliance with the terms and conditions of 1951 PA 51, MCL 247.651 to 247.675. County road commissions or county boards of commissioners, as applicable, and cities and villages shall make available to the department of treasury the pertinent records for the audit.

Sec. 503. (1) The funds appropriated in part 1 for the economic development and 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) The department of transportation economic development fund and local bridge fund may receive and expend federal, local, or private funds or restricted source funds such as interest earnings for projects that are consistent with the programmatic mission of the respective funds in addition to funds appropriated in part 1.

(4) None of the funds statutorily dedicated to the transportation economic development fund and local bridge fund shall be diverted to other projects.

Sec. 504. Funds from the Michigan transportation fund (MTF) shall be distributed to the comprehensive transportation fund (CTF), the economic development fund (EDF), the recreation improvement fund (RIF), and the state trunkline fund (STF), in accordance with this act 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 act, 1951 PA 51, MCL 247.651 to 247.675, and part 711 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.71101 to 324.71108.

STATE TRUNKLINE FUND

Sec. 601. The department shall work with the road construction industry and engineering consulting community to develop performance and road construction warranties for construction contracts. The development of warranties shall include warranties on materials, workmanship, performance criteria, and design/build projects. The department will report by September 30 of each calendar year to the house of representatives and senate appropriations subcommittees on transportation, the state budget director, and the house and senate fiscal agencies on the status of efforts to develop performance and road construction warranties.

Sec. 602. If the department uses manufactured pipe for road construction drainage, the department shall require that pipe used under certain load-bearing conditions beneath the roadway meets the standards established by the American society for testing and materials (ASTM) or American association of state highway and transportation officials (AASHTO). The department may also use the mandrel test for manufactured pipe 60 days after installation and

provide a summary of the results of these inspections to the house of representatives and senate appropriations subcommittees on transportation and house and senate fiscal agencies.

Sec. 603. The department shall use traffic congestion as 1 of the criteria in determining the priorities for designating which roads shall be remediated in its 5-year road plan, which must be submitted on or before March 1 of each year. Criteria for evaluating traffic congestion shall include, but not be limited to, coordination with local, county, and regional planning, improvement in traffic operations, improvement in physical roadway conditions, accident reduction, and coordination with area public transportation planning.

Sec. 607. It is the intent of the legislature that the Michigan department of transportation work to add a southbound entrance ramp at the interchange of I-75 at Corunna Road in the charter township of Flint.

Sec. 608. From the amounts appropriated in part 1 for forest roads from the transportation economic development fund, $40,000.00 shall be used for the purpose of establishing 2 additional truck inspection stations. The department shall work directly with representatives of the timber industry to educate truck drivers on the use of the stations. The department shall report on the status of this program.

Sec. 610. It is the intent of the legislature that the department have as a priority the removal of dead deer and other large animal remains from the traveled portion and shoulder of state highways. The department, and counties that perform state highway maintenance under contract, shall remove animal remains, wherever practicable, away from the traveled portion and shoulder of state highways.

Sec. 612. The department shall establish guidelines governing incentives and disincentives provided under contracts for state trunkline projects. The guidelines shall include specific financial information concerning incentives and disincentives. On or before January 1 of each year, the department shall prepare a report for the immediately preceding fiscal year regarding contract incentives and disincentives. This report shall include a list, by project, of the contractors that received contract incentives and/or disincentives, the amount of the incentives and/or disincentives, and the number of days that each project was completed either ahead or past the contracted completion date. This report shall be provided to the senate and house appropriations subcommittees on transportation, the senate and house standing committees on transportation, and the senate and house fiscal agencies.

Sec. 615. It is the intent of the legislature that the department shall proceed with the construction of a full interchange at the intersection of M-48 and I-75 in Chippewa County. It is the intent of the legislature that the department develop design plans and award the construction contract for this project during the fiscal year ending September 30, 2010.

Sec. 654. It is the intent of the legislature that the Mackinac Bridge Authority work to protect the long-term viability of the Mackinac Bridge.

Sec. 655. It is the intent of the legislature that the department expend not less than $32,000.00 for a safe routes to schools project in Eaton Rapids, Michigan, involving extension of and improvements to sidewalks along North State Street from Gould to beyond Greyhound Drive, as well as connecting streets in neighborhoods near Eaton Rapids High School, Eaton Rapids Middle School, Greyhound Intermediate School, and Lockwood Elementary School.

Sec. 656. It is the intent of the legislature that the department upgrade that section of M-49 from M-99 to US-12 to standards necessary for designation as a designated highway as provided under sections 717 and 718 of the Michigan vehicle code, 1949 PA 300, MCL 257.717 and 257.718, and for inclusion as a "green" special designated highway on the department's truck operator's map.

Sec. 658. It is the intent of the legislature that the department proceed with the reconstruction of the interchange at I-196 and Phoenix Road in South Haven.

Sec. 659. For pavement projects for which there are no Michigan actual historic project maintenance, repair, and resurfacing schedules and costs as recorded by the pavement management system, the department may use actual historical and comparable data for equivalent designs from states with similar climates, soil structures, and vehicle traffic.

Sec. 660. The legislature encourages the department to examine the use of alternative road surface materials, including recycled materials, and to develop criteria and specifications for its use in both department-managed and contracted projects.

Sec. 661. It is the intent of the legislature that the department complete engineering design work and right-of-way acquisitions for the proposed expressway project along US-127 from St. Johns in Clinton County to Ithaca in Gratiot County.

COMPREHENSIVE TRANSPORTATION FUND

Sec. 701. Money that is received by the state as a lease payment for state-owned intercity bus equipment is not money to be deposited in the comprehensive transportation fund under section 10b of 1951 PA 51, MCL 247.660b, but is money that is deposited in an intercity bus equipment fund for appropriation for the purchase and repair of intercity bus equipment. Proceeds received by the state from the sale of intercity bus equipment are deposited in an intercity bus equipment fund for appropriation for the purchase and repair of intercity bus equipment. Security deposits from the lease of state-owned intercity bus equipment not returned to the lessee of the equipment under terms of the lease agreement are deposited in an intercity bus equipment fund for appropriation for the repair of intercity bus equipment. At the close of the fiscal year, any funds remaining in the intercity bus equipment fund shall remain in the fund and be carried forward into the succeeding fiscal year.

Sec. 702. Money that is received by the state as repayment for loans made for rail or water freight capital projects, and as a result of the sale of property or equipment used or projected to be used for rail or water freight projects shall be deposited in the fund created by section 17 of the state transportation preservation act of 1976, 1976 PA 295, MCL 474.67. At the close of the fiscal year, any funds remaining in the rail freight fund shall remain in the fund and be carried forward into the succeeding fiscal year.

Sec. 703. After receiving notification from a railroad company pursuant to section 8 of the state transportation preservation act of 1976, 1976 PA 295, MCL 474.58, the department shall immediately notify the house of representatives and senate appropriations subcommittees on transportation and the state budget office that the railroad company has filed with the appropriate governmental agencies for abandonment of a line.

Sec. 706. The Detroit/Wayne County port authority shall issue a complete operations assessment and a financial disclosure statement. The operations assessment shall include operational goals for the next 5 years and recommendations to improve land acquisition and development efficiency. The report shall be completed and submitted to the house of representatives and senate appropriations subcommittees on transportation, the state budget director, and the house and senate fiscal agencies by February 15 of each fiscal year for the prior fiscal year.

Sec. 708. If funds appropriated in part 1 are used to provide state-owned or state-leased buses to private intercity bus carriers, the department shall charge not less than $1,000.00 per bus per year for their use.

Sec. 709. (1) The following bus routes are designated as an essential corridor in Michigan:

Between St. Ignace and Escanaba	US-2
Between Escanaba and Duluth	US-2 through Ironwood to the state line
Between Calumet and Escanaba	US-41
Between Escanaba and Milwaukee	US-41 through Menominee to the state line
Between St. Ignace and Sault Ste. Marie	I-75
Between Detroit and Chicago	I-94 from Detroit to the state line
Between Detroit and Muskegon	I-96
Between Grand Rapids, Holland, and Benton Harbor	I-196 to I-94
Between Muskegon and Grand Rapids	US-31, I-96
Between Detroit and Bay City	I-75
Between Bay City and Mount Pleasant	US-10, M-20
Between Jackson and Traverse City	US-127, US-27, I-75, Grayling, Gaylord, M-72 to Traverse City
Between Jackson and Indianapolis	I-69, I-94 to the state line through Albion, Marshall, and Coldwater
Between Houghton Lake and Cadillac	M-55 and M-66
Between Detroit and Toledo	I-75 to the state line
Between the Indiana state line and Traverse City	US-31 and I-196
Between Detroit and Port Huron	I-375 and I-94
Between Toledo and Bay City	US-23, I-75, and I-675, I-75
Between Bay City and Chicago	I-75, Flint, I-69, I-94, Battle Creek, I-94 to the state line
Between Flint and Lansing	I-69, M-21, Owosso, M-52, I-69
Between Bay City and St. Ignace	I-75, US-23
Between Grand Rapids and St. Ignace	US-131, Cadillac, M-115, Mesick, M-37 to Traverse City, US-31, Acme, M-72, Kalkaska, US-131, Boyne Falls, M-75, Walloon Lake, US-131, Petoskey, US-31, I-75, St. Ignace
Between Kalamazoo and Grand Rapids	US-131

(2) Any changes to the essential corridor list in subsection (1) shall be approved by the house and senate appropriations subcommittees on transportation.

(3) No entity shall receive operating assistance for a scheduled regular route service which is competing with another private or public carrier over the same route.

Sec. 711. (1) From the funds appropriated in part 1 from the comprehensive transportation fund for rail passenger service, the department shall negotiate with a rail carrier to provide rail service between Grand Rapids and Chicago and between Port Huron and Chicago, consistent with the other provisions of this section.

(2) The rail carrier shall, as a condition to receiving a state operating subsidy, maintain a system to monitor, collect, and resolve customer complaints and shall make the information available to the department, the house and senate appropriations subcommittees on transportation, and the house and senate fiscal agencies.

(3) Future state support for the service between Grand Rapids and Chicago and Port Huron and Chicago is dependent on the department's ability to provide a plan and a contract for services that increase ridership and revenue, reduce operating costs, and improve on-time performance.

(4) No state subsidy shall be provided from the funds appropriated in part 1 if the chosen rail carrier is Amtrak and Amtrak discontinued service or any portion of the service between Port Huron and Chicago or Grand Rapids and Chicago during the preceding fiscal year, unless the discontinuance of service was for track maintenance or was caused by acts of God.

Sec. 714. The department, in cooperation with local transit agencies, shall work to ensure that demand-response services are provided throughout Michigan. The department shall continue to work with local units of government to address the unmet transit needs in Michigan.

Sec. 721. For federal transit administration bus acquisition capital grants matched with CTF funds appropriated in part 1, transit agencies shall have 4 years from the federal approval date to carry out their projects. Contract line items unobligated 4 years after the federal approval date may be matched with CTF funds only up to 15% in the fifth and subsequent years. "Unobligated" means any line item in the contract that is not committed to a third party or purchase order. A waiver shall be granted by the department for an additional year with documented justification from the transit agency accompanied by a resolution from the board or authority seeking a waiver. If a transit agency does not carry out a line item activity in a specific authorization and the transit agency requests funds in a new authorization for that same activity, the line item shall be matched at up to 15%. This section applies only to bus acquisition capital grants. Lapsed funds under this section shall remain in the CTF. This section does not take effect if failure to comply with the provisions of this section by a transit agency occurs due to the inability of the state to provide sufficient matching funds for available federal funding earmarked to that transit agency for the purpose of bus capital acquisition. The department shall report to the appropriations subcommittees on transportation of the senate and house of representatives if the state is unable to provide sufficient matching funds for this section to take effect.

Sec. 722. From the funds appropriated in part 1 for transportation to work from the CTF, sufficient funds shall be used as a match for job access reverse commute grants for local transit agencies.

Sec. 729. From the funds appropriated in part 1 for intercity services, $100,000.00 shall be used for lost ridership support and/or marketing efforts to increase awareness of intercity bus service, increase ridership on intercity bus carriers, and improve coordination of intercity bus service in Michigan.

Sec. 731. 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. 734. (1) The department shall ensure that all public transit agencies provide the highest quality public transit service by moving people in a cost-effective, safe, and user-friendly manner that maintains and attracts residents and businesses.

(2) Public transit agencies receiving funds under part 1 shall do all of the following:

(a) Provide efficient, cost-effective, safe, well-maintained, reliable, customer-driven transportation services.

(b) Provide a quality work environment that has and fulfills employee performance, productivity, and development standards.

(c) Identify and capture all available funding or create cost-effective programs to eliminate debt and have a balanced budget.

(d) Maintain sufficient local and community funding.

(e) Support business development by providing transportation to areas of employment and commerce, emerging or established businesses, and health care facilities.

Sec. 737. It is the intent of the legislature that the department proceed with the construction of a Birmingham/Troy intermodal passenger facility.

Sec. 740. The department shall report by March 1 of each year to the house of representatives and senate appropriations subcommittees on transportation, the house and senate fiscal agencies, and the state budget director the encumbered and unencumbered balances of the comprehensive transportation fund.

Sec. 741. The department shall report by March 1, 2010 to the house of representatives and senate appropriations subcommittees on transportation, the house and senate fiscal agencies, and the state budget director on progress made to improve the Ann Arbor and NW Michigan railroad's track infrastructure for the purpose of supporting passenger train speed of 59 miles per hour.

Sec. 743. The legislature encourages the department to include a hybrid-electric vehicle (HEV) option in all requests for proposal for vehicles up to and including Class 5 purchased by or through the department.

Sec. 744. The legislature encourages local transit agencies to hire or consult with a mobility manager to coordinate transportation services with the needs of the local workforce and low-income or special needs populations. This position should work with economic development agencies, human service professionals, and other stakeholders to ensure that the appropriate transportation resources are available to the community.

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.

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 2.5% of the cost of any project under this section, unless a total nonfederal share greater than 5% 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 act and the project application is approved by the governing body of each political subdivision or public agency making the application and by the Michigan aeronautics commission.

Sec. 902. Before the end of each fiscal year, the state transportation department shall report to the house and senate appropriations subcommittees on transportation the status of airport improvement projects funded in part 1 with the estimated dollars allocated for each project. If there has to be a delay in reporting, the state transportation department shall notify the house and senate appropriations subcommittees on transportation in writing of the date the report will be received.

Sec. 903. The appropriations in part 1 for capital outlay shall be carried forward at the end of the fiscal year consistent with the provisions of section 248 of the management and budget act, 1984 PA 431, MCL 18.1248.

Sec. 904. (1) The director shall allocate lump-sum appropriations made in this act consistent with statutory provisions and the purposes for which funds were appropriated. Lump-sum allocations shall address priority program or facility needs and may include, but are not limited to, design, construction, remodeling and addition, special maintenance, major special maintenance, energy conservation, and demolition.

(2) The state budget director may authorize that funds appropriated for lump-sum appropriations and designated as work project appropriations shall be available for no more than 3 fiscal years following the fiscal year in which the original appropriation was made. Any remaining balance from allocations made in this section shall lapse to the fund from which it was appropriated pursuant to the lapsing of funds as provided in the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate

Richard J. Brown

Clerk of the House of Representatives

Approved .....

.....

Governor

JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
OFFICE OF THE GOVERNOR
LANSING

SECRETARY OF SENATE
ENROLLING CLERKS
2009 OCT 12 P 4: 19

JOHN D. CHERRY, JR.
LT. GOVERNOR

October 12, 2009

Michigan State Senate
State Capitol
Lansing, Michigan 48909-7536

Ladies and Gentlemen:

Today I have signed Enrolled Senate Bill 254 authorizing the expenditure of nearly $3.3 billion by the Department of Transportation in the fiscal year that ends on September 30, 2009. I have, however, disapproved of three items pursuant to Section 19 of Article V of the Michigan Constitution of 1963. The specific item vetoes are detailed in the attached copy of the bill, which has been filed with the Secretary of State.

I have exercised my item veto authority to eliminate the following unnecessary items: (1) Section 306(3), which would mandate the State Treasurer to develop an alternative cost allocation plan for motor fuel tax collections; (2) Section 324, although I strongly support the purpose and funding for the underlying program, nonetheless is an earmark directing scarce transportation resources away from core activities and toward law enforcement functions that are already funded; and (3) Section 729, a similar earmark no longer sustainable with the scarce resources available.

To provide direction regarding the implementation of this new appropriations act, I note the following:

- Section 709 of Senate Bill 254 purports to require that any changes in an essential corridor list for bus routes be approved by House and Senate Appropriations Subcommittees on Transportation. As the Legislature lacks the constitutional authority to delegate administrative or legislative duties to a subcommittee of the legislature, this provision appears to violate Const 1963, art 3, § 2, Const 1963, art 4, § 26, and Const 1963, art 4, § 33, and is unenforceable.

- Sections 395, 399, 607, 610, 615, 654, 655, 656, 658, 660, 661, 737, 743, and 744 of the bill include statements of legislative intent. While the Legislature has the right to state its advice, preferences, or wishes

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through a statement of intent, such statements do not impose conditions upon appropriations and are non-binding.

I thank the Legislature for presenting a fiscal year 2010 budget for the Department of Transportation.

Respectfully,

Jennifer M. Granholm
Governor

cc: Michigan House of Representatives
The Honorable Terri Lynn Land

SUPPLEMENTAL APPROPRIATION BILLS

Act No. 23
Public Acts of 2009
Approved by the Governor
May 7, 2009

Filed with the Secretary of State
May 7, 2009

EFFECTIVE DATE: May 7, 2009

STATE OF MICHIGAN

95TH LEGISLATURE

REGULAR SESSION OF 2009

Introduced by Senators McManus and Kahn

ENROLLED SENATE BILL No. 322

AN ACT to make, supplement, and adjust appropriations for certain capital outlay projects for the fiscal year ending September 30, 2009; to provide for the expenditure of the appropriations; and to prescribe certain conditions for the appropriations.

The People of the State of Michigan enact:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for certain capital outlay projects for the fiscal year ending September 30, 2009, from the following funds:

CAPITAL OUTLAY

APPROPRIATION SUMMARY:		
GROSS APPROPRIATION	$	58,428,400
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	58,428,400
Federal revenues:		
Total federal revenues		9,562,500
Special revenue funds:		
Total local revenues		0
Total private revenues		331,200
Total other state restricted revenues		48,534,700
State general fund/general purpose	$	0

		For Fiscal Year Ending Sept. 30, 2009
Sec. 102. DEPARTMENT OF MILITARY AND VETERANS AFFAIRS		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	$	9,000,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	9,000,000
Federal revenues:		
Total federal revenues		9,000,000
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	$	0
(2) CAPITAL OUTLAY		
Camp Grayling, live fire shoot house	$	3,000,000
Camp Grayling, urban assault course		3,000,000
Camp Grayling, infantry squad battle course		3,000,000
GROSS APPROPRIATION	$	9,000,000
Appropriated from:		
Federal revenues:		
DOD-DOA-NGB		9,000,000
State general fund/general purpose	$	0
Sec. 103. DEPARTMENT OF NATURAL RESOURCES		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	$	49,428,400
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	49,428,400
Federal revenues:		
Total federal revenues		562,500
Special revenue funds:		
Total local revenues		0
Total private revenues		331,200
Total other state restricted revenues		48,534,700
State general fund/general purpose	$	0
(2) CAPITAL OUTLAY - WATERWAYS BOATING PROGRAM		
Mitchell State Park, Wexford County, seawall and walkway improvements (total authorized cost is increased from $1,250,000 to $1,812,500; federal share is increased from $937,500 to $1,500,000; state share is $312,500)	$	562,500
GROSS APPROPRIATION	$	562,500
Appropriated from:		
Federal revenues:		
DOI, federal		562,500
State general fund/general purpose	$	0
(3) CAPITAL OUTLAY - MICHIGAN NATURAL RESOURCES TRUST FUND		
Natural resources trust fund projects	$	48,865,900

Trust fund acquisition projects by priority:

Hunter's Point Park acquisition, phase II, Keweenaw County (grant-in-aid to Grant Township) (#08-023)

Casco Township nature preserve acquisition, phase II, Allegan County (grant-in-aid to Casco Township) (#08-145)

Pigeon River country acquisition initiative, Cheboygan, Montmorency, and Otsego Counties (#08-153)

Wolf Creek corridor and flooding complex acquisition, Roscommon County (#08-122)

Manistee River deeryard and bog complex, Wexford County (#08-123)

Mitchell State Park bear marsh, Wexford County (#08-127)

Academy preserve acquisition project, phase I, Monroe County (grant-in-aid to Monroe County) (#08-111)

Michigan air-line railway acquisition, Oakland County (grant-in-aid to West Bloomfield Township) (#08-142)
Northern Lower Peninsula eco-regional land consolidation, various counties (#08-134)
Cade Lake county park expansion project, St. Joseph County (grant-in-aid to St. Joseph County) (#08-139)
Southeast Michigan eco-regional land consolidation, various counties (#08-126)
Southwest Lower Peninsula eco-regional land consolidation, various counties (#08-116)
Mitchell Creek land acquisition, Grand Traverse County (#08-129)
Skyline trail acquisition, Emmet County (grant-in-aid to city of Petoskey) (#08-010)
Upper Peninsula eco-regional land consolidation, various counties (#08-119)
Cascade natural park acquisition, Kent County (grant-in-aid to Cascade Township) (#08-149)
Lake Lansing Park north expansion, Ingham County (grant-in-aid to Ingham County) (#08-138)
Grand Traverse greenway property acquisition, Genesee County (grant-in-aid to city of Flint) (#08-075)
Emmet County/Maple River acquisition, Emmet County (grant-in-aid to Emmet County) (#08-143)
South Elberta dunes natural area acquisition, Benzie County (grant-in-aid to village of Elberta) (#08-034)
Meinert county park property acquisition, Muskegon County (grant-in-aid to Muskegon County) (#08-029)
Hunter's Ridge land acquisition, Eaton County (grant-in-aid to city of Lansing) (#08-147)
Waterloo recreation land initiative, Washtenaw and Jackson Counties (#08-128)
Ann lakefront park acquisition, Benzie County (grant-in-aid to Almira Township) (#08-015)
White park expansion #1, Ingham County (grant-in-aid to city of East Lansing) (#08-141)
Sloan property parkland acquisition project, Washtenaw County (grant-in-aid to Scio Township) (#08-144)
Youth sports park acquisition, Cass County (grant-in-aid to city of Dowagiac) (#08-021)
White park expansion #2, Ingham County (grant-in-aid to city of East Lansing) (#08-140)
Evergreen Park addition, Sanilac County (grant-in-aid to Sanilac County) (#08-012)
North Stanaback Park acquisition, Kent County (grant-in-aid to city of Kentwood) (#08-062)
Grand River edges rail-trail acquisition, Kent County (#08-155)
Acme waterfront park acquisition, phase I, Grand Traverse County (grant-in-aid to Acme Township) (#08-095)
Silver Creek area youth sports park, Cass County (grant-in-aid to Silver Creek Township) (#08-151)
Republic iron ore heritage trailhead acquisition, Marquette County (grant-in-aid to Republic Township) (#08-106)
East Houghton greenspace property acquisition, Houghton County (grant-in-aid to city of Houghton) (#08-148)
Veterans Park and Kiwanis Park additions, Van Buren County (grant-in-aid to city of Bangor) (#08-102)
Superior forest partnership project, Marquette County (#08-154)

Trust fund development projects by priority:
Riverfront and Plym park trail development, Berrien County (grant-in-aid to city of Niles) (#08-079)
Oscoda Beach Park observation and fishing pier, Iosco County (grant-in-aid to Oscoda Township) (#08-016)
Baker's Field Park development, St. Clair County (grant-in-aid to Port Huron Township) (#08-043)
Rotary Park development, Chippewa County (grant-in-aid to city of Sault Ste. Marie) (#08-068)
Chief Wawatam Park development, Mackinac County (grant-in-aid to city of St. Ignace) (#08-013)
Kensington Metropark-Milford trail connector, Oakland County (grant-in-aid to Huron-Clinton metropolitan authority) (#08-033)
Burchfield Park fishing dock development, Ingham County (grant-in-aid to Ingham County) (#08-073)
Alpena to Cheboygan state rail-trail surface improvements, various counties (#08-120)
Millie Mine bat viewing site trail, Dickinson County (grant-in-aid to city of Iron Mountain) (#08-024)

	For Fiscal Year Ending Sept. 30, 2009
Ocqueoc Falls trailhead and scenic overlook improvements, Presque Isle County (#08-121)	
McKeown Bridge Park development, Barry County (grant-in-aid to Barry County) (#08-107)	
Iron ore heritage trail development, Marquette County (grant-in-aid to city of Ishpeming) (#08-105)	
Bald Mountain shooting range development, Oakland County (#08-124)	
Inland fishing piers in state park and recreation areas, various counties (#08-133)	
Oriole Park site development, Kent County (grant-in-aid to city of Wyoming) (#08-001)	
Reeds Lake waterfront park development, Kent County (grant-in-aid to city of East Grand Rapids) (#08-054)	
Van Cleve Park harbor point revitalization, Delta County (grant-in-aid to city of Gladstone) (#08-014)	
Jones Landing Park development, Emmet County (grant-in-aid to Bear Creek Township) (#08-092)	
Rolling Hills Park accessibility enhancements, Washtenaw County (grant-in-aid to Washtenaw County) (#08-060)	
Sharp Park east-west collector path, Eaton County (grant-in-aid to Delta Township) (#08-005)	
Perkins Park improvements, Marquette County (grant-in-aid to Marquette County) (#08-028)	
East Grand River Park improvements, Ottawa County (grant-in-aid to city of Grand Haven) (#08-076)	
Veterans waterfront park improvements, Huron County (grant-in-aid to village of Port Austin) (#08-056)	
Sandy Beach County Park improvement, Newaygo County (grant-in-aid to Newaygo County) (#08-113)	
Lions Club Park nature trail, Houghton County (grant-in-aid to Calumet Township) (#08-004)	
Gibson Lake park improvements, Iron County (grant-in-aid to Crystal Falls Township) (#08-058)	
RAM center improvements, Crawford County (#08-125)	
Sparks county park urban fishing project, Jackson County (grant-in-aid to Jackson County) (#08-085)	
Thomas rock scenic overlook, Marquette County (grant-in-aid to Powell Township) (#08-104)	
Lions Field park pool house improvements, St. Clair County (grant-in-aid to city of Algonac) (#08-110)	
Hawk Nest Park development, Clinton County (grant-in-aid to city of East Lansing) (#08-065)	
Hiawatha rotary skate park, Gogebic County (grant-in-aid to city of Ironwood) (#08-035)	
Stearns Park breakwall improvements, Mason County (grant-in-aid to city of Ludington) (#08-051)	
Huron Park accessibility upgrade, Macomb County (grant-in-aid to city of Roseville) (#08-086)	
Gateway Park renovation, Iosco County (grant-in-aid to city of Tawas City) (#08-038)	
Sunday Lake trail and Eddy Park improvements, Gogebic County (grant-in-aid to city of Wakefield) (#08-042)	
McCormick Park improvements, Ingham County (grant-in-aid to city of Williamston) (#08-081)	
Bell Creek Park nonmotorized trail, Wayne County (grant-in-aid to Redford Township) (#08-089)	
Clinton River trail pedestrian bridge, Oakland County (grant-in-aid to city of Pontiac) (#08-040)	
Portland trail connector loop, Ionia County (grant-in-aid to city of Portland) (#08-011)	
Baldwin Lake beach improvements, Montcalm County (grant-in-aid to city of Greenville) (#08-066)	
Building demolition initiative 2008, various counties (#08-118)	
State park infrastructure repairs, various counties (#08-130)	
Andersen water park re-purposing project, Saginaw County (grant-in-aid to city of Saginaw) (#08-039)	
GROSS APPROPRIATION	48,865,900
Appropriated from:	
Special revenue funds:	
Private revenues	331,200
Michigan natural resources trust fund	48,534,700
State general fund/general purpose	0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending from state resources in this appropriation act for the fiscal year ending September 30, 2009 is $48,534,700.00. State appropriations paid to local units of government are $26,859,700.00 as follows:

Acquisition grants-in-aid	$	16,807,200
Development grants-in-aid		10,052,500
Total payments to locals	$	26,859,700

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

DEPARTMENT OF NATURAL RESOURCES

Sec. 301. The department of natural resources shall require local units of government to enter into agreements with the department of natural resources for the purpose of administering the natural resources trust fund grants identified in part 1. Among other provisions, the agreements shall require that grant recipients agree to dedicate to public outdoor recreation uses in perpetuity the land acquired or developed; to replace lands converted or lost to other than public outdoor recreation use; and, for parcels acquired that are over 5 acres in size, to provide the state with a nonparticipating 1/6 minimum royalty interest in any acquired minerals that are retained by the grant recipient. The agreements shall also provide that the full payments of grants can be made only after proof of acquisition, or proof of completion of the development project, is submitted by the grant recipient and all costs are verified by the department of natural resources.

Sec. 302. Any unobligated balance in a natural resources trust fund appropriation made under part 1 shall not revert to the funds from which appropriated at the close of the fiscal year, but shall continue until the purpose for which it was appropriated is completed for a period not to exceed 3 fiscal years. The unexpended balance of any natural resources trust fund appropriation made in part 1 remaining after the purpose for which it was appropriated is completed shall revert to the Michigan natural resources trust fund and be made available for appropriation.

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate

Richard J. Brown

Clerk of the House of Representatives

Approved .....

.....

Governor

Act No. 145
Public Acts of 2009
Approved by the Governor
November 13, 2009

Filed with the Secretary of State
November 13, 2009

EFFECTIVE DATE: November 13, 2009

STATE OF MICHIGAN
95TH LEGISLATURE
REGULAR SESSION OF 2009

Introduced by Senator Jelinek

ENROLLED SENATE BILL No. 608

AN ACT to make, supplement, and adjust appropriations for various state departments and agencies for the fiscal year ending September 30, 2010; 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 various state departments and agencies to supplement appropriations for the fiscal year ending September 30, 2010, from the following funds:

APPROPRIATION SUMMARY

GROSS APPROPRIATION	$	38,040,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	38,040,000
Total federal revenues		38,040,000
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	$	0

Sec. 102. DEPARTMENT OF ENERGY, LABOR, AND ECONOMIC GROWTH
(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	$	38,040,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	38,040,000
Federal revenues:		
Total federal revenues		38,040,000

		For Fiscal Year Ending Sept. 30, 2010
Special revenue funds:		
Total local revenues	$	0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	$	0
(2) DEPARTMENT GRANTS		
Workforce training programs subgrantees (ARRA)	$	38,040,000
GROSS APPROPRIATION	$	38,040,000
Appropriated from:		
Federal revenues:		
DOL-ETA, national emergency grants (ARRA)		38,040,000
State general fund/general purpose	$	0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending from state resources in this appropriation act for the fiscal year ending September 30, 2010 is $0.00 and state appropriations paid to local units of government are $0.00.

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

Sec. 203. The line-item appropriations in part 1 financed by federal funds designated as ARRA funding represent federal funds associated with the American recovery and reinvestment act of 2009, Public Law 111-5. These federal funds are temporary in nature. It is the intent of the legislature that when these temporary federal funds are fully expended, the program funding levels and any state employees supported by these temporary federal funds will not be continued.

Sec. 210. (1) In addition to the funds appropriated in part 1, there is appropriated an amount equal to any additional federal funding awarded to this state through recalculation of formulas and under the redistribution provisions of the American recovery and reinvestment act of 2009, Public Law 111-5.

(2) Within 30 days of receiving such an award, a department shall report to the senate and house appropriations subcommittees, senate and house fiscal agencies, state budget director, and the governor on the amount of funds received and the purposes for which they will be spent.

Sec. 211. The unexpended funds appropriated in part 1 and in section 210 and any unencumbered or unallotted funds are carried forward into the succeeding fiscal year. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purposes of the projects to be carried forward are to provide assistance to low-income families with their day care needs while working or participating in employment and training activities and to protect and invest in the natural resources, infrastructure, and people of the state of Michigan in accordance with the provisions of the American recovery and reinvestment act of 2009, Public Law 111-5.

(b) The projects will be accomplished by state employees and by contract.

(c) The total estimated cost of all projects is identified in each line-item appropriation.

(d) The tentative completion date is September 30, 2012.

Sec. 212. (1) In a form and manner determined by the recipient department, local governments and other eligible sub-recipients receiving funds through this act shall comply will all requirements corresponding to the receipt of funds, including, but not limited to, any certifications, assurances, and accountability and transparency provisions required in the American recovery and reinvestment act of 2009, Public Law 111-5.

(2) Funds appropriated in part 1 may be transferred to sub-recipient state departments or agencies in an interdepartmental grant consistent with the requirements of the American recovery and reinvestment act of 2009, Public Law 111-5.

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate

Richard J. Brown

Clerk of the House of Representatives

Approved .....

.....

Governor

Act No. 7
Public Acts of 2009
Approved by the Governor
April 6, 2009
Filed with the Secretary of State
April 7, 2009
EFFECTIVE DATE: April 7, 2009

STATE OF MICHIGAN
95TH LEGISLATURE
REGULAR SESSION OF 2009

Introduced by Rep. Cushingberry

ENROLLED HOUSE BILL No. 4258

AN ACT to make, supplement, and adjust appropriations for various state departments and agencies and for capital outlay for the fiscal year ending September 30, 2009; 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 various state departments and agencies and for capital outlay to supplement appropriations for the fiscal year ending September 30, 2009, from the following funds:

APPROPRIATION SUMMARY

Full-time equated classified positions	4.0	
GROSS APPROPRIATION	$	1,887,337,600
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	1,887,337,600
Federal revenues:		
Total federal revenues		1,887,337,600
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	$	0

Sec. 102. DEPARTMENT OF COMMUNITY HEALTH
(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	$	46,709,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	46,709,000
Federal revenues:		
Total federal revenues		46,709,000
Special revenue funds:		
Total local revenues		0

		For Fiscal Year Ending Sept. 30, 2009
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	$	0
(2) OFFICE OF DRUG CONTROL POLICY		
Byrne justice assistance grants (ARRA)	$	41,199,000
GROSS APPROPRIATION	$	41,199,000
Appropriated from:		
Federal revenues:		
Edward Byrne memorial justice assistance grant formula (ARRA)		41,199,000
State general fund/general purpose	$	0
(3) CRIME VICTIM SERVICES COMMISSION		
Justice assistance grants (ARRA)	$	1,162,000
Crime victim rights services grants (ARRA)		356,000
GROSS APPROPRIATION	$	1,518,000
Appropriated from:		
Federal revenues:		
Victims of crime act, crime victim assistance formula (ARRA)		1,162,000
Victims of crime act, crime victim compensation formula (ARRA)		356,000
State general fund/general purpose	$	0
(4) OFFICE OF SERVICES TO THE AGING		
Nutrition services (ARRA)	$	3,200,000
Employment assistance (ARRA)		792,000
GROSS APPROPRIATION	$	3,992,000
Appropriated from:		
Federal revenues:		
Aging services programs, nutrition services (ARRA)		3,200,000
Community service employment for older Americans (ARRA)		792,000
State general fund/general purpose	$	0
Sec. 103. DEPARTMENT OF EDUCATION		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	$	900,475,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	900,475,000
Federal revenues:		
Total federal revenues		900,475,000
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	$	0
(2) SPECIAL EDUCATION SERVICES		
Special education IDEA (ARRA)	$	400,608,000
Handicapped preschool incentive grants (ARRA)		13,396,000
Handicapped infants and toddlers (ARRA)		12,346,000
GROSS APPROPRIATION	$	426,350,000
Appropriated from:		
Federal revenues:		
DED-OSERS, individuals with disabilities education act (ARRA)		426,350,000
State general fund/general purpose	$	0
(3) SCHOOL IMPROVEMENT SERVICES		
Disadvantaged children (ARRA)	$	390,100,000
School improvement (ARRA)		75,000,000
Homeless children and youth (ARRA)		2,452,000
GROSS APPROPRIATION	$	467,552,000
Appropriated from:		
Federal revenues:		
DED-OESE, title I, disadvantaged children funds (ARRA)		390,100,000

		For Fiscal Year Ending Sept. 30, 2009
DED-OESE, title I, school improvement funds (ARRA)		75,000,000
DED-OVAE, homeless children and youth funds (ARRA)		2,452,000
State general fund/general purpose	$	0
(4) GRANTS ADMINISTRATION AND SCHOOL SUPPORT SERVICES		
School lunch equipment assistance (ARRA)	$	2,490,000
Emergency food assistance program (ARRA)		4,083,000
GROSS APPROPRIATION	$	6,573,000
Appropriated from:		
Federal revenues:		
School lunch equipment assistance funds (ARRA)		2,490,000
Emergency food assistance program funds (ARRA)		4,083,000
State general fund/general purpose	$	0
Sec. 104. DEPARTMENT OF ENERGY, LABOR, AND ECONOMIC GROWTH		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	$	236,011,700
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	236,011,700
Federal revenues:		
Total federal revenues		236,011,700
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	$	0
(2) BUREAU OF WORKER'S AND UNEMPLOYMENT COMPENSATION		
Unemployment programs (ARRA)	$	850,000
GROSS APPROPRIATION	$	850,000
Appropriated from:		
Federal revenues:		
DOL, Wagner-Peyser (ARRA)		850,000
State general fund/general purpose	$	0
(3) WORKFORCE DEVELOPMENT		
Employment services (ARRA)	$	13,350,000
Michigan rehabilitation services (ARRA)		15,407,400
GROSS APPROPRIATION	$	28,757,400
Appropriated from:		
Federal revenues:		
DED-OSERS, vocational rehabilitation state grants (ARRA)		15,407,400
DOL, Wagner-Peyser (ARRA)		13,350,000
State general fund/general purpose	$	0
(4) DEPARTMENT GRANTS		
Vocational rehabilitation independent living (ARRA)	$	290,700
Workforce training programs subgrantees (ARRA)		202,050,000
GROSS APPROPRIATION	$	202,340,700
Appropriated from:		
Federal revenues:		
DED-OSERS, centers for independent living (ARRA)		290,700
DOL-ETA, workforce investment act (ARRA)		183,300,000
DOL, trade adjustment assistance (ARRA)		18,750,000
State general fund/general purpose	$	0
(5) BOARDS, AUTHORITIES, AND COMMISSIONS		
Commission for the blind (ARRA)	$	4,063,600
GROSS APPROPRIATION	$	4,063,600
Appropriated from:		
Federal revenues:		
DED-OSERS, centers for independent living (ARRA)		156,500

		For Fiscal Year Ending Sept. 30, 2009
DED-OSERS, services for older clients (ARRA)		1,187,100
DED-OSERS, vocational rehabilitation state grants (ARRA)		2,720,000
State general fund/general purpose	$	0

Sec. 105. DEPARTMENT OF ENVIRONMENTAL QUALITY

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	$	248,600,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	248,600,000
Federal revenues:		
Total federal revenues		248,600,000
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	$	0

(2) ENVIRONMENTAL SCIENCE AND SERVICES DIVISION

Pollution prevention and technical assistance (ARRA)	$	1,800,000
GROSS APPROPRIATION	$	1,800,000
Appropriated from:		
Federal revenues:		
EPA, multiple (ARRA)		1,800,000
State general fund/general purpose	$	0

(3) REMEDIATION AND REDEVELOPMENT

Leaking underground storage tank cleanup program (ARRA)	$	8,000,000
GROSS APPROPRIATION	$	8,000,000
Appropriated from:		
Federal revenues:		
EPA, multiple (ARRA)		8,000,000
State general fund/general purpose	$	0

(4) WATER

Surface water (ARRA)	$	1,800,000
GROSS APPROPRIATION	$	1,800,000
Appropriated from:		
Federal revenues:		
EPA, multiple (ARRA)		1,800,000
State general fund/general purpose	$	0

(5) GRANTS

Water pollution control and drinking water revolving fund (ARRA)	$	237,000,000
GROSS APPROPRIATION	$	237,000,000
Appropriated from:		
Federal revenues:		
EPA, multiple (ARRA)		237,000,000
State general fund/general purpose	$	0

Sec. 106. DEPARTMENT OF HISTORY, ARTS, AND LIBRARIES

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	$	350,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	350,000
Federal revenues:		
Total federal revenues		350,000
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	$	0

		For Fiscal Year Ending Sept. 30, 2009
(2) COUNCIL FOR ARTS AND CULTURAL AFFAIRS		
Arts and cultural grants (ARRA)	$	350,000
GROSS APPROPRIATION	$	350,000
Appropriated from:		
Federal revenues:		
NFAH-NEA, promotion of the arts partnership agreements (ARRA)		350,000
State general fund/general purpose	$	0
Sec. 107. DEPARTMENT OF HUMAN SERVICES		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	$	435,041,900
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	435,041,900
Federal revenues:		
Total federal revenues		435,041,900
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	$	0
(2) EXECUTIVE OPERATIONS		
Michigan community service commission (ARRA)	$	967,000
GROSS APPROPRIATION	$	967,000
Appropriated from:		
Federal revenues:		
Federal AmeriCorps revenues (ARRA)		967,000
State general fund/general purpose	$	0
(3) COMMUNITY ACTION AND ECONOMIC OPPORTUNITY		
Community services block grants (ARRA)	$	36,000,000
Weatherization assistance program (ARRA)		244,000,000
GROSS APPROPRIATION	$	280,000,000
Appropriated from:		
Federal revenues:		
Federal community services block grant revenues (ARRA)		36,000,000
Federal weatherization assistance program revenues (ARRA)		244,000,000
State general fund/general purpose	$	0
(4) CHILDREN'S SERVICES		
Domestic violence prevention and treatment (ARRA)	$	4,074,900
GROSS APPROPRIATION	$	4,074,900
Appropriated from:		
Federal revenues:		
Federal STOP violence against women revenues (ARRA)		4,074,900
State general fund/general purpose	$	0
(5) PUBLIC ASSISTANCE		
Food assistance program (ARRA)	$	150,000,000
GROSS APPROPRIATION	$	150,000,000
Appropriated from:		
Federal revenues:		
Federal supplemental nutrition assistance revenues (ARRA)		150,000,000
State general fund/general purpose	$	0
Sec. 108. DEPARTMENT OF MANAGEMENT AND BUDGET		
(1) APPROPRIATION SUMMARY		
Full-time equated classified positions 4.0		
GROSS APPROPRIATION	$	2,000,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	2,000,000

		For Fiscal Year Ending Sept. 30, 2009
Federal revenues:		
Total federal revenues		2,000,000
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	$	0
(2) SPECIAL PROGRAMS		
Michigan economic recovery office (ARRA)—4.0 FTE positions	$	2,000,000
GROSS APPROPRIATION	$	2,000,000
Appropriated from:		
Federal revenues:		
Total federal funds (ARRA)		2,000,000
State general fund/general purpose	$	0
Sec. 109. DEPARTMENT OF MILITARY AND VETERANS AFFAIRS		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	$	7,850,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	7,850,000
Federal revenues:		
Total federal revenues		7,850,000
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	$	0
(2) DEPARTMENTWIDE APPROPRIATIONS		
Special maintenance - federal (ARRA)	$	7,850,000
GROSS APPROPRIATION	$	7,850,000
Appropriated from:		
Federal revenues:		
DOD-DOA-NGB (ARRA)		7,850,000
State general fund/general purpose	$	0
Sec. 110. DEPARTMENT OF STATE POLICE		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	$	1,000,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	1,000,000
Federal revenues:		
Total federal revenues		1,000,000
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	$	0
(2) SPECIAL INVESTIGATIONS		
Federal antidrug initiatives (ARRA)	$	1,000,000
GROSS APPROPRIATION	$	1,000,000
Appropriated from:		
Federal revenues:		
DOJ (ARRA)		1,000,000
State general fund/general purpose	$	0

		For Fiscal Year Ending Sept. 30, 2009
Sec. 111. DEPARTMENT OF TREASURY		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	$	9,300,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	9,300,000
Federal revenues:		
Total federal revenues		9,300,000
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	$	0
(2) MICHIGAN STRATEGIC FUND		
Job creation services (ARRA)	$	300,000
Community development block grants (ARRA)		9,000,000
GROSS APPROPRIATION	$	9,300,000
Appropriated from:		
Federal revenues:		
HUD-CPD, community development block grant (ARRA)		9,300,000
State general fund/general purpose	$	0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending from state resources in this appropriation act for the fiscal year ending September 30, 2009 is $0 and state appropriations paid to local units of government are $0.

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

Sec. 203. (1) In addition to the funds appropriated in part 1, there is appropriated an amount equal to any additional federal funding awarded to Michigan through recalculation of formulas and under the redistribution provisions of the American recovery and reinvestment act of 2009, Public Law 111-5.

(2) Within 30 days of receiving funds described in subsection (1), a department shall report to the senate and house standing committees on appropriations subcommittees, senate and house fiscal agencies, state budget director, and the governor on the amount of funds received and the purposes for which they will be spent.

Sec. 204. The unexpended funds appropriated in part 1 and in section 203, and any unencumbered or unallotted funds, are carried forward into the succeeding fiscal year. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the projects to be carried forward is to protect and invest in the natural resources, infrastructure, and people of the State of Michigan in accordance with the provisions of the American recovery and reinvestment act of 2009, Public Law 111-5.

(b) The projects will be accomplished by state employees and by contract.

(c) The total estimated cost of all projects is identified in each line-item appropriation.

(d) The tentative completion date is September 30, 2012.

Sec. 205. (1) In a form and manner determined by the recipient department, local governments and other eligible subrecipients receiving funds through this act shall comply with all requirements corresponding to the receipt of funds,

including, but not limited to, any certifications, assurances, accountability, and transparency provisions required in the American recovery and reinvestment act of 2009, Public Law 111-5.

(2) Funds appropriated in part 1 may be transferred to subrecipient state departments or agencies in an interdepartmental grant consistent with the requirements of the American recovery and reinvestment act of 2009, Public Law 111-5.

Sec. 206. From the funds appropriated in part 1 for the Michigan economic recovery office, the Michigan economic recovery office shall develop, post, and maintain a user-friendly and publicly accessible Internet site to clearly illustrate all state expenditures of federal funds under the American recovery and reinvestment act of 2009, Public Law 111-5. The postings shall include all reports required by the American recovery and reinvestment act of 2009, Public Law 111-5, detailing expenditures of funds received.

Sec. 207. Any department utilizing a competitive subgrant process to disburse federal funding appropriated in part 1 shall notify the senate and house of representatives standing committees on appropriations, senate and house fiscal agencies, and state budget office at least 1 day prior to the issuance of a request for proposal.

Sec. 208. The line-item appropriations in part 1 financed by federal funds designated as ARRA funding represent federal funds associated with the American recovery and reinvestment act of 2009, Public Law 111-5. These federal funds are temporary in nature. It is the intent of the legislature that when these temporary federal funds are fully expended, the program funding levels supported by these temporary federal funds will not be continued.

Sec. 209. The Michigan economic recovery office shall include a written statement to all recipients of the federal funds appropriated in part 1 stating that the federal funds received are temporary in nature. The statement shall include an explanation that the programs supported with the temporary federal funds will not be continued with state financed appropriations once the temporary federal funds are expended. This written statement shall be included in any contracts that are entered into between state departments and recipients of these temporary federal funds.

Sec. 210. Funds appropriated in part 1 shall not be distributed, transferred, or subcontracted to nongovernmental agencies for the purpose of conducting political organizing activities.

This act is ordered to take immediate effect.

Richard J. Brown

Clerk of the House of Representatives

Carol Morey Viventi

Secretary of the Senate

Approved .....

.....

Governor

Act No. 140
Public Acts of 2009
Approved by the Governor
November 6, 2009
Filed with the Secretary of State
November 6, 2009
EFFECTIVE DATE: November 6, 2009

STATE OF MICHIGAN
95TH LEGISLATURE
REGULAR SESSION OF 2009

Introduced by Rep. Cushingberry

ENROLLED HOUSE BILL No. 4311

AN ACT to make, supplement, and adjust appropriations for various state departments and agencies for the fiscal year ending September 30, 2009 and the fiscal year ending September 30, 2010; and to provide for the expenditure of the appropriations.

The People of the State of Michigan enact:

PART 1

LINE-ITEM APPROPRIATIONS
FOR FISCAL YEAR 2008-2009

Sec. 101. There is appropriated for the various state departments and agencies to supplement appropriations for the fiscal year ending September 30, 2009, from the following funds:

APPROPRIATION SUMMARY

GROSS APPROPRIATION	$	13,600,000
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	13,600,000
Total federal revenues		287,700,000
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		3,600,000
State general fund/general purpose	$	(277,700,000)

Sec. 102. DEPARTMENT OF CORRECTIONS
(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	$	9,800,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	9,800,000
Federal revenues:		
Total federal revenues (ARRA)		189,600,000
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		(200,000)
State general fund/general purpose	$	(179,600,000)

		For Fiscal Year Ending Sept. 30, 2009
(2) FIELD OPERATIONS ADMINISTRATION		
Field operations	$	0
Field operations (ARRA)		0
GROSS APPROPRIATION	$	0
Appropriated from:		
Federal revenues:		
Government services fund (ARRA)		73,300,000
Special revenue funds:		
Parole and probation oversight fees		(2,000,000)
Tether program, participant contributions		(3,000,000)
State general fund/general purpose	$	(68,300,000)
(3) CORRECTIONAL FACILITIES ADMINISTRATION		
Prisoner store operations	$	4,800,000
Prison food service (ARRA)		0
Transportation (ARRA)		0
GROSS APPROPRIATION	$	4,800,000
Appropriated from:		
Federal revenues:		
Government services fund (ARRA)		33,100,000
Special revenue funds:		
Resident stores		4,800,000
State general fund/general purpose	$	(33,100,000)
(4) CONSENT DECREES		
DOJ, psychiatric plan - MDCH mental health services (ARRA)	$	0
GROSS APPROPRIATION	$	0
Appropriated from:		
Federal revenues:		
Government services fund (ARRA)		16,800,000
State general fund/general purpose	$	(16,800,000)
(5) NORTHERN REGION CORRECTIONAL FACILITIES		
Chippewa Correctional Facility - Kincheloe	$	(100)
Northern region support and services		100
Standish Maximum Correctional Facility - Standish (ARRA)		0
GROSS APPROPRIATION	$	0
Appropriated from:		
Federal revenues:		
Government services fund (ARRA)		12,200,000
State general fund/general purpose	$	(12,200,000)
(6) HEALTH CARE		
Hospital and specialty care services	$	5,000,000
Northern region clinical complexes (ARRA)		0
Southeastern region clinical complexes (ARRA)		0
Southwestern region clinical complexes (ARRA)		0
GROSS APPROPRIATION	$	5,000,000
Appropriated from:		
Federal revenues:		
Government services fund (ARRA)		54,200,000
State general fund/general purpose	$	(49,200,000)
Sec. 103. DEPARTMENT OF ENERGY, LABOR, AND ECONOMIC GROWTH		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	$	3,800,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	3,800,000
Federal revenues:		
Total federal revenues		0

		For Fiscal Year Ending Sept. 30, 2009
Special revenue funds:		
Total local revenues	$	0
Total private revenues		0
Total other state restricted revenues		3,800,000
State general fund/general purpose	$	0
(2) MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY		
Housing and rental assistance program	$	3,800,000
GROSS APPROPRIATION	$	3,800,000
Appropriated from:		
Special revenue funds:		
Michigan state housing development authority fees and charges		3,800,000
State general fund/general purpose	$	0
Sec. 104. HIGHER EDUCATION		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	$	0
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	0
Federal revenues:		
Total federal revenues		170,466,500
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		(72,489,600)
State general fund/general purpose	$	(97,976,900)
(2) GRANTS AND FINANCIAL AID		
State competitive scholarships	$	0
Tuition grants		0
Nursing scholarship and grant programs		0
Michigan promise grant program		0
Tuition incentive program		0
GROSS APPROPRIATION	$	0
Appropriated from:		
Federal revenues:		
Higher education act of 1965, title IV, 20 USC		(2,641,200)
Temporary assistance for needy families		173,107,700
Special revenue funds:		
Michigan merit award trust fund		(72,489,600)
State general fund/general purpose	$	(97,976,900)
Sec. 105. DEPARTMENT OF HUMAN SERVICES		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	$	0
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	0
Federal revenues:		
Total federal revenues		(170,466,500)
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		72,489,600
State general fund/general purpose	$	97,976,900
(2) PUBLIC ASSISTANCE		
Family independence program	$	0
GROSS APPROPRIATION	$	0

		For Fiscal Year Ending Sept. 30, 2009
Appropriated from:		
Federal revenues:		
Total federal revenues	$	(60,000,000)
Special revenue funds:		
Michigan merit award trust fund		60,000,000
State general fund/general purpose	$	0
(3) LOCAL OFFICE STAFF AND OPERATIONS		
Field staff, salaries and wages	$	0
GROSS APPROPRIATION	$	0
Appropriated from:		
Federal revenues:		
Total federal revenues		(77,358,800)
Special revenue funds:		
Michigan merit award trust fund		12,489,600
State general fund/general purpose	$	64,869,200
(4) CENTRAL SUPPORT ACCOUNTS		
Payroll taxes and fringe benefits	$	0
GROSS APPROPRIATION	$	0
Appropriated from:		
Federal revenues:		
Total federal revenues		(33,107,700)
State general fund/general purpose	$	33,107,700
Sec. 106. DEPARTMENT OF STATE POLICE		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	$	0
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	0
Federal revenues:		
Total federal revenues (ARRA)		98,100,000
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	$	(98,100,000)
(2) FORENSIC SCIENCES		
Laboratory services (ARRA)	$	0
GROSS APPROPRIATION	$	0
Appropriated from:		
Federal revenues:		
Government services fund (ARRA)		8,100,000
State general fund/general purpose	$	(8,100,000)
(3) POST UNIFORM SERVICES		
Uniform services (ARRA)	$	0
At-post troopers (ARRA)		0
GROSS APPROPRIATION	$	0
Appropriated from:		
Federal revenues:		
Government services fund (ARRA)		76,300,000
State general fund/general purpose	$	(76,300,000)
(4) SPECIAL INVESTIGATIONS		
Criminal investigations (ARRA)	$	0
GROSS APPROPRIATION	$	0
Appropriated from:		
Federal revenues:		
Government services fund (ARRA)		13,700,000
State general fund/general purpose	$	(13,700,000)

PART 1A

LINE-ITEM APPROPRIATIONS
FOR FISCAL YEAR 2009-2010

Sec. 151. There is appropriated for the various state departments and agencies to supplement appropriations for the fiscal year ending September 30, 2010, from the following funds:

APPROPRIATION SUMMARY

Full-time equated classified positions	20.0	
GROSS APPROPRIATION	$	12,613,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	12,613,000
Total federal revenues		1,279,600
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		11,333,400
State general fund/general purpose	$	0

Sec. 152. DEPARTMENT OF AGRICULTURE

(1) APPROPRIATION SUMMARY

Full-time equated classified positions	19.0	
GROSS APPROPRIATION	$	7,088,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	7,088,000
Federal revenues:		
Total federal revenues		0
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		7,088,000
State general fund/general purpose	$	0

(2) EXECUTIVE

Full-time equated classified positions	5.0	
Producer security/grain dealers—5.0 FTE positions	$	238,500
GROSS APPROPRIATION	$	238,500
Appropriated from:		
Special revenue funds:		
Industry support funds		75,000
Licensing and inspection fees		163,500
State general fund/general purpose	$	0

(3) FAIRS AND EXPOSITIONS

Full-time equated classified positions	4.0	
Fairs and racing—4.0 FTE positions	$	496,500
Purses and supplements - fairs/licensed tracks		1,019,100
Licensed tracks - light horse racing		56,800
Standardbred breeders' awards		416,700
Standardbred purses and supplements - licensed tracks		769,400
Standardbred sire stakes		348,300
Standardbred training and stabling		15,500
Thoroughbred owners' awards		53,300
Thoroughbred program		1,032,000
Thoroughbred sire stakes		356,900
Distribution of outstanding winning tickets		500,000
GROSS APPROPRIATION	$	5,064,500
Appropriated from:		
Special revenue funds:		
Agriculture equine industry development fund		5,064,500
State general fund/general purpose	$	0

		For Fiscal Year Ending Sept. 30, 2010
(4) OFFICE OF RACING COMMISSIONER		
Full-time equated classified positions 10.0		
Office of racing commissioner—10.0 FTE positions	$	1,785,000
GROSS APPROPRIATION	$	1,785,000
Appropriated from:		
Special revenue funds:		
Agricultural equine industry development fund		1,785,000
State general fund/general purpose	$	0
Sec. 153. DEPARTMENT OF COMMUNITY HEALTH		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	$	2,025,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	2,025,000
Federal revenues:		
Total federal revenues		1,279,600
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		745,400
State general fund/general purpose	$	0
(2) HEALTH POLICY, REGULATION, AND PROFESSIONS		
Primary care services	$	2,025,000
GROSS APPROPRIATION	$	2,025,000
Appropriated from:		
Federal revenues:		
Total other federal revenues		1,279,600
State general fund/general purpose	$	745,400
(3) MEDICAL SERVICES		
Health plan services	$	0
GROSS APPROPRIATION	$	0
Appropriated from:		
Special revenue funds:		
Total other state restricted revenues		745,400
State general fund/general purpose	$	(745,400)
Sec. 154. DEPARTMENT OF ENVIRONMENTAL QUALITY		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	$	2,000,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	2,000,000
Federal revenues:		
Total federal revenues		0
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		2,000,000
State general fund/general purpose	$	0
(2) LAND AND WATER MANAGEMENT		
Land and water interface positions—30.0 FTE positions	$	3,845,400
Wetlands protection—(30.0) FTE positions		(1,845,400)
GROSS APPROPRIATION	$	2,000,000
Appropriated from:		
Special revenue funds:		
Environmental protection fund		2,000,000
State general fund/general purpose	$	0

		For Fiscal Year Ending Sept. 30, 2010
Sec. 155. DEPARTMENT OF TREASURY		
(1) APPROPRIATION SUMMARY		
Full-time equated classified positions 1.0		
GROSS APPROPRIATION	$	1,500,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	1,500,000
Federal revenues:		
Total federal revenues		0
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		1,500,000
State general fund/general purpose	$	0
(2) TAX PROGRAMS		
Full-time equated classified positions 1.0		
Bottle bill implementation—1.0 FTE position	$	1,500,000
GROSS APPROPRIATION	$	1,500,000
Appropriated from:		
Special revenue funds:		
Beverage container redemption antifraud fund		1,500,000
State general fund/general purpose	$	0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS
FOR FISCAL YEAR 2008-2009

GENERAL SECTIONS

Sec. 201. In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending from state resources in this appropriation act for the fiscal year ending September 30, 2009 is $(274,100,000.00) and state appropriations paid to local units of government are $0.

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

DEPARTMENT OF STATE

Sec. 301. (1) Unexpended and unencumbered amounts of funds remaining in accounts appropriated in section 401 of 2005 PA 109, for implementing the help America vote act of 2002, 42 USC 15301 to 15545, for the secretary of state shall be reappropriated for the fiscal year ending September 30, 2009 for the same purposes as the original appropriation.

(2) The funds shall remain available for expenditure to implement provisions of the help America vote act of 2002, 42 USC 15301 to 15545, section 37 of the Michigan election law, 1954 PA 116, MCL 168.37, and other election reforms. Consistent with the help America vote act of 2002, 42 USC 15301 to 15545, the unexpended funds reappropriated into the help America vote act line item are considered work project appropriations and any unencumbered or unallotted funds are carried over into succeeding fiscal years. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is to implement provisions of the help America vote act of 2002, 42 USC 15301 to 15545, section 37 of the Michigan election law, 1954 PA 116, MCL 168.37, and other election reforms.

(b) These projects will be accomplished by state employees, by contracts with private vendors, or by grants to local units of government.

(c) The total estimated cost of these projects is identified in each line-item appropriation.

(d) The tentative completion date for these projects is September 30, 2013.

PART 2A

PROVISIONS CONCERNING APPROPRIATIONS
FOR FISCAL YEAR 2009-2010

GENERAL SECTIONS

Sec. 1201. In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending from state resources in this appropriation act for the fiscal year ending September 30, 2010 is $11,333,400.00 and state appropriations paid to local units of government are $0.

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

DEPARTMENT OF AGRICULTURE

Sec. 1301. Within 60 days of the close of each fiscal quarter, the department shall report to the state budget director, the senate and house appropriations subcommittees on agriculture, and the senate and house fiscal agencies on the agriculture equine industry development fund established in section 20 of the horse racing law of 1995, 1995 PA 279, MCL 431.320. The report shall do all of the following:

(a) Identify actual revenue through the preceding fiscal quarter and projected revenue and fund balance through the end of the fiscal year.

(b) Identify simulcast racing revenue generated by each licensed track, revenue from license fees, revenue generated from the casino wagering tax, and revenue from other sources.

(c) Identify the spending targets or budgeted amounts from the fund by line item for the fiscal year and compare the spending targets to the appropriated amounts for each line item.

Sec. 1302. From the amount appropriated in part 1A for purses and supplements - fairs/licensed tracks, $140,000.00 is to be used for state purse supplements at state licensed pari-mutuel tracks for races composed only of Michigan-bred horses segregated into a 4-year-old colt trot division, a 4-year-old filly trot division, a 4-year-old colt pace division, and a 4-year-old filly pace division.

Sec. 1303. Included in the appropriation made in part 1A for the thoroughbred program is $15,000.00 for the Michigan united thoroughbred breeders and owners association to conduct a thoroughbred yearling show. The Michigan united thoroughbred breeders and owners association shall submit to the department an itemized list of expenses showing that the expenses of the yearling show were paid.

Sec. 1304. From the funds appropriated in part 1A for thoroughbred owners' awards, awards shall be distributed pursuant to section 20 of the horse racing law of 1995, 1995 PA 279, MCL 431.320.

Sec. 1305. Of the amount appropriated in part 1A for purses and supplements - fairs/licensed tracks, a sufficient amount is appropriated to provide for overnight purse supplements pursuant to the horse racing law of 1995, 1995 PA 279, MCL 431.301 to 431.336.

Sec. 1306. The funds appropriated in part 1A for distribution of outstanding winning tickets are not available for expenditure until they are deposited in the Michigan agriculture equine industry development fund pursuant to section 2 of 1951 PA 90, MCL 431.252. These funds shall be expended in accordance with section 2 of 1951 PA 90, MCL 431.252. The department shall provide notice to the senate and house appropriations subcommittees on agriculture at least 10 days before the funds are expended. This notice shall include the amount that each program receives from the outstanding winning ticket revenue deposited in the Michigan agriculture equine industry development fund.

Sec. 1307. In the event there is no live thoroughbred race meet in 2009 or 2010, all purse money and program money appropriated for the thoroughbred industry in fiscal year 2008-2009 and fiscal year 2009-2010 shall be held in escrow for a period not to exceed 18 months, or until a thoroughbred race meet license is applied for and granted by the office of racing commissioner. In the event there is no thoroughbred race meet in 2009 or 2010, the purse pool distribution order to be issued by the office of racing commissioner in 2010 that delineates distribution between the thoroughbred race meet that has been held at Great Lakes downs and the joint thoroughbred/quarterhorse meet held in Mt. Pleasant shall be the same distribution formula as issued in 2009, with the thoroughbred portion being held in escrow.

Sec. 1308. The office of racing commissioner shall provide each certified horsemen's organization a minimum of 30 days notice before submitting a request for rule-making with the state office of administrative hearings and rules. The notice shall include all information as is required by the request for rule-making with the state office of administrative hearings and rules.

DEPARTMENT OF ENVIRONMENTAL QUALITY

LAND AND WATER MANAGEMENT

Sec. 1401. Effective October 1, 2009, surplus funds not to exceed $3,000,000.00 in the cleanup and redevelopment trust fund are hereby appropriated to the environmental protection fund.

Sec. 1402. Effective October 1, 2009, surplus funds not to exceed $3,000,000.00 in the community pollution prevention fund are hereby appropriated to the environmental protection fund.

DEPARTMENT OF TREASURY

Sec. 1501. Effective October 1, 2009, surplus funds not to exceed $1,500,000.00 from the cleanup and redevelopment trust fund are hereby appropriated to the beverage container redemption antifraud fund, created in the beverage container redemption antifraud act, 2008 PA 388, MCL 445.631 to 445.643.

Sec. 1502. From the funds appropriated in part 1A in the line item for bottle bill implementation, $1,500,000.00 shall be used for the purposes described in the beverage container redemption antifraud act, 2008 PA 388, MCL 445.631 to 445.643.

This act is ordered to take immediate effect.

Richard J. Brown

Clerk of the House of Representatives

Carol Morey Viventi

Secretary of the Senate

Approved .....

.....

Governor

Act No. 3
Public Acts of 2009
Approved by the Governor
March 31, 2009

Filed with the Secretary of State
March 31, 2009

EFFECTIVE DATE: March 31, 2009

STATE OF MICHIGAN

95TH LEGISLATURE

REGULAR SESSION OF 2009

Introduced by Reps. Gonzales, Cushingberry and Switalski

ENROLLED HOUSE BILL No. 4582

AN ACT to make, supplement, and adjust appropriations for various state departments and agencies for the fiscal year ending September 30, 2009; 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 various state departments and agencies to supplement appropriations for the fiscal year ending September 30, 2009, from the following funds:

STATE TRANSPORTATION DEPARTMENT

APPROPRIATION SUMMARY

GROSS APPROPRIATION	$	873,005,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	873,005,000
Federal revenues:		
Total federal revenues		873,005,000
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	$	0

Sec. 102. ROAD AND BRIDGE PROGRAMS

State trunkline federal aid and road and bridge construction (ARRA)	$	635,403,700
Local federal aid and road and bridge construction (ARRA)		211,801,300
GROSS APPROPRIATION	$	847,205,000
Appropriated from:		
Federal revenues:		
DOT-FHWA, highway research, planning, and construction (ARRA)		847,205,000
State general fund/general purpose	$	0

		For Fiscal Year Ending Sept. 30, 2009
Sec. 103. BUS TRANSIT DIVISION: STATUTORY OPERATING		
Nonurban operating/capital (ARRA)	$	21,930,000
GROSS APPROPRIATION	$	21,930,000
Appropriated from:		
Federal revenues:		
DOT, federal transit act (ARRA)		21,930,000
State general fund/general purpose	$	0
Sec. 104. INTERCITY PASSENGER AND FREIGHT		
Intercity services (ARRA)	$	3,870,000
GROSS APPROPRIATION	$	3,870,000
Appropriated from:		
Federal revenues:		
DOT, federal transit act (ARRA)		3,870,000
State general fund/general purpose	$	0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending from state resources in this appropriation act for the fiscal year ending September 30, 2009 is $0 and state appropriations paid to local units of government are $0.

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

STATE TRANSPORTATION DEPARTMENT

Sec. 301. (1) In addition to the funds appropriated in part 1, there is appropriated an amount equal to any additional federal funding awarded to Michigan through apportionment and under the redistribution provisions of the American recovery and reinvestment act of 2009, Public Law 111-5.

(2) Within 30 days of receiving an award described in subsection (1), the state transportation department shall report to the senate and house appropriations subcommittees, senate and house fiscal agencies, state budget director, and the governor on the amount of funds received and the purposes for which they will be spent.

Sec. 302. The unexpended funds appropriated in part 1 for state trunkline federal aid road and bridge construction (ARRA), local federal aid road and bridge construction (ARRA), and nonurban operating/capital (ARRA) and any unencumbered or unallotted funds are carried forward into the succeeding fiscal year. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the projects to be carried forward is to provide highway infrastructure investments and transit capital projects.

(b) The projects will be accomplished by state employees and by contract.

(c) The total estimated cost of all projects is identified in each line-item appropriation.

(d) The tentative completion date is September 30, 2012.

Sec. 303. In a form and manner determined by the state transportation department, local governments and other eligible subrecipients receiving funds through this act shall comply with all requirements corresponding to the receipt of funds, including, but not limited to, any certifications, assurances, accountability, and transparency provisions required in the American recovery and reinvestment act of 2009, Public Law 111-5.

This act is ordered to take immediate effect.

Richard J. Brown

Clerk of the House of Representatives

Carol Morey Viventi

Secretary of the Senate

Approved .....

.....

Governor

Act No. 73
Public Acts of 2009
Approved by the Governor
July 9, 2009
Filed with the Secretary of State
July 9, 2009
EFFECTIVE DATE: July 9, 2009

STATE OF MICHIGAN
95TH LEGISLATURE
REGULAR SESSION OF 2009

Introduced by Rep. Terry Brown

ENROLLED HOUSE BILL No. 4721

AN ACT to amend 1979 PA 94, entitled "An act to make appropriations to aid in the support of the public schools and the intermediate school districts of the state; to make appropriations for certain other purposes relating to education; to provide for the disbursement of the appropriations; to supplement the school aid fund by the levy and collection of certain taxes; to authorize the issuance of certain bonds and provide for the security of those bonds; to prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to create certain funds and provide for their expenditure; to prescribe penalties; and to repeal acts and parts of acts," by amending sections 6, 11, 11j, 11n, 20, 22a, 22b, 26a, 31a, 51a, 51c, 53a, and 94a (MCL 388.1606, 388.1611, 388.1611j, 388.1611n, 388.1620, 388.1622a, 388.1622b, 388.1626a, 388.1631a, 388.1651a, 388.1651c, 388.1653a, and 388.1694a), sections 6, 11, 11j, 22a, 22b, 26a, 31a, 51a, 51c, 53a, and 94a as amended and section 11n as added by 2008 PA 268 and section 20 as amended by 2008 PA 561, and by adding section 98a.

The People of the State of Michigan enact:

Sec. 6. (1) "Center program" means a program operated by a district or intermediate district for special education pupils from several districts in programs for pupils with autism spectrum disorder, pupils with severe cognitive impairment, pupils with moderate cognitive impairment, pupils with severe multiple impairments, pupils with hearing impairment, pupils with visual impairment, and pupils with physical impairment or other health impairment. Programs for pupils with emotional impairment housed in buildings that do not serve regular education pupils also qualify. Unless otherwise approved by the department, a center program either shall serve all constituent districts within an intermediate district or shall serve several districts with less than 50% of the pupils residing in the operating district. In addition, special education center program pupils placed part-time in noncenter programs to comply with the least restrictive environment provisions of section 612 of part B of the individuals with disabilities education act, 20 USC 1412, may be considered center program pupils for pupil accounting purposes for the time scheduled in either a center program or a noncenter program.

(2) "District and high school graduation rate" means the annual completion and pupil dropout rate that is calculated by the center pursuant to nationally recognized standards.

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

(4) "Membership", except as otherwise provided in this act, means for a district, public school academy, university school, or intermediate district the sum of the product of .75 times the number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance on the pupil membership count day for the current school year, plus the product of .25 times the final audited count from the supplemental count day for the immediately preceding school year. All pupil counts used in this subsection are as determined by the department and calculated by adding the number of pupils registered for attendance plus pupils received by transfer and minus pupils lost as defined by rules

promulgated by the superintendent, and as corrected by a subsequent department audit. The amount of the foundation allowance for a pupil in membership is determined under section 20. In making the calculation of membership, all of the following, as applicable, apply to determining the membership of a district, public school academy, university school, or intermediate district:

(a) Except as otherwise provided in this subsection, and pursuant to subsection (6), a pupil shall be counted in membership in the pupil's educating district or districts. An individual pupil shall not be counted for more than a total of 1.0 full-time equated membership.

(b) If a pupil is educated in a district other than the pupil's district of residence, if the pupil is not being educated as part of a cooperative education program, if the pupil's district of residence does not give the educating district its approval to count the pupil in membership in the educating district, and if the pupil is not covered by an exception specified in subsection (6) to the requirement that the educating district must have the approval of the pupil's district of residence to count the pupil in membership, the pupil shall not be counted in membership in any district.

(c) A special education pupil educated by the intermediate district shall be counted in membership in the intermediate district.

(d) A pupil placed by a court or state agency in an on-grounds program of a juvenile detention facility, a child caring institution, or a mental health institution, or a pupil funded under section 53a, shall be counted in membership in the district or intermediate district approved by the department to operate the program.

(e) A pupil enrolled in the Michigan schools for the deaf and blind shall be counted in membership in the pupil's intermediate district of residence.

(f) A pupil enrolled in a vocational education program supported by a millage levied over an area larger than a single district or in an area vocational-technical education program established pursuant to section 690 of the revised school code, MCL 380.690, shall be counted only in the pupil's district of residence.

(g) A pupil enrolled in a university school shall be counted in membership in the university school.

(h) A pupil enrolled in a public school academy shall be counted in membership in the public school academy.

(i) For a new district, university school, or public school academy beginning its operation after December 31, 1994, membership for the first 2 full or partial fiscal years of operation shall be determined as follows:

(*i*) If operations begin before the pupil membership count day for the fiscal year, membership is the average number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance on the pupil membership count day for the current school year and on the supplemental count day for the current school year, as determined by the department and calculated by adding the number of pupils registered for attendance on the pupil membership count day plus pupils received by transfer and minus pupils lost as defined by rules promulgated by the superintendent, and as corrected by a subsequent department audit, plus the final audited count from the supplemental count day for the current school year, and dividing that sum by 2.

(*ii*) If operations begin after the pupil membership count day for the fiscal year and not later than the supplemental count day for the fiscal year, membership is the final audited count of the number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance on the supplemental count day for the current school year.

(j) If a district is the authorizing body for a public school academy, then, in the first school year in which pupils are counted in membership on the pupil membership count day in the public school academy, the determination of the district's membership shall exclude from the district's pupil count for the immediately preceding supplemental count day any pupils who are counted in the public school academy on that first pupil membership count day who were also counted in the district on the immediately preceding supplemental count day.

(k) In a district, public school academy, university school, or intermediate district operating an extended school year program approved by the superintendent, a pupil enrolled, but not scheduled to be in regular daily attendance on a pupil membership count day, shall be counted.

(*l*) Pupils to be counted in membership shall be not less than 5 years of age on December 1 and less than 20 years of age on September 1 of the school year except a special education pupil who is enrolled and receiving instruction in a special education program or service approved by the department and not having a high school diploma who is less than 26 years of age as of September 1 of the current school year shall be counted in membership.

(m) An individual who has obtained a high school diploma shall not be counted in membership. An individual who has obtained a general educational development (G.E.D.) certificate shall not be counted in membership. An individual participating in a job training program funded under former section 107a or a jobs program funded under former section 107b, administered by the Michigan strategic fund or the department of labor and economic growth, or participating in any successor of either of those 2 programs, shall not be counted in membership.

(n) If a pupil counted in membership in a public school academy is also educated by a district or intermediate district as part of a cooperative education program, the pupil shall be counted in membership only in the public school academy unless a written agreement signed by all parties designates the party or parties in which the pupil shall be counted in membership, and the instructional time scheduled for the pupil in the district or intermediate district shall be included

in the full-time equated membership determination under subdivision (q). However, for pupils receiving instruction in both a public school academy and in a district or intermediate district but not as a part of a cooperative education program, the following apply:

(*i*) If the public school academy provides instruction for at least 1/2 of the class hours specified in subdivision (q), the public school academy shall receive as its prorated share of the full-time equated membership for each of those pupils an amount equal to 1 times the product of the hours of instruction the public school academy provides divided by the number of hours specified in subdivision (q) for full-time equivalency, and the remainder of the full-time membership for each of those pupils shall be allocated to the district or intermediate district providing the remainder of the hours of instruction.

(*ii*) If the public school academy provides instruction for less than 1/2 of the class hours specified in subdivision (q), the district or intermediate district providing the remainder of the hours of instruction shall receive as its prorated share of the full-time equated membership for each of those pupils an amount equal to 1 times the product of the hours of instruction the district or intermediate district provides divided by the number of hours specified in subdivision (q) for full-time equivalency, and the remainder of the full-time membership for each of those pupils shall be allocated to the public school academy.

(o) An individual less than 16 years of age as of September 1 of the current school year who is being educated in an alternative education program shall not be counted in membership if there are also adult education participants being educated in the same program or classroom.

(p) The department shall give a uniform interpretation of full-time and part-time memberships.

(q) The number of class hours used to calculate full-time equated memberships shall be consistent with section 101(3). In determining full-time equated memberships for pupils who are enrolled in a postsecondary institution, a pupil shall not be considered to be less than a full-time equated pupil solely because of the effect of his or her postsecondary enrollment, including necessary travel time, on the number of class hours provided by the district to the pupil.

(r) Except as otherwise provided in this subdivision, full-time equated memberships for pupils in kindergarten shall be determined by dividing the number of class hours scheduled and provided per year per kindergarten pupil by a number equal to 1/2 the number used for determining full-time equated memberships for pupils in grades 1 to 12.

(s) For a district, university school, or public school academy that has pupils enrolled in a grade level that was not offered by the district, university school, or public school academy in the immediately preceding school year, the number of pupils enrolled in that grade level to be counted in membership is the average of the number of those pupils enrolled and in regular daily attendance on the pupil membership count day and the supplemental count day of the current school year, as determined by the department. Membership shall be calculated by adding the number of pupils registered for attendance in that grade level on the pupil membership count day plus pupils received by transfer and minus pupils lost as defined by rules promulgated by the superintendent, and as corrected by subsequent department audit, plus the final audited count from the supplemental count day for the current school year, and dividing that sum by 2.

(t) A pupil enrolled in a cooperative education program may be counted in membership in the pupil's district of residence with the written approval of all parties to the cooperative agreement.

(u) If, as a result of a disciplinary action, a district determines through the district's alternative or disciplinary education program that the best instructional placement for a pupil is in the pupil's home or otherwise apart from the general school population, if that placement is authorized in writing by the district superintendent and district alternative or disciplinary education supervisor, and if the district provides appropriate instruction as described in this subdivision to the pupil at the pupil's home or otherwise apart from the general school population, the district may count the pupil in membership on a pro rata basis, with the proration based on the number of hours of instruction the district actually provides to the pupil divided by the number of hours specified in subdivision (q) for full-time equivalency. For the purposes of this subdivision, a district shall be considered to be providing appropriate instruction if all of the following are met:

(*i*) The district provides at least 2 nonconsecutive hours of instruction per week to the pupil at the pupil's home or otherwise apart from the general school population under the supervision of a certificated teacher.

(*ii*) The district provides instructional materials, resources, and supplies, except computers, that are comparable to those otherwise provided in the district's alternative education program.

(*iii*) Course content is comparable to that in the district's alternative education program.

(*iv*) Credit earned is awarded to the pupil and placed on the pupil's transcript.

(v) For 2007-2008 only, a pupil enrolled in an alternative or disciplinary education program described in section 25 shall be counted in membership in the district or public school academy that expelled the pupil.

(w) If a pupil was enrolled in a public school academy on the pupil membership count day, if the public school academy's contract with its authorizing body is revoked or the public school academy otherwise ceases to operate, and if the pupil enrolls in a district within 45 days after the pupil membership count day, the department shall adjust the district's pupil count for the pupil membership count day to include the pupil in the count.

(x) For a public school academy that has been in operation for at least 2 years and that suspended operations for at least 1 semester and is resuming operations, membership is the sum of the product of .75 times the number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance on the first pupil membership count day or supplemental count day, whichever is first, occurring after operations resume, plus the product of .25 times the final audited count from the most recent pupil membership count day or supplemental count day that occurred before suspending operations, as determined by the superintendent.

(y) If a district's membership for a particular fiscal year, as otherwise calculated under this subsection, would be less than 1,550 pupils and the district has 4.5 or fewer pupils per square mile, as determined by the department, and, beginning in 2007-2008, if the district does not receive funding under section 22d(2), the district's membership shall be considered to be the membership figure calculated under this subdivision. If a district educates and counts in its membership pupils in grades 9 to 12 who reside in a contiguous district that does not operate grades 9 to 12 and if 1 or both of the affected districts request the department to use the determination allowed under this sentence, the department shall include the square mileage of both districts in determining the number of pupils per square mile for each of the districts for the purposes of this subdivision. The membership figure calculated under this subdivision is the greater of the following:

(*i*) The average of the district's membership for the 3-fiscal-year period ending with that fiscal year, calculated by adding the district's actual membership for each of those 3 fiscal years, as otherwise calculated under this subsection, and dividing the sum of those 3 membership figures by 3.

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

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

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

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

(cc) For the first year in which a pupil is counted in membership on the pupil membership count day in a middle college program described in section 64, the membership is the average of the full-time equated membership on the pupil membership count day and on the supplemental count day for the current school year, as determined by the department. If a pupil was counted by the operating district on the immediately preceding supplemental count day, the pupil shall be excluded from the district's immediately preceding supplemental count for purposes of determining the district's membership.

(5) "Public school academy" means a public school academy, urban high school academy, or strict discipline academy operating under the revised school code.

(6) "Pupil" means a person in membership in a public school. A district must have the approval of the pupil's district of residence to count the pupil in membership, except approval by the pupil's district of residence is not required for any of the following:

(a) A nonpublic part-time pupil enrolled in grades 1 to 12 in accordance with section 166b.

(b) A pupil receiving 1/2 or less of his or her instruction in a district other than the pupil's district of residence.

(c) A pupil enrolled in a public school academy or university school.

(d) A pupil enrolled in a district other than the pupil's district of residence under an intermediate district schools of choice pilot program as described in section 91a or former section 91 if the intermediate district and its constituent districts have been exempted from section 105.

(e) A pupil enrolled in a district other than the pupil's district of residence if the pupil is enrolled in accordance with section 105 or 105c.

(f) A pupil who has made an official written complaint or whose parent or legal guardian has made an official written complaint to law enforcement officials and to school officials of the pupil's district of residence that the pupil has been the victim of a criminal sexual assault or other serious assault, if the official complaint either indicates that the assault occurred at school or that the assault was committed by 1 or more other pupils enrolled in the school the pupil would otherwise attend in the district of residence or by an employee of the district of residence. A person who intentionally

makes a false report of a crime to law enforcement officials for the purposes of this subdivision is subject to section 411a of the Michigan penal code, 1931 PA 328, MCL 750.411a, which provides criminal penalties for that conduct. As used in this subdivision:

(*i*) "At school" means in a classroom, elsewhere on school premises, on a school bus or other school-related vehicle, or at a school-sponsored activity or event whether or not it is held on school premises.

(*ii*) "Serious assault" means an act that constitutes a felony violation of chapter XI of the Michigan penal code, 1931 PA 328, MCL 750.81 to 750.90g, or that constitutes an assault and infliction of serious or aggravated injury under section 81a of the Michigan penal code, 1931 PA 328, MCL 750.81a.

(g) A pupil whose district of residence changed after the pupil membership count day and before the supplemental count day and who continues to be enrolled on the supplemental count day as a nonresident in the district in which he or she was enrolled as a resident on the pupil membership count day of the same school year.

(h) A pupil enrolled in an alternative education program operated by a district other than his or her district of residence who meets 1 or more of the following:

(*i*) The pupil has been suspended or expelled from his or her district of residence for any reason, including, but not limited to, a suspension or expulsion under section 1310, 1311, or 1311a of the revised school code, MCL 380.1310, 380.1311, and 380.1311a.

(*ii*) The pupil had previously dropped out of school.

(*iii*) The pupil is pregnant or is a parent.

(*iv*) The pupil has been referred to the program by a court.

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

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

(j) A pupil who is the child of a person who is employed by the district. As used in this subdivision, "child" includes an adopted child, stepchild, or legal ward.

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

(*l*) A pupil enrolled in a district other than the pupil's district of residence in a program described in section 64 if the pupil's district of residence and the enrolling district are both constituent districts of the same intermediate district.

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

However, if a district that is not a first class district educates pupils who reside in a first class district and if the primary instructional site for those pupils is located within the boundaries of the first class district, the educating district must have the approval of the first class district to count those pupils in membership. As used in this subsection, "first class district" means a district organized as a school district of the first class under the revised school code.

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

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

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

(*i*) Fourth Wednesday in July.

(*ii*) Fourth Wednesday after Labor day.

(*iii*) Second Wednesday in February.

(*iv*) Fourth Wednesday in April.

(8) "Pupils in grades K to 12 actually enrolled and in regular daily attendance" means pupils in grades K to 12 in attendance and receiving instruction in all classes for which they are enrolled on the pupil membership count day or the supplemental count day, as applicable. Except as otherwise provided in this subsection, a pupil who is absent from any of the classes in which the pupil is enrolled on the pupil membership count day or supplemental count day and who does not attend each of those classes during the 10 consecutive school days immediately following the pupil membership count day or supplemental count day, except for a pupil who has been excused by the district, shall not be counted as 1.0 full-time equated membership. A pupil who is excused from attendance on the pupil membership count day or supplemental count day and who fails to attend each of the classes in which the pupil is enrolled within 30 calendar days after the pupil membership count day or supplemental count day shall not be counted as 1.0 full-time equated membership. In addition, a pupil who was enrolled and in attendance in a district, intermediate district, or public school academy before the pupil membership count day or supplemental count day of a particular year but was expelled or suspended

on the pupil membership count day or supplemental count day shall only be counted as 1.0 full-time equated membership if the pupil resumed attendance in the district, intermediate district, or public school academy within 45 days after the pupil membership count day or supplemental count day of that particular year. Pupils not counted as 1.0 full-time equated membership due to an absence from a class shall be counted as a prorated membership for the classes the pupil attended. For purposes of this subsection, "class" means a period of time in 1 day when pupils and a certificated teacher or legally qualified substitute teacher are together and instruction is taking place.

(9) "Rule" means a rule promulgated pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

(10) "The revised school code" means 1976 PA 451, MCL 380.1 to 380.1852.

(11) "School district of the first class", "first class school district", and "district of the first class", except in subsection (6), mean a district that had at least 60,000 pupils in membership for the immediately preceding fiscal year.

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

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

(14) "Superintendent", unless the context clearly refers to a district or intermediate district superintendent, means the superintendent of public instruction described in section 3 of article VIII of the state constitution of 1963.

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

(16) "Tuition pupil" means a pupil of school age attending school in a district other than the pupil's district of residence for whom tuition may be charged. Tuition pupil does not include a pupil who is a special education pupil or a pupil described in subsection (6)(c) to (m). A pupil's district of residence shall not require a high school tuition pupil, as provided under section 111, to attend another school district after the pupil has been assigned to a school district.

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

(18) "Taxable value" means the taxable value of property as determined under section 27a of the general property tax act, 1893 PA 206, MCL 211.27a.

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

(20) "Total state aid" or "total state school aid" means the total combined amount of all funds due to a district, intermediate district, or other entity under all of the provisions of this act.

(21) "University school" means an instructional program operated by a public university under section 23 that meets the requirements of section 23.

Sec. 11. (1) For the fiscal year ending September 30, 2009, there is appropriated for the public schools of this state and certain other state purposes relating to education the sum of $11,019,798,200.00 from the state school aid fund established by section 11 of article IX of the state constitution of 1963 and the sum of $78,000,000.00 from the general fund. For the fiscal year ending September 30, 2009, there is also appropriated the sum of $600,000,000.00 from the federal funding awarded to this state under title XIV of the American recovery and reinvestment act of 2009, Public Law 111-5, to be used solely for the purpose of funding the primary funding formula calculated under section 20, in accordance with federal law. In addition, other available federal funds are appropriated for the fiscal year ending September 30, 2009.

(2) The appropriations under this section shall be allocated as provided in this act. Money appropriated under this section from the general fund shall be expended to fund the purposes of this act before the expenditure of money appropriated under this section from the state school aid fund. If the maximum amount appropriated under this section from the state school aid fund for a fiscal year exceeds the amount necessary to fully fund allocations under this act from the state school aid fund, that excess amount shall not be expended in that state fiscal year and shall not lapse to the general fund, but instead shall be deposited into the school aid stabilization fund created in section 11a.

(3) If the maximum amount appropriated under this section from the state school aid fund and the school aid stabilization fund for a fiscal year exceeds the amount available for expenditure from the state school aid fund for that fiscal year, payments under sections 11f, 11g, 11j, 22a, 26a, 26b, 31d, 31f, 51a(2), 51a(12), 51c, 53a, and 56 shall be made in full. In addition, for districts beginning operations after 1994-95 that qualify for payments under section 22b, payments under section 22b shall be made so that the qualifying districts receive the lesser of an amount equal to the 1994-95 foundation allowance of the district in which the district beginning operations after 1994-95 is located or $5,500.00. The amount of the payment to be made under section 22b for these qualifying districts shall be as calculated under section 22a, with the balance of the payment under section 22b being subject to the proration otherwise provided under this subsection and subsection (4). If proration is necessary, state payments under each of the other sections of this act from all state funding sources shall be prorated in the manner prescribed in subsection (4) as necessary to reflect the amount available for expenditure from the state school aid fund for the affected fiscal year. However, if the department of

treasury determines that proration will be required under this subsection, or if the department of treasury determines that further proration is required under this subsection after an initial proration has already been made for a fiscal year, the department of treasury shall notify the state budget director, and the state budget director shall notify the legislature at least 30 calendar days or 6 legislative session days, whichever is more, before the department reduces any payments under this act because of the proration. During the 30 calendar day or 6 legislative session day period after that notification by the state budget director, the department shall not reduce any payments under this act because of proration under this subsection. The legislature may prevent proration from occurring by, within the 30 calendar day or 6 legislative session day period after that notification by the state budget director, enacting legislation appropriating additional funds from the general fund, countercyclical budget and economic stabilization fund, state school aid fund balance, or another source to fund the amount of the projected shortfall.

(4) If proration is necessary under subsection (3), the department shall calculate the proration in district and intermediate district payments that is required under subsection (3) as follows:

(a) The department shall calculate the percentage of total state school aid allocated under this act for the affected fiscal year for each of the following:

(*i*) Districts.

(*ii*) Intermediate districts.

(*iii*) Entities other than districts or intermediate districts.

(b) The department shall recover a percentage of the proration amount required under subsection (3) that is equal to the percentage calculated under subdivision (a)(*i*) for districts by reducing payments to districts. This reduction shall be made by calculating an equal dollar amount per pupil as necessary to recover this percentage of the proration amount and reducing each district's total state school aid from state sources, other than payments under sections 11f, 11g, 11j, 22a, 26a, 26b, 31d, 31f, 51a(2), 51a(12), 51c, and 53a, by that amount.

(c) The department shall recover a percentage of the proration amount required under subsection (3) that is equal to the percentage calculated under subdivision (a)(*ii*) for intermediate districts by reducing payments to intermediate districts. This reduction shall be made by reducing the payments to each intermediate district, other than payments under sections 11f, 11g, 26a, 26b, 51a(2), 51a(12), 53a, and 56, on an equal percentage basis.

(d) The department shall recover a percentage of the proration amount required under subsection (3) that is equal to the percentage calculated under subdivision (a)(*iii*) for entities other than districts and intermediate districts by reducing payments to these entities. This reduction shall be made by reducing the payments to each of these entities, other than payments under sections 11j, 26a, and 26b, on an equal percentage basis.

(5) Except for the allocation under section 26a, any general fund allocations under this act that are not expended by the end of the state fiscal year are transferred to the school aid stabilization fund created under section 11a.

Sec. 11j. From the appropriation in section 11, there is allocated an amount not to exceed $40,000,000.00 for 2008-2009 for payments to the school loan bond redemption fund in the department of treasury on behalf of districts and intermediate districts. Notwithstanding section 11 or any other provision of this act, funds allocated under this section are not subject to proration and shall be paid in full.

Sec. 11n. (1) From the appropriation in section 11, there is allocated $8,000,000.00 for 2008-2009 for the purposes of this section. Money allocated under this section shall be deposited in the 21st century schools fund on November 15 of the fiscal year for which it is allocated or on the next business day following that date.

(2) The 21st century schools fund is created as a separate account within the state school aid fund. The state treasurer may receive money or other assets from any source for deposit into the 21st century schools fund. The state treasurer shall direct the investment of the 21st century schools fund. The state treasurer shall credit to the 21st century schools fund interest and earnings from 21st century schools fund investments. Money in the 21st century schools fund at the close of the fiscal year shall remain in the 21st century schools fund and shall not lapse to the state school aid fund or to the general fund. The department of treasury shall be the administrator of the 21st century schools fund for auditing purposes. Money from the 21st century schools fund shall be expended, upon appropriation, only for purposes of this section.

(3) For 2008-2009, an amount not to exceed $8,000,000.00 is allocated from the 21st century schools fund for 21st century schools grants under this section of up to $3,000,000.00 for each school project to eligible districts that meet the requirements of this section. The funds may be used for planning and start-up costs of newly constructed or newly configured schools or learning communities and renovations of existing facilities as well as other expenditures outlined in the applicants' proposals relating to planning and start-up costs and approved by the department. Notwithstanding section 17b, the total grant amount for 2008-2009 to each eligible district or public school academy shall be distributed over a 4-year period on a schedule to be determined by the department.

(4) To apply for a 21st century schools grant, an eligible district shall submit an application to the department, in a form and manner prescribed by the department, that meets the application criteria under this section. An application

shall demonstrate to the satisfaction of the department that the school or learning community of an eligible district to be funded meets all of the following:

(a) Will be designed to achieve the following outcomes not later than the school year in which the third high school graduating class graduates from the school or learning community:

(*i*) An 80% graduation rate, as determined by the department.

(*ii*) At least 80% of the high school graduates from the school or learning community are enrolled in postsecondary studies within 6 months after high school graduation. For purposes of this subparagraph, "postsecondary studies" includes 4-year colleges and universities, community colleges, technical schools, apprenticeships, and military enlistment.

(b) Will provide an open enrollment such that if there are more applications to enroll than there are spaces available, pupils shall be selected to attend using a random selection process. However, a school or learning community may give enrollment priority to a sibling of a pupil enrolled in the school or learning community, and a school or learning community shall allow any pupil who was enrolled in the school or learning community in the immediately preceding school year to enroll in the school or learning community in the next appropriate grade until the pupil graduates from the school or learning community.

(c) Will have a maximum of 110 pupils in each high school grade level and an average of at least 75 pupils in each high school grade level.

(d) Will incorporate a relationship-building goal between the teaching staff, administration, pupils, and parents.

(e) Has a commitment of private matching funds at least equal to the amount of the grant under this section.

(5) If the department determines that a grant recipient has failed to achieve the outcomes described in subsection (4)(a), the grant recipient shall return to the state 50% of the total grant awarded. To accomplish the return of these funds, the department shall deduct an amount equal to 50% of the total grant awarded from the grant recipient's state school aid installment payments, on a schedule determined by the department. Funds returned under this subsection shall be deposited in the 21st century schools fund.

(6) In awarding grants under this section, the department shall give preference to grant applications for starting a new school or learning community that will implement strategies to prepare middle school students likely to attend the school or learning community or that will include grades 6 to 12 rather than proposals for stand-alone schools including only grades 9 to 12 and not implementing strategies to prepare middle school students.

(7) The department shall not award more than 1/3 of the grants under this section to public school academies.

(8) The department shall establish and publicize the application process and a schedule for the application process.

(9) As used in this section, "eligible district" means all of the following:

(a) A district with a districtwide cohort graduation rate for high school pupils below 70%, as determined by the center for educational performance and information, for its most recent graduating class for which data are available.

(b) A public school academy if a majority of the pupils enrolled in the public school academy reside in a district that meets the criteria under subdivision (a).

Sec. 20. (1) For 2008-2009, the basic foundation allowance is $8,489.00.

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

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

(a) Beginning in 2008-2009, for a district that had a foundation allowance for the immediately preceding state fiscal year that was at least equal to the sum of $7,108.00 plus the total dollar amount of all adjustments made from 2006-2007 to the immediately preceding state fiscal year in the lowest foundation allowance among all districts, but less than the basic foundation allowance for the immediately preceding state fiscal year, the district shall receive a foundation allowance in an amount equal to the sum of the district's foundation allowance for the immediately preceding state fiscal year plus the difference between twice the dollar amount of the adjustment from the immediately preceding state fiscal year to the current state fiscal year made in the basic foundation allowance and [(the dollar amount of the adjustment from the immediately preceding state fiscal year to the current state fiscal year made in the basic foundation allowance minus $20.00) times (the difference between the district's foundation allowance for the immediately preceding state fiscal year and the sum of $7,108.00 plus the total dollar amount of all adjustments made from 2006-2007 to the immediately preceding state fiscal year in the lowest foundation allowance among all districts) divided by the difference between the basic foundation allowance for the current state fiscal year and the sum of $7,108.00 plus the total dollar amount of all adjustments made from 2006-2007 to the immediately preceding state fiscal year in the lowest foundation allowance among all districts]. However, the foundation allowance for a district that had less than the basic foundation allowance for the immediately preceding state fiscal year shall not exceed the basic foundation allowance for the current state fiscal year.

(b) Except as otherwise provided in this subsection, beginning in 2008-2009, for a district that in the immediately preceding state fiscal year had a foundation allowance in an amount at least equal to the amount of the basic foundation allowance for the immediately preceding state fiscal year, the district shall receive a foundation allowance in an amount equal to the sum of the district's foundation allowance for the immediately preceding state fiscal year plus the dollar amount of the adjustment from the immediately preceding state fiscal year to the current state fiscal year in the basic foundation allowance.

(c) For a district that in the 1994-95 state fiscal year had a foundation allowance greater than $6,500.00, the district's foundation allowance is an amount equal to the sum of the district's foundation allowance for the immediately preceding state fiscal year plus the lesser of the increase in the basic foundation allowance for the current state fiscal year, as compared to the immediately preceding state fiscal year, or the product of the district's foundation allowance for the immediately preceding state fiscal year times the percentage increase in the United States consumer price index in the calendar year ending in the immediately preceding fiscal year as reported by the May revenue estimating conference conducted under section 367b of the management and budget act, 1984 PA 431, MCL 18.1367b.

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

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

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

(4) Except as otherwise provided in this subsection, the state portion of a district's foundation allowance is an amount equal to the district's foundation allowance or the basic foundation allowance for the current state fiscal year, whichever is less, minus the difference between the sum of the product of the taxable value per membership pupil of all property in the district that is nonexempt property times the district's certified mills and, for a district with certified mills exceeding 12, the product of the taxable value per membership pupil of property in the district that is commercial personal property times the certified mills minus 12 mills and the quotient of the ad valorem property tax revenue of the district captured under tax increment financing acts divided by the district's membership excluding special education pupils. For a district described in subsection (3)(c), the state portion of the district's foundation allowance is an amount equal to $6,962.00 plus the difference between the district's foundation allowance for the current state fiscal year and the district's foundation allowance for 1998-99, minus the difference between the sum of the product of the taxable value per membership pupil of all property in the district that is nonexempt property times the district's certified mills and, for a district with certified mills exceeding 12, the product of the taxable value per membership pupil of property in the district that is commercial personal property times the certified mills minus 12 mills and the quotient of the ad valorem property tax revenue of the district captured under tax increment financing acts divided by the district's membership excluding special education pupils. For a district that has a millage reduction required under section 31 of article IX of the state constitution of 1963, the state portion of the district's foundation allowance shall be calculated as if that reduction did not occur. For the purposes of state law, federal funding awarded to this state under title XIV of the American recovery and reinvestment act of 2009, Public Law 111-5, that is appropriated under section 11 and allocated under section 22b, is considered to be part of the state portion of a district's foundation allowance and is considered to be part of the total state school aid paid to a public school academy.

(5) The allocation calculated under this section for a pupil shall be based on the foundation allowance of the pupil's district of residence. However, for a pupil enrolled in a district other than the pupil's district of residence, if the foundation allowance of the pupil's district of residence has been adjusted pursuant to subsection (19), the allocation calculated under this section shall not include the adjustment described in subsection (19). For a pupil enrolled pursuant to section 105 or 105c in a district other than the pupil's district of residence, the allocation calculated under this section shall be based on the lesser of the foundation allowance of the pupil's district of residence or the foundation allowance of the educating district. For a pupil in membership in a K-5, K-6, or K-8 district who is enrolled in another district in a grade not offered by the pupil's district of residence, the allocation calculated under this section shall be based on the foundation allowance of the educating district if the educating district's foundation allowance is greater than the foundation allowance of the pupil's district of residence. The calculation under this subsection shall take into account a district's per pupil allocation under section 20j(2).

(6) Beginning in 2008-2009, subject to subsection (7) and except as otherwise provided in this subsection, for pupils in membership, other than special education pupils, in a public school academy or a university school, the allocation calculated under this section is an amount per membership pupil other than special education pupils in the public school academy or university school equal to the sum of the local school operating revenue per membership pupil other than special education pupils for the district in which the public school academy or university school is located and the state portion of that district's foundation allowance, or the state maximum public school academy allocation, whichever is less.

Notwithstanding section 101, for a public school academy that begins operations after the pupil membership count day, the amount per membership pupil calculated under this subsection shall be adjusted by multiplying that amount per membership pupil by the number of hours of pupil instruction provided by the public school academy after it begins operations, as determined by the department, divided by the minimum number of hours of pupil instruction required under section 101(3). The result of this calculation shall not exceed the amount per membership pupil otherwise calculated under this subsection.

(7) If more than 25% of the pupils residing within a district are in membership in 1 or more public school academies located in the district, then the amount per membership pupil calculated under this section for a public school academy located in the district shall be reduced by an amount equal to the difference between the sum of the product of the taxable value per membership pupil of all property in the district that is nonexempt property times the district's certified mills and, for a district with certified mills exceeding 12, the product of the taxable value per membership pupil of property in the district that is commercial personal property times the certified mills minus 12 mills and the quotient of the ad valorem property tax revenue of the district captured under tax increment financing acts divided by the district's membership excluding special education pupils, in the school fiscal year ending in the current state fiscal year, calculated as if the resident pupils in membership in 1 or more public school academies located in the district were in membership in the district. In order to receive state school aid under this act, a district described in this subsection shall pay to the authorizing body that is the fiscal agent for a public school academy located in the district for forwarding to the public school academy an amount equal to that local school operating revenue per membership pupil for each resident pupil in membership other than special education pupils in the public school academy, as determined by the department.

(8) If a district does not receive an amount calculated under subsection (9); if the number of mills the district may levy on a principal residence, qualified agricultural property, qualified forest property, industrial personal property, and commercial personal property under section 1211 of the revised school code, MCL 380.1211, is 0.5 mills or less; and if the district elects not to levy those mills, the district instead shall receive a separate supplemental amount calculated under this subsection in an amount equal to the amount the district would have received had it levied those mills, as determined by the department of treasury. A district shall not receive a separate supplemental amount calculated under this subsection for a fiscal year unless in the calendar year ending in the fiscal year the district levies the district's certified mills on property that is nonexempt property.

(9) For a district that had combined state and local revenue per membership pupil in the 1993-94 state fiscal year of more than $6,500.00 and that had fewer than 350 pupils in membership, if the district elects not to reduce the number of mills from which a principal residence, qualified agricultural property, qualified forest property, industrial personal property, and commercial personal property are exempt and not to levy school operating taxes on a principal residence, qualified agricultural property, qualified forest property, industrial personal property, and commercial personal property as provided in section 1211 of the revised school code, MCL 380.1211, and not to levy school operating taxes on all property as provided in section 1211(2) of the revised school code, MCL 380.1211, there is calculated under this subsection for 1994-95 and each succeeding fiscal year a separate supplemental amount in an amount equal to the amount the district would have received per membership pupil had it levied school operating taxes on a principal residence, qualified agricultural property, qualified forest property, industrial personal property, and commercial personal property at the rate authorized for the district under section 1211 of the revised school code, MCL 380.1211, and levied school operating taxes on all property at the rate authorized for the district under section 1211(2) of the revised school code, MCL 380.1211, as determined by the department of treasury. If in the calendar year ending in the fiscal year a district does not levy the district's certified mills on property that is nonexempt property, the amount calculated under this subsection will be reduced by the same percentage as the millage actually levied compares to the district's certified mills.

(10) Subject to subsection (4), for a district that is formed or reconfigured after June 1, 2002 by consolidation of 2 or more districts or by annexation, the resulting district's foundation allowance under this section beginning after the effective date of the consolidation or annexation shall be the average of the foundation allowances of each of the original or affected districts, calculated as provided in this section, weighted as to the percentage of pupils in total membership in the resulting district who reside in the geographic area of each of the original or affected districts. The calculation under this subsection shall take into account a district's per pupil allocation under section 20j(2).

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

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

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

(a) The pupil membership factor shall be computed by dividing the estimated membership in the school year ending in the current state fiscal year, excluding intermediate district membership, by the estimated membership for the school year ending in the subsequent state fiscal year, excluding intermediate district membership. If a consensus membership

factor is not determined at the revenue estimating conference, the principals of the revenue estimating conference shall report their estimates to the house and senate subcommittees responsible for school aid appropriations not later than 7 days after the conclusion of the revenue conference.

(b) The revenue adjustment factor shall be computed by dividing the sum of the estimated total state school aid fund revenue for the subsequent state fiscal year plus the estimated total state school aid fund revenue for the current state fiscal year, adjusted for any change in the rate or base of a tax the proceeds of which are deposited in that fund and excluding money transferred into that fund from the countercyclical budget and economic stabilization fund under the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, by the sum of the estimated total school aid fund revenue for the current state fiscal year plus the estimated total state school aid fund revenue for the immediately preceding state fiscal year, adjusted for any change in the rate or base of a tax the proceeds of which are deposited in that fund. If a consensus revenue factor is not determined at the revenue estimating conference, the principals of the revenue estimating conference shall report their estimates to the house and senate subcommittees responsible for school aid appropriations not later than 7 days after the conclusion of the revenue conference.

(c) The index shall be calculated by multiplying the pupil membership factor by the revenue adjustment factor. However, for 2008-2009, the index shall be 1.00. If a consensus index is not determined at the revenue estimating conference, the principals of the revenue estimating conference shall report their estimates to the house and senate subcommittees responsible for school aid appropriations not later than 7 days after the conclusion of the revenue conference.

(14) If the principals at the revenue estimating conference reach a consensus on the index described in subsection (13)(c), the lowest foundation allowance among all districts for the subsequent state fiscal year shall be at least the amount of that consensus index multiplied by the lowest foundation allowance among all districts for the immediately preceding state fiscal year.

(15) If at the January revenue estimating conference it is estimated that pupil membership, excluding intermediate district membership, for the subsequent state fiscal year will be greater than 101% of the pupil membership, excluding intermediate district membership, for the current state fiscal year, then it is the intent of the legislature that the executive budget proposal for the school aid budget for the subsequent state fiscal year include a general fund/general purpose allocation sufficient to support the membership in excess of 101% of the current year pupil membership.

(16) For a district that had combined state and local revenue per membership pupil in the 1993-94 state fiscal year of more than $6,500.00, that had fewer than 7 pupils in membership in the 1993-94 state fiscal year, that has at least 1 child educated in the district in the current state fiscal year, and that levies the number of mills of school operating taxes authorized for the district under section 1211 of the revised school code, MCL 380.1211, a minimum amount of combined state and local revenue shall be calculated for the district as provided under this subsection. The minimum amount of combined state and local revenue for 1999-2000 shall be $67,000.00 plus the district's additional expenses to educate pupils in grades 9 to 12 educated in other districts as determined and allowed by the department. The minimum amount of combined state and local revenue under this subsection, before adding the additional expenses, shall increase each fiscal year by the same percentage increase as the percentage increase in the basic foundation allowance from the immediately preceding fiscal year to the current fiscal year. The state portion of the minimum amount of combined state and local revenue under this subsection shall be calculated by subtracting from the minimum amount of combined state and local revenue under this subsection the sum of the district's local school operating revenue and an amount equal to the product of the sum of the state portion of the district's foundation allowance plus the amount calculated under section 20j times the district's membership. As used in this subsection, "additional expenses" means the district's expenses for tuition or fees, not to exceed the basic foundation allowance for the current state fiscal year, plus a room and board stipend not to exceed $10.00 per school day for each pupil in grades 9 to 12 educated in another district, as approved by the department.

(17) For a district in which 7.75 mills levied in 1992 for school operating purposes in the 1992-93 school year were not renewed in 1993 for school operating purposes in the 1993-94 school year, the district's combined state and local revenue per membership pupil shall be recalculated as if that millage reduction did not occur and the district's foundation allowance shall be calculated as if its 1994-95 foundation allowance had been calculated using that recalculated 1993-94 combined state and local revenue per membership pupil as a base. A district is not entitled to any retroactive payments for fiscal years before 2000-2001 due to this subsection.

(18) For a district in which an industrial facilities exemption certificate that abated taxes on property with a state equalized valuation greater than the total state equalized valuation of the district at the time the certificate was issued or $700,000,000.00, whichever is greater, was issued under 1974 PA 198, MCL 207.551 to 207.572, before the calculation of the district's 1994-95 foundation allowance, the district's foundation allowance for 2002-2003 is an amount equal to the sum of the district's foundation allowance for 2002-2003, as otherwise calculated under this section, plus $250.00.

(19) For a district that received a grant under former section 32e for 2001-2002, the district's foundation allowance for 2002-2003 and each succeeding fiscal year shall be adjusted to be an amount equal to the sum of the district's foundation allowance, as otherwise calculated under this section, plus the quotient of 100% of the amount of the grant award to the district for 2001-2002 under former section 32e divided by the number of pupils in the district's membership

for 2001-2002 who were residents of and enrolled in the district. Except as otherwise provided in this subsection, a district qualifying for a foundation allowance adjustment under this subsection shall use the funds resulting from this adjustment for at least 1 of grades K to 3 for purposes allowable under former section 32e as in effect for 2001-2002, and may also use these funds for an early intervening program described in subsection (20). For an individual school or schools operated by a district qualifying for a foundation allowance under this subsection that have been determined by the department to meet the adequate yearly progress standards of the federal no child left behind act of 2001, Public Law 107-110, in both mathematics and English language arts at all applicable grade levels for all applicable subgroups, the district may submit to the department an application for flexibility in using the funds resulting from this adjustment that are attributable to the pupils in the school or schools. The application shall identify the affected school or schools and the affected funds and shall contain a plan for using the funds for specific purposes identified by the district that are designed to reduce class size, but that may be different from the purposes otherwise allowable under this subsection. The department shall approve the application if the department determines that the purposes identified in the plan are reasonably designed to reduce class size. If the department does not act to approve or disapprove an application within 30 days after it is submitted to the department, the application is considered to be approved. If an application for flexibility in using the funds is approved, the district may use the funds identified in the application for any purpose identified in the plan.

(20) An early intervening program that uses funds resulting from the adjustment under subsection (19) shall meet either or both of the following:

(a) Shall monitor individual pupil learning for pupils in grades K to 3 and provide specific support or learning strategies to pupils in grades K to 3 as early as possible in order to reduce the need for special education placement. The program shall include literacy and numeracy supports, sensory motor skill development, behavior supports, instructional consultation for teachers, and the development of a parent/school learning plan. Specific support or learning strategies may include support in or out of the general classroom in areas including reading, writing, math, visual memory, motor skill development, behavior, or language development. These would be provided based on an understanding of the individual child's learning needs.

(b) Shall provide early intervening strategies for pupils in grades K to 3 using schoolwide systems of academic and behavioral supports and shall be scientifically research-based. The strategies to be provided shall include at least pupil performance indicators based upon response to intervention, instructional consultation for teachers, and ongoing progress monitoring. A schoolwide system of academic and behavioral support should be based on a support team available to the classroom teachers. The members of this team could include the principal, special education staff, reading teachers, and other appropriate personnel who would be available to systematically study the needs of the individual child and work with the teacher to match instruction to the needs of the individual child.

(21) For a district that levied 1.9 mills in 1993 to finance an operating deficit, the district's foundation allowance shall be calculated as if those mills were included as operating mills in the calculation of the district's 1994-1995 foundation allowance. A district is not entitled to any retroactive payments for fiscal years before 2006-2007 due to this subsection. A district receiving an adjustment under this subsection shall not receive more than $800,000.00 for a fiscal year as a result of this adjustment.

(22) For a district that levied 2.23 mills in 1993 to finance an operating deficit, the district's foundation allowance shall be calculated as if those mills were included as operating mills in the calculation of the district's 1994-1995 foundation allowance. A district is not entitled to any retroactive payments for fiscal years before 2006-2007 due to this subsection. A district receiving an adjustment under this subsection shall not receive more than $500,000.00 for a fiscal year as a result of this adjustment.

(23) Payments to districts, university schools, or public school academies shall not be made under this section. Rather, the calculations under this section shall be used to determine the amount of state payments under section 22b.

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

(25) As used in this section:

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

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

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

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

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

(f) "Local school operating revenue" means school operating taxes levied under section 1211 of the revised school code, MCL 380.1211.

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

(h) "Maximum public school academy allocation" means the maximum per-pupil allocation as calculated by adding the highest per-pupil allocation among all public school academies for the immediately preceding state fiscal year plus the difference between twice the dollar amount of the adjustment from the immediately preceding state fiscal year to the current state fiscal year made in the basic foundation allowance and [(the dollar amount of the adjustment from the immediately preceding state fiscal year to the current state fiscal year made in the basic foundation allowance minus $20.00) times (the difference between the highest per-pupil allocation among all public school academies for the immediately preceding state fiscal year and the sum of $7,108.00 plus the total dollar amount of all adjustments made from 2006-2007 to the immediately preceding state fiscal year in the lowest per-pupil allocation among all public school academies) divided by the difference between the basic foundation allowance for the current state fiscal year and the sum of $7,108.00 plus the total dollar amount of all adjustments made from 2006-2007 to the immediately preceding state fiscal year in the lowest per-pupil allocation among all public school academies].

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

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

(k) "Principal residence", "qualified agricultural property", "qualified forest property", "industrial personal property", and "commercial personal property" mean those terms as defined in section 7dd of the general property tax act, 1893 PA 206, MCL 211.7dd, and section 1211 of the revised school code, MCL 380.1211.

(*l*) "School operating purposes" means the purposes included in the operation costs of the district as prescribed in sections 7 and 18.

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

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

(o) "Taxable value per membership pupil" means taxable value, as certified by the department of treasury, for the calendar year ending in the current state fiscal year divided by the district's membership excluding special education pupils for the school year ending in the current state fiscal year.

Sec. 22a. (1) From the appropriation in section 11, there is allocated an amount not to exceed $6,008,000,000.00 for 2008-2009 for payments to districts, qualifying university schools, and qualifying public school academies to guarantee each district, qualifying university school, and qualifying public school academy an amount equal to its 1994-95 total state and local per pupil revenue for school operating purposes under section 11 of article IX of the state constitution of 1963. Pursuant to section 11 of article IX of the state constitution of 1963, this guarantee does not apply to a district in a year in which the district levies a millage rate for school district operating purposes less than it levied in 1994. However, subsection (2) applies to calculating the payments under this section. Funds allocated under this section that are not expended in the state fiscal year for which they were allocated, as determined by the department, may be used to supplement the allocations under sections 22b and 51c in order to fully fund those calculated allocations for the same fiscal year.

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

(a) Except as otherwise provided in this subsection, the state portion of a district's 1994-95 foundation allowance is an amount equal to the district's 1994-95 foundation allowance or $6,500.00, whichever is less, minus the difference between the sum of the product of the taxable value per membership pupil of all property in the district that is nonexempt property times the district's certified mills and, for a district with certified mills exceeding 12, the product of the taxable value per membership pupil of property in the district that is commercial personal property times the certified mills minus 12 mills and the quotient of the ad valorem property tax revenue of the district captured under tax increment financing acts divided by the district's membership. For a district that has a millage reduction required under section 31 of article IX of the state constitution of 1963, the state portion of the district's foundation allowance shall be calculated as if that reduction did not occur.

(b) For a district that had a 1994-95 foundation allowance greater than $6,500.00, the state payment under this subsection shall be the sum of the amount calculated under subdivision (a) plus the amount calculated under this

subdivision. The amount calculated under this subdivision shall be equal to the difference between the district's 1994-95 foundation allowance minus $6,500.00 and the current year hold harmless school operating taxes per pupil. If the result of the calculation under subdivision (a) is negative, the negative amount shall be an offset against any state payment calculated under this subdivision. If the result of a calculation under this subdivision is negative, there shall not be a state payment or a deduction under this subdivision. The taxable values per membership pupil used in the calculations under this subdivision are as adjusted by ad valorem property tax revenue captured under tax increment financing acts divided by the district's membership.

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

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

(5) For a district that is formed or reconfigured after June 1, 2000 by consolidation of 2 or more districts or by annexation, the resulting district's 1994-95 foundation allowance under this section beginning after the effective date of the consolidation or annexation shall be the average of the 1994-95 foundation allowances of each of the original or affected districts, calculated as provided in this section, weighted as to the percentage of pupils in total membership in the resulting district in the state fiscal year in which the consolidation takes place who reside in the geographic area of each of the original districts. If an affected district's 1994-95 foundation allowance is less than the 1994-95 basic foundation allowance, the amount of that district's 1994-95 foundation allowance shall be considered for the purpose of calculations under this subsection to be equal to the amount of the 1994-95 basic foundation allowance.

(6) As used in this section:

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

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

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

(d) "Current year hold harmless school operating taxes per pupil" means the per pupil revenue generated by multiplying a district's 1994-95 hold harmless millage by the district's current year taxable value per membership pupil.

(e) "Hold harmless millage" means, for a district with a 1994-95 foundation allowance greater than $6,500.00, the number of mills by which the exemption from the levy of school operating taxes on a homestead, qualified agricultural property, qualified forest property, industrial personal property, and commercial personal property could be reduced as provided in section 1211 of the revised school code, MCL 380.1211, and the number of mills of school operating taxes that could be levied on all property as provided in section 1211(2) of the revised school code, MCL 380.1211, as certified by the department of treasury for the 1994 tax year.

(f) "Homestead" means that term as defined in section 1211 of the revised school code, MCL 380.1211.

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

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

(i) "Qualified agricultural property" means that term as defined in section 1211 of the revised school code, MCL 380.1211.

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

(k) "Qualifying university school" means a university school that was in operation in the 1994-95 school year and is in operation in the current fiscal year.

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

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

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

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

(*ii*) For the number of mills of school operating taxes that may be levied on all property as provided in section 1211(2) of the revised school code, MCL 380.1211, the taxable value of all property for the calendar year ending in the current state fiscal year.

Sec. 22b. (1) From the appropriation in section 11, there is allocated for 2008-2009 an amount not to exceed $3,198,000,000.00 for discretionary nonmandated payments to districts under this section. Funds allocated under this section that are not expended in the state fiscal year for which they were allocated, as determined by the department, may be used to supplement the allocations under sections 22a and 51c in order to fully fund those calculated allocations for the same fiscal year.

(2) In addition to the funds allocated in subsection (1), there is allocated an amount estimated at $600,000,000.00 from the federal funds awarded to this state under title XIV of the American recovery and reinvestment act of 2009, Public Law 111-5. These funds shall be distributed in a form and manner determined by the department based on an equal dollar amount per the number of membership pupils used to calculate the May 20, 2009 state aid payment and shall be expended in a manner prescribed by federal law.

(3) Subject to subsection (4) and section 11, the allocation to a district under this section shall be an amount equal to the sum of the amounts calculated under sections 20, 20j, 51a(2), 51a(3), and 51a(12), minus the sum of the allocations to the district under sections 22a and 51c.

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

(a) Administer in each grade level that it operates in grades 1 to 5 a standardized assessment approved by the department of grade-appropriate basic educational skills. A district may use the Michigan literacy progress profile to satisfy this requirement for grades 1 to 3. Also, if the revised school code is amended to require annual assessments at additional grade levels, in order to receive an allocation under this section each district shall comply with that requirement.

(b) Comply with sections 1278a and 1278b of the revised school code, MCL 380.1278a and 380.1278b.

(c) Furnish data and other information required by state and federal law to the center and the department in the form and manner specified by the center or the department, as applicable.

(d) Comply with section 1230g of the revised school code, MCL 380.1230g.

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

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

(7) It is the intent of the legislature that all constitutional obligations of this state have been fully funded under sections 22a, 31d, 51a, and 51c. If a claim is made by an entity receiving funds under this act that challenges the legislative determination of the adequacy of this funding or alleges that there exists an unfunded constitutional requirement, the state budget director may escrow or allocate from the discretionary funds for nonmandated payments under this section the amount as may be necessary to satisfy the claim before making any payments to districts under subsection (3). If funds are escrowed, the escrowed funds are a work project appropriation and the funds are carried forward into the following fiscal year. The purpose of the work project is to provide for any payments that may be awarded to districts as a result of litigation. The work project shall be completed upon resolution of the litigation.

(8) If the local claims review board or a court of competent jurisdiction makes a final determination that this state is in violation of section 29 of article IX of the state constitution of 1963 regarding state payments to districts, the state budget director shall use work project funds under subsection (7) or allocate from the discretionary funds for nonmandated payments under this section the amount as may be necessary to satisfy the amount owed to districts before making any payments to districts under subsection (3).

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

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

(11) If a lawsuit challenging payments made to districts related to costs reimbursed by federal title XIX medicaid funds is filed against this state, then, for the purpose of addressing potential liability under such a lawsuit, the state budget director may place funds allocated under this section in escrow or allocate money from the funds otherwise allocated under this section, up to a maximum of 50% of the amount allocated in subsection (1). If funds are placed in escrow under this subsection, those funds are a work project appropriation and the funds are carried forward into the following fiscal year. The purpose of the work project is to provide for any payments that may be awarded to districts as a result of the litigation. The work project shall be completed upon resolution of the litigation. In addition, this state reserves the right to terminate future federal title XIX medicaid reimbursement payments to districts if the amount or allocation of reimbursed funds is challenged in the lawsuit. As used in this subsection, "title XIX" means title XIX of the social security act, 42 USC 1396 to 1396v.

Sec. 26a. From the state school aid fund appropriation in section 11, there is allocated an amount not to exceed $26,300,000.00 for 2008-2009, and from the general fund appropriation in section 11, there is allocated an amount not to exceed $9,200,000.00 for 2008-2009 to reimburse districts, intermediate districts, and the state school aid fund pursuant to section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692, for taxes levied in 2008. The allocations shall be made not later than 60 days after the department of treasury certifies to the department and to the state budget director that the department of treasury has received all necessary information to properly determine the amounts due to each eligible recipient.

Sec. 31a. (1) From the state school aid fund money appropriated in section 11, there is allocated for 2008-2009 an amount not to exceed $320,350,000.00 for payments to eligible districts and eligible public school academies under this section. Subject to subsection (14), the amount of the additional allowance under this section, other than funding under subsection (6) or (7), shall be based on the number of actual pupils in membership in the district or public school academy who met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding state fiscal year, as determined under the Richard B. Russell national school lunch act, 42 USC 1751 to 1769i, and reported to the department by October 31 of the immediately preceding fiscal year and adjusted not later than December 31 of the immediately preceding fiscal year. However, for a public school academy that began operations as a public school academy after the pupil membership count day of the immediately preceding school year, the basis for the additional allowance under this section shall be the number of actual pupils in membership in the public school academy who met the income eligibility criteria for free breakfast, lunch, or milk in the current state fiscal year, as determined under the Richard B. Russell national school lunch act.

(2) To be eligible to receive funding under this section, other than funding under subsection (6) or (7), a district or public school academy that has not been previously determined to be eligible shall apply to the department, in a form and manner prescribed by the department, and a district or public school academy must meet all of the following:

(a) The sum of the district's or public school academy's combined state and local revenue per membership pupil in the current state fiscal year, as calculated under section 20, plus the amount of the district's per pupil allocation under section 20j(2), is less than or equal to the basic foundation allowance under section 20 for the current state fiscal year.

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

(3) Except as otherwise provided in this subsection, an eligible district or eligible public school academy shall receive under this section for each membership pupil in the district or public school academy who met the income eligibility criteria for free breakfast, lunch, or milk, as determined under the Richard B. Russell national school lunch act and as reported to the department by October 31 of the immediately preceding fiscal year and adjusted not later than December 31 of the immediately preceding fiscal year, an amount per pupil equal to 11.5% of the sum of the district's foundation allowance or public school academy's per pupil amount calculated under section 20, plus the amount of the district's per pupil allocation under section 20j(2), not to exceed the basic foundation allowance under section 20 for the current state fiscal year, or of the public school academy's per membership pupil amount calculated under section 20 for the current state fiscal year. A public school academy that began operations as a public school academy after the pupil membership count day of the immediately preceding school year shall receive under this section for each membership pupil in the public school academy who met the income eligibility criteria for free breakfast, lunch, or milk, as determined under the Richard B. Russell national school lunch act and as reported to the department by October 31 of the current fiscal year and adjusted not later than December 31 of the current fiscal year, an amount per pupil equal to 11.5% of the public school academy's per membership pupil amount calculated under section 20 for the current state fiscal year.

(4) Except as otherwise provided in this section, a district or public school academy receiving funding under this section shall use that money only to provide instructional programs and direct noninstructional services, including, but not limited to, medical or counseling services, for at-risk pupils; for school health clinics; and for the purposes of

subsection (5), (6), or (7). In addition, a district that is a school district of the first class or a district or public school academy in which at least 50% of the pupils in membership met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding state fiscal year, as determined and reported as described in subsection (1), may use not more than 20% of the funds it receives under this section for school security. A district or public school academy shall not use any of that money for administrative costs or to supplant another program or other funds, except for funds allocated to the district or public school academy under this section in the immediately preceding year and already being used by the district or public school academy for at-risk pupils. The instruction or direct noninstructional services provided under this section may be conducted before or after regular school hours or by adding extra school days to the school year and may include, but are not limited to, tutorial services, early childhood programs to serve children age 0 to 5, and reading programs as described in former section 32f as in effect for 2001-2002. A tutorial method may be conducted with paraprofessionals working under the supervision of a certificated teacher. The ratio of pupils to paraprofessionals shall be between 10:1 and 15:1. Only 1 certificated teacher is required to supervise instruction using a tutorial method. As used in this subsection, "to supplant another program" means to take the place of a previously existing instructional program or direct noninstructional services funded from a funding source other than funding under this section.

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

(6) From the funds allocated under subsection (1), there is allocated for 2008-2009 an amount not to exceed $4,743,000.00 to support child and adolescent health centers. These grants shall be awarded for 5 consecutive years beginning with 2003-2004 in a form and manner approved jointly by the department and the department of community health. Each grant recipient shall remain in compliance with the terms of the grant award or shall forfeit the grant award for the duration of the 5-year period after the noncompliance. Beginning in 2004-2005, to continue to receive funding for a child and adolescent health center under this section a grant recipient shall ensure that the child and adolescent health center has an advisory committee and that at least one-third of the members of the advisory committee are parents or legal guardians of school-aged children. A child and adolescent health center program shall recognize the role of a child's parents or legal guardian in the physical and emotional well-being of the child. Funding under this subsection shall be used to support child and adolescent health center services provided to children up to age 21. If any funds allocated under this subsection are not used for the purposes of this subsection for the fiscal year in which they are allocated, those unused funds shall be used that fiscal year to avoid or minimize any proration that would otherwise be required under subsection (14) for that fiscal year.

(7) From the funds allocated under subsection (1), there is allocated for 2008-2009 an amount not to exceed $5,150,000.00 for the state portion of the hearing and vision screenings as described in section 9301 of the public health code, 1978 PA 368, MCL 333.9301. A local public health department shall pay at least 50% of the total cost of the screenings. The frequency of the screenings shall be as required under R 325.13091 to R 325.13096 and R 325.3271 to R 325.3276 of the Michigan administrative code. Funds shall be awarded in a form and manner approved jointly by the department and the department of community health. Notwithstanding section 17b, payments to eligible entities under this subsection shall be paid on a schedule determined by the department.

(8) Each district or public school academy receiving funds under this section shall submit to the department by July 15 of each fiscal year a report, not to exceed 10 pages, on the usage by the district or public school academy of funds under this section, which report shall include at least a brief description of each program conducted by the district or public school academy using funds under this section, the amount of funds under this section allocated to each of those programs, the number of at-risk pupils eligible for free or reduced price school lunch who were served by each of those programs, and the total number of at-risk pupils served by each of those programs. If a district or public school academy does not comply with this subsection, the department shall withhold an amount equal to the August payment due under this section until the district or public school academy complies with this subsection. If the district or public school academy does not comply with this subsection by the end of the state fiscal year, the withheld funds shall be forfeited to the school aid fund.

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

(10) Subject to subsections (5), (6), (7), (12), and (13), any district may use up to 100% of the funds it receives under this section to reduce the ratio of pupils to teachers in grades K-6, or any combination of those grades, in school buildings in which the percentage of pupils described in subsection (1) exceeds the district's aggregate percentage of those pupils. Subject to subsections (5), (6), (7), (12), and (13), if a district obtains a waiver from the department, the district may use up to 100% of the funds it receives under this section to reduce the ratio of pupils to teachers in grades K-6, or any combination of those grades, in school buildings in which the percentage of pupils described in subsection (1) is at least 60% of the district's aggregate percentage of those pupils and at least 30% of the total number

of pupils enrolled in the school building. To obtain a waiver, a district must apply to the department and demonstrate to the satisfaction of the department that the class size reductions would be in the best interests of the district's at-risk pupils.

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

(12) For an individual school or schools operated by a district or public school academy receiving funds under this section that have been determined by the department to meet the adequate yearly progress standards of the federal no child left behind act of 2001, Public Law 107-110, in both mathematics and English language arts at all applicable grade levels for all applicable subgroups, the district or public school academy may submit to the department an application for flexibility in using the funds received under this section that are attributable to the pupils in the school or schools. The application shall identify the affected school or schools and the affected funds and shall contain a plan for using the funds for specific purposes identified by the district that are designed to benefit at-risk pupils in the school, but that may be different from the purposes otherwise allowable under this section. The department shall approve the application if the department determines that the purposes identified in the plan are reasonably designed to benefit at-risk pupils in the school. If the department does not act to approve or disapprove an application within 30 days after it is submitted to the department, the application is considered to be approved. If an application for flexibility in using the funds is approved, the district may use the funds identified in the application for any purpose identified in the plan.

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

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

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

(14) If necessary, and before any proration required under section 11, the department shall prorate payments under this section by reducing the amount of the per pupil payment under this section by a dollar amount calculated by determining the amount by which the amount necessary to fully fund the requirements of this section exceeds the maximum amount allocated under this section and then dividing that amount by the total statewide number of pupils who met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding fiscal year, as described in subsection (1).

(15) If a district is formed by consolidation after June 1, 1995, and if 1 or more of the original districts was not eligible before the consolidation for an additional allowance under this section, the amount of the additional allowance under this section for the consolidated district shall be based on the number of pupils described in subsection (1) enrolled in the consolidated district who reside in the territory of an original district that was eligible before the consolidation for an additional allowance under this section.

(16) A district or public school academy that does not meet the eligibility requirement under subsection (2)(a) is eligible for funding under this section if at least 1/4 of the pupils in membership in the district or public school academy met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding state fiscal year, as determined and reported as described in subsection (1), and at least 4,500 of the pupils in membership in the district or public school academy met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding state fiscal year, as determined and reported as described in subsection (1). A district or public school academy that is eligible for funding under this section because the district meets the requirements of this subsection shall receive under this section for each membership pupil in the district or public school academy who met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding fiscal year, as determined and reported as described in subsection (1), an amount per pupil equal to 11.5% of the sum of the district's foundation allowance or public school academy's per pupil allocation under section 20, plus the amount of the district's per pupil allocation under section 20j(2), not to exceed the basic foundation allowance under section 20 for the current state fiscal year.

(17) A district that does not meet the eligibility requirement under subsection (2)(a) is eligible for funding under this section if at least 75% of the pupils in membership in the district met the income eligibility criteria for free breakfast,

lunch, or milk in the immediately preceding state fiscal year, as determined and reported as described in subsection (1), the district receives an adjustment under section 20(19), and the district does not receive any state portion of its foundation allowance as calculated under section 20. A district that is eligible for funding under this section because the district meets the requirements of this subsection shall receive under this section for each membership pupil in the district who met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding fiscal year, as determined and reported as described in subsection (1), an amount per pupil equal to 11.5% of the sum of the district's foundation allowance under section 20, not to exceed the basic foundation allowance under section 20 for the current state fiscal year.

(18) As used in this section, "at-risk pupil" means a pupil for whom the district has documentation that the pupil meets at least 2 of the following criteria: is a victim of child abuse or neglect; is below grade level in English language and communication skills or mathematics; is a pregnant teenager or teenage parent; is eligible for a federal free or reduced-price lunch subsidy; has atypical behavior or attendance patterns; or has a family history of school failure, incarceration, or substance abuse. For pupils for whom the results of at least the applicable Michigan education assessment program (MEAP) test have been received, at-risk pupil also includes a pupil who does not meet the other criteria under this subsection but who did not achieve at least a score of level 2 on the most recent MEAP English language arts, mathematics, or science test for which results for the pupil have been received. For pupils for whom the results of the Michigan merit examination have been received, at-risk pupil also includes a pupil who does not meet the other criteria under this subsection but who did not achieve proficiency on the reading component of the most recent Michigan merit examination for which results for the pupil have been received, did not achieve proficiency on the mathematics component of the most recent Michigan merit examination for which results for the pupil have been received, or did not achieve basic competency on the science component of the most recent Michigan merit examination for which results for the pupil have been received. For pupils in grades K-3, at-risk pupil also includes a pupil who is at risk of not meeting the district's core academic curricular objectives in English language arts or mathematics.

Sec. 51a. (1) From the appropriation in section 11, there is allocated for 2008-2009 an amount not to exceed $1,016,933,000.00 from state sources and all available federal funding under sections 611 to 619 of part B of the individuals with disabilities education act, 20 USC 1411 to 1419, estimated at $350,700,000.00, plus any carryover federal funds from previous year appropriations. The allocations under this subsection are for the purpose of reimbursing districts and intermediate districts for special education programs, services, and special education personnel as prescribed in article 3 of the revised school code, MCL 380.1701 to 380.1766; net tuition payments made by intermediate districts to the Michigan schools for the deaf and blind; and special education programs and services for pupils who are eligible for special education programs and services according to statute or rule. For meeting the costs of special education programs and services not reimbursed under this article, a district or intermediate district may use money in general funds or special education funds, not otherwise restricted, or contributions from districts to intermediate districts, tuition payments, gifts and contributions from individuals, or federal funds that may be available for this purpose, as determined by the intermediate district plan prepared pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766. All federal funds allocated under this section in excess of those allocated under this section for 2002-2003 may be distributed in accordance with the flexible funding provisions of the individuals with disabilities education act, Public Law 108-446, including, but not limited to, 34 CFR 300.206 and 300.208. Notwithstanding section 17b, payments of federal funds to districts, intermediate districts, and other eligible entities under this section shall be paid on a schedule determined by the department.

(2) From the funds allocated under subsection (1), there is allocated the amount necessary, estimated at $228,500,000.00 for 2008-2009, for payments toward reimbursing districts and intermediate districts for 28.6138% of total approved costs of special education, excluding costs reimbursed under section 53a, and 70.4165% of total approved costs of special education transportation. Allocations under this subsection shall be made as follows:

(a) The initial amount allocated to a district under this subsection toward fulfilling the specified percentages shall be calculated by multiplying the district's special education pupil membership, excluding pupils described in subsection (12), times the sum of the foundation allowance under section 20 of the pupil's district of residence plus the amount of the district's per pupil allocation under section 20j(2), not to exceed the basic foundation allowance under section 20 for the current fiscal year, or, for a special education pupil in membership in a district that is a public school academy or university school, times an amount equal to the amount per membership pupil calculated under section 20(6). For an intermediate district, the amount allocated under this subdivision toward fulfilling the specified percentages shall be an amount per special education membership pupil, excluding pupils described in subsection (12), and shall be calculated in the same manner as for a district, using the foundation allowance under section 20 of the pupil's district of residence, not to exceed the basic foundation allowance under section 20 for the current fiscal year, and that district's per pupil allocation under section 20j(2).

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

(3) From the funds allocated under subsection (1), there is allocated for 2008-2009 the amount necessary, estimated at $1,700,000.00, to make payments to districts and intermediate districts under this subsection. If the amount allocated to a district or intermediate district for a fiscal year under subsection (2)(b) is less than the sum of the amounts allocated to the district or intermediate district for 1996-97 under sections 52 and 58, there is allocated to the district or intermediate district for the fiscal year an amount equal to that difference, adjusted by applying the same proration factor that was used in the distribution of funds under section 52 in 1996-97 as adjusted to the district's or intermediate district's necessary costs of special education used in calculations for the fiscal year. This adjustment is to reflect reductions in special education program operations or services between 1996-97 and subsequent fiscal years. Adjustments for reductions in special education program operations or services shall be made in a manner determined by the department and shall include adjustments for program or service shifts.

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

(5) State funds shall be allocated on a total approved cost basis. Federal funds shall be allocated under applicable federal requirements, except that an amount not to exceed $3,500,000.00 may be allocated by the department for 2008-2009 to districts, intermediate districts, or other eligible entities on a competitive grant basis for programs, equipment, and services that the department determines to be designed to benefit or improve special education on a statewide scale.

(6) From the amount allocated in subsection (1), there is allocated an amount not to exceed $2,200,000.00 for 2008-2009 to reimburse 100% of the net increase in necessary costs incurred by a district or intermediate district in implementing the revisions in the administrative rules for special education that became effective on July 1, 1987. As used in this subsection, "net increase in necessary costs" means the necessary additional costs incurred solely because of new or revised requirements in the administrative rules minus cost savings permitted in implementing the revised rules. Net increase in necessary costs shall be determined in a manner specified by the department.

(7) For purposes of this article, all of the following apply:

(a) "Total approved costs of special education" shall be determined in a manner specified by the department and may include indirect costs, but shall not exceed 115% of approved direct costs for section 52 and section 53a programs. The total approved costs include salary and other compensation for all approved special education personnel for the program, including payments for social security and medicare and public school employee retirement system contributions. The total approved costs do not include salaries or other compensation paid to administrative personnel who are not special education personnel as defined in section 6 of the revised school code, MCL 380.6. Costs reimbursed by federal funds, other than those federal funds included in the allocation made under this article, are not included. Special education approved personnel not utilized full time in the evaluation of students or in the delivery of special education programs, ancillary, and other related services shall be reimbursed under this section only for that portion of time actually spent providing these programs and services, with the exception of special education programs and services provided to youth placed in child caring institutions or juvenile detention programs approved by the department to provide an on-grounds education program.

(b) Beginning with the 2004-2005 fiscal year, a district or intermediate district that employed special education support services staff to provide special education support services in 2003-2004 or in a subsequent fiscal year and that in a fiscal year after 2003-2004 receives the same type of support services from another district or intermediate district shall report the cost of those support services for special education reimbursement purposes under this act. This subdivision does not prohibit the transfer of special education classroom teachers and special education classroom aides if the pupils counted in membership associated with those special education classroom teachers and special education classroom aides are transferred and counted in membership in the other district or intermediate district in conjunction with the transfer of those teachers and aides.

(c) If the department determines before bookclosing for 2007-2008 that the amounts allocated for 2007-2008 under subsections (2), (3), (6), (8), and (12) and sections 53a, 54, and 56 will exceed expenditures for 2007-2008 under subsections (2), (3), (6), (8), and (12) and sections 53a, 54, and 56, then for 2007-2008 only, for a district or intermediate district whose reimbursement for 2007-2008 would otherwise be affected by subdivision (b), subdivision (b) does not apply to the calculation of the reimbursement for that district or intermediate district and reimbursement for that district or intermediate district shall be calculated in the same manner as it was for 2003-2004. If the amount of the excess allocations under subsections (2), (3), (6), (8), and (12) and sections 53a, 54, and 56 is not sufficient to fully fund

the calculation of reimbursement to those districts and intermediate districts under this subdivision, then the calculations and resulting reimbursement under this subdivision shall be prorated on an equal percentage basis.

(d) Reimbursement for ancillary and other related services, as defined by R 340.1701c of the Michigan administrative code, shall not be provided when those services are covered by and available through private group health insurance carriers or federal reimbursed program sources unless the department and district or intermediate district agree otherwise and that agreement is approved by the state budget director. Expenses, other than the incidental expense of filing, shall not be borne by the parent. In addition, the filing of claims shall not delay the education of a pupil. A district or intermediate district shall be responsible for payment of a deductible amount and for an advance payment required until the time a claim is paid.

(e) Beginning with calculations for 2004-2005, if an intermediate district purchases a special education pupil transportation service from a constituent district that was previously purchased from a private entity; if the purchase from the constituent district is at a lower cost, adjusted for changes in fuel costs; and if the cost shift from the intermediate district to the constituent does not result in any net change in the revenue the constituent district receives from payments under sections 22b and 51c, then upon application by the intermediate district, the department shall direct the intermediate district to continue to report the cost associated with the specific identified special education pupil transportation service and shall adjust the costs reported by the constituent district to remove the cost associated with that specific service.

(8) From the allocation in subsection (1), there is allocated for 2008-2009 an amount not to exceed $15,313,900.00 to intermediate districts. The payment under this subsection to each intermediate district shall be equal to the amount of the 1996-97 allocation to the intermediate district under subsection (6) of this section as in effect for 1996-97.

(9) A pupil who is enrolled in a full-time special education program conducted or administered by an intermediate district or a pupil who is enrolled in the Michigan schools for the deaf and blind shall not be included in the membership count of a district, but shall be counted in membership in the intermediate district of residence.

(10) Special education personnel transferred from 1 district to another to implement the revised school code shall be entitled to the rights, benefits, and tenure to which the person would otherwise be entitled had that person been employed by the receiving district originally.

(11) If a district or intermediate district uses money received under this section for a purpose other than the purpose or purposes for which the money is allocated, the department may require the district or intermediate district to refund the amount of money received. Money that is refunded shall be deposited in the state treasury to the credit of the state school aid fund.

(12) From the funds allocated in subsection (1), there is allocated the amount necessary, estimated at $8,000,000.00 for 2008-2009, to pay the foundation allowances for pupils described in this subsection. The allocation to a district under this subsection shall be calculated by multiplying the number of pupils described in this subsection who are counted in membership in the district times the sum of the foundation allowance under section 20 of the pupil's district of residence plus the amount of the district's per pupil allocation under section 20j(2), not to exceed the basic foundation allowance under section 20 for the current fiscal year, or, for a pupil described in this subsection who is counted in membership in a district that is a public school academy or university school, times an amount equal to the amount per membership pupil under section 20(6). The allocation to an intermediate district under this subsection shall be calculated in the same manner as for a district, using the foundation allowance under section 20 of the pupil's district of residence, not to exceed the basic foundation allowance under section 20 for the current fiscal year, and that district's per pupil allocation under section 20j(2). This subsection applies to all of the following pupils:

(a) Pupils described in section 53a.

(b) Pupils counted in membership in an intermediate district who are not special education pupils and are served by the intermediate district in a juvenile detention or child caring facility.

(c) Emotionally impaired pupils counted in membership by an intermediate district and provided educational services by the department of community health.

(13) If it is determined that funds allocated under subsection (2) or (12) or under section 51c will not be expended, funds up to the amount necessary and available may be used to supplement the allocations under subsection (2) or (12) or under section 51c in order to fully fund those allocations. After payments under subsections (2) and (12) and section 51c, the remaining expenditures from the allocation in subsection (1) shall be made in the following order:

(a) 100% of the reimbursement required under section 53a.

(b) 100% of the reimbursement required under subsection (6).

(c) 100% of the payment required under section 54.

(d) 100% of the payment required under subsection (3).

(e) 100% of the payment required under subsection (8).

(f) 100% of the payments under section 56.

(14) The allocations under subsections (2), (3), and (12) shall be allocations to intermediate districts only and shall not be allocations to districts, but instead shall be calculations used only to determine the state payments under section 22b.

(15) If a public school academy enrolls pursuant to this section a pupil who resides outside of the intermediate district in which the public school academy is located and who is eligible for special education programs and services according to statute or rule, or who is a child with disabilities, as defined under the individuals with disabilities education act, Public Law 108-446, the provision of special education programs and services and the payment of the added costs of special education programs and services for the pupil are the responsibility of the district and intermediate district in which the pupil resides unless the enrolling district or intermediate district has a written agreement with the district or intermediate district in which the pupil resides or the public school academy for the purpose of providing the pupil with a free appropriate public education and the written agreement includes at least an agreement on the responsibility for the payment of the added costs of special education programs and services for the pupil.

Sec. 51c. As required by the court in the consolidated cases known as Durant v State of Michigan, Michigan supreme court docket No. 104458-104492, from the allocation under section 51a(1), there is allocated for 2008-2009 the amount necessary, estimated at $709,150,000.00, for payments to reimburse districts for 28.6138% of total approved costs of special education excluding costs reimbursed under section 53a, and 70.4165% of total approved costs of special education transportation. Funds allocated under this section that are not expended in the state fiscal year for which they were allocated, as determined by the department, may be used to supplement the allocations under sections 22a and 22b in order to fully fund those calculated allocations for the same fiscal year.

Sec. 53a. (1) For districts, reimbursement for pupils described in subsection (2) shall be 100% of the total approved costs of operating special education programs and services approved by the department and included in the intermediate district plan adopted pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766, minus the district's foundation allowance calculated under section 20, and minus the amount calculated for the district under section 20j. For intermediate districts, reimbursement for pupils described in subsection (2) shall be calculated in the same manner as for a district, using the foundation allowance under section 20 of the pupil's district of residence, not to exceed the basic foundation allowance under section 20 for the current fiscal year, and under section 20j.

(2) Reimbursement under subsection (1) is for the following special education pupils:

(a) Pupils assigned to a district or intermediate district through the community placement program of the courts or a state agency, if the pupil was a resident of another intermediate district at the time the pupil came under the jurisdiction of the court or a state agency.

(b) Pupils who are residents of institutions operated by the department of community health.

(c) Pupils who are former residents of department of community health institutions for the developmentally disabled who are placed in community settings other than the pupil's home.

(d) Pupils enrolled in a department-approved on-grounds educational program longer than 180 days, but not longer than 233 days, at a residential child care institution, if the child care institution offered in 1991-92 an on-grounds educational program longer than 180 days but not longer than 233 days.

(e) Pupils placed in a district by a parent for the purpose of seeking a suitable home, if the parent does not reside in the same intermediate district as the district in which the pupil is placed.

(3) Only those costs that are clearly and directly attributable to educational programs for pupils described in subsection (2), and that would not have been incurred if the pupils were not being educated in a district or intermediate district, are reimbursable under this section.

(4) The costs of transportation shall be funded under this section and shall not be reimbursed under section 58.

(5) Not more than $13,500,000.00 of the allocation for 2008-2009 in section 51a(1) shall be allocated under this section.

Sec. 94a. (1) There is created within the office of the state budget director in the department of management and budget the center for educational performance and information. The center shall do all of the following:

(a) Coordinate the collection of all data required by state and federal law from all entities receiving funds under this act.

(b) Collect data in the most efficient manner possible in order to reduce the administrative burden on reporting entities.

(c) Establish procedures to ensure the reasonable validity and reliability of the data and the collection process.

(d) Develop state and model local data collection policies, including, but not limited to, policies that ensure the privacy of individual student data. State privacy policies shall ensure that student social security numbers are not released to the public for any purpose.

(e) Provide data in a useful manner to allow state and local policymakers to make informed policy decisions.

(f) Provide reports to the citizens of this state to allow them to assess allocation of resources and the return on their investment in the education system of this state.

(g) Assist all entities receiving funds under this act in complying with audits performed according to generally accepted accounting procedures.

(h) To the extent funding is available, coordinate the electronic exchange of student records using a unique identification numbering system among entities receiving funds under this act and postsecondary institutions for students participating in public education programs from preschool through postsecondary education.

(i) Other functions as assigned by the state budget director.

(2) Each state department, officer, or agency that collects information from districts or intermediate districts as required under state or federal law shall make arrangements with the center, and with the districts or intermediate districts, to have the center collect the information and to provide it to the department, officer, or agency as necessary. To the extent that it does not cause financial hardship, the center shall arrange to collect the information in a manner that allows electronic submission of the information to the center. Each affected state department, officer, or agency shall provide the center with any details necessary for the center to collect information as provided under this subsection. This subsection does not apply to information collected by the department of treasury under the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a; the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821; the school bond qualification, approval, and loan act, 2005 PA 92, MCL 388.1921 to 388.1939; or section 1351a of the revised school code, MCL 380.1351a.

(3) The state budget director shall appoint a CEPI advisory committee, consisting of the following members:

(a) One representative from the house fiscal agency.

(b) One representative from the senate fiscal agency.

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

(d) One representative from the state education agency.

(e) One representative each from the department of labor and economic growth and the department of treasury.

(f) Three representatives from intermediate school districts.

(g) One representative from each of the following educational organizations:

(*i*) Michigan association of school boards.

(*ii*) Michigan association of school administrators.

(*iii*) Michigan school business officials.

(h) One representative representing private sector firms responsible for auditing school records.

(i) Other representatives as the state budget director determines are necessary.

(4) The CEPI advisory committee appointed under subsection (3) shall provide advice to the director of the center regarding the management of the center's data collection activities, including, but not limited to:

(a) Determining what data is necessary to collect and maintain in order to perform the center's functions in the most efficient manner possible.

(b) Defining the roles of all stakeholders in the data collection system.

(c) Recommending timelines for the implementation and ongoing collection of data.

(d) Establishing and maintaining data definitions, data transmission protocols, and system specifications and procedures for the efficient and accurate transmission and collection of data.

(e) Establishing and maintaining a process for ensuring the reasonable accuracy of the data.

(f) Establishing and maintaining state and model local policies related to data collection, including, but not limited to, privacy policies related to individual student data.

(g) Ensuring the data is made available to state and local policymakers and citizens of this state in the most useful format possible.

(h) Other matters as determined by the state budget director or the director of the center.

(5) The center may enter into any interlocal agreements necessary to fulfill its functions.

(6) From the general fund appropriation in section 11, there is allocated an amount not to exceed $3,435,400.00 for 2008-2009 to the department of management and budget to support the operations of the center and the development and implementation of a comprehensive longitudinal data collection management and reporting system that includes student-level data. The center shall cooperate with the state education agency to ensure that this state is in compliance with federal law and is maximizing opportunities for increased federal funding to improve education in this state. In

addition, from the federal funds appropriated in section 11 for 2008-2009, there is allocated the amount necessary, estimated at $2,793,200.00, in order to fulfill federal reporting requirements.

(7) From the federal funds allocated in subsection (6), there is allocated for 2008-2009 an amount not to exceed $750,000.00 funded from the competitive grants of DED-OESE, title II, educational technology funds for the purposes of this subsection. Not later than November 30, 2008, the department shall award a single grant to an eligible partnership that includes an intermediate district with at least 1 high-need local school district and the center.

(8) The center and the department shall work cooperatively to develop a cost allocation plan that pays for center expenses from the appropriate federal fund revenues.

(9) Funds allocated under this section that are not expended in the fiscal year in which they were allocated may be carried forward to a subsequent fiscal year.

(10) The center may bill departments as necessary in order to fulfill reporting requirements of state and federal law. The center may also enter into agreements to supply custom data, analysis, and reporting to other principal executive departments, state agencies, local units of government, and other individuals and organizations. The center may receive and expend funds in addition to those authorized in subsection (6) to cover the costs associated with salaries, benefits, supplies, materials, and equipment necessary to provide such data, analysis, and reporting services.

(11) As used in this section:

(a) "DED-OESE" means the United States department of education office of elementary and secondary education.

(b) "High-need local school district" means a local educational agency as defined in the enhancing education through technology part of the no child left behind act of 2001, Public Law 107-110.

(c) "State education agency" means the department.

Sec. 98a. (1) It is the intent of the legislature that for 2009-2010 there will be allocated an amount not to exceed $11,500,000.00 from the competitive education technology grant funds awarded under title VIII of the American recovery and reinvestment act of 2009, Public Law 111-5, to be used for the 21st century learning environment initiative described in this section.

(2) The department shall use the allocations in subsection (1) to make competitive grants to local education agencies and eligible partnerships for the 21st century learning environment initiative in accordance with section 2412(A)(2)(B) of the enhancing education through technology part of the no child left behind act of 2001, Public Law 107-110, 20 USC 6762(A)(2)(B).

(3) The program funded under this section shall focus on ways to use 21st century learning environments that include high access to mobile technology to enable innovative teaching and learning strategies that help accelerate achievement in core academic subject areas, close achievement gaps, and prepare Michigan students for 21st century jobs.

(4) The department shall fund at least 1 grant in each of the following areas:

(a) Research-based dropout prevention and reengagement initiatives that utilize digital environments to enable project-based learning, nontraditional instructional methods, cyberlearning, and other methods aimed at engaging students who have dropped out or who are at-risk of dropping out. Wherever possible, the department shall take the necessary steps to remove regulatory barriers to allow local education agencies or eligible partnerships to receive grants under this subsection.

(b) Research-based ubiquitous digital learning environment programs acting as a school improvement or intervention technique to enable learning transformations and proven strategies for accelerating achievement for schools not meeting adequate yearly progress or with high concentrations of at-risk students. These strategies may include project-based learning or individualized and student-centered instruction enabled by using laptops and other mobile technology.

(c) Programs aimed at preparing high school students for Michigan's 21st century jobs in the digital media arts, film production, or creative arts fields. These projects shall include programs that combine instruction in core subject areas with instruction and industry certification in digital media production technologies.

(d) Full-time online learning opportunity sponsored by a consortium or partnership that is established by an organization dedicated to online learning and at least 1 intermediate district. These programs shall use strategies that use multiple education delivery systems including internet-based online approaches. All of the following apply to an online education program receiving a grant under this subdivision:

(*i*) Notwithstanding any rule to the contrary, an online education program receiving a grant under this subdivision is not required to comply with any rule that would require a pupil's physical presence or attendance in a classroom or that is otherwise inconsistent with a pupil's participation in an online, remote education program, including, but not limited to, R 340.10 and R 340.11 of the Michigan administrative code, the pupil instruction time requirements of section 101, and section 109. Further, the superintendent may waive any other provision of this act, of the revised school code, or of the Michigan administrative code that would otherwise interfere with the operation or funding of an online education program receiving a grant under this subdivision.

(*ii*) Program goals shall include increasing the number of online enrollments and completions by at-risk students.

(*iii*) An online education program receiving a grant under this subdivision shall ensure all of the following:

(A) That a teacher who holds appropriate certification according to state board rule, who is employed by a district participating in the consortium or partnership, and who is a member of a collective bargaining unit of a district participating in the consortium or partnership will be responsible for improving learning by planned instruction, diagnosing learning needs, assessing learning, and reporting outcomes to administrators and parents or legal guardians for each course in which a pupil is enrolled. Notwithstanding any other provision of this act or any rule, if these requirements are met, any other adult assisting with the oversight of a pupil during the pupil's participation in the online education program is not required to be a certificated teacher or an employee of a participating district.

(B) That the online education program will make educational services available to pupils for a minimum of 1,098 hours during a school year and will ensure that each pupil participates in the educational program for at least 1,098 hours during a school year.

(5) A grant recipient shall use 25% of grant funds for professional development that focuses on utilizing digital environments to enable new teaching and learning methods such as individualizing instruction and project-based learning.

(6) The department shall limit the number of grants awarded under this section to not more than 10 so that each grant recipient receives an amount that is sufficient to create large-scale learning environment changes that facilitate the goals of this section.

(7) The department shall assist grant recipients and other districts that do not receive awards but that want to achieve the goals of this section in ways to utilize other state, local, and federal funds to purchase or lease technology that creates 21st century learning environments that enable the goals and types of projects described in this section.

Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2008 PA 268 from state sources for fiscal year 2008-2009 is estimated at $11,097,798,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $10,890,765,900.00.

This act is ordered to take immediate effect.

Richard J. Brown

Clerk of the House of Representatives

Carol Morey Viventi

Secretary of the Senate

Approved .....

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Governor