

**No. 49**  
**STATE OF MICHIGAN**  
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**OF THE**  
**House of Representatives**  
**96th Legislature**  
**REGULAR SESSION OF 2011**

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House Chamber, Lansing, Thursday, May 26, 2011.

12:00 Noon.

The House was called to order by the Speaker.

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

Agema—present	Gilbert—present	Lipton—present	Pscholka—present
Ananich—present	Glardon—present	Liss—present	Rendon—present
Barnett—present	Goike—present	Lori—present	Rogers—present
Bauer—present	Haines—present	Lund—present	Rutledge—present
Bledsoe—present	Hammel—present	Lyons—present	Santana—present
Bolger—present	Haugh—excused	MacGregor—present	Schmidt, R.—present
Brown—present	Haveman—present	MacMaster—present	Schmidt, W.—present
Brunner—present	Heise—present	McBroom—present	Scott—present
Bumstead—present	Hobbs—present	McCann—present	Segal—present
Byrum—present	Hooker—present	McMillin—present	Shaughnessy—present
Callton—present	Horn—present	Meadows—present	Shirkey—present
Cavanagh—present	Hovey-Wright—present	Melton—present	Slavens—present
Clemente—present	Howze—present	Moss—present	Smiley—present
Constan—present	Hughes—present	Muxlow—present	Somerville—present
Cotter—present	Huuki—present	Nathan—present	Stallworth—present
Crawford—present	Irwin—present	Nesbitt—present	Stamas—present
Daley—present	Jackson—present	O’Brien—present	Stanley—present
Damrow—present	Jacobsen—present	Oakes—present	Stapleton—present
Darany—present	Jenkins—present	Olson—present	Switalski—present
Denby—present	Johnson—present	Olumba—present	Talabi—present
Dillon—present	Kandrevas—present	Opsommer—present	Tlaib—present
Durhal—present	Knollenberg—present	Ouimet—present	Townsend—present
Farrington—present	Kowall—present	Outman—present	Tyler—present
Forlini—present	Kurtz—present	Pettalia—present	Walsh—present
Foster—present	LaFontaine—present	Poleski—present	Womack—present
Franz—present	Lane—present	Potvin—present	Yonker—present
Geiss—present	LeBlanc—present	Price—present	Zorn—present
Genetski—present	Lindberg—present		

e/d/s = entered during session

Captain Brian Webb, Chaplain of the National Guard, offered the following invocation:

“Almighty God, we are grateful for the opportunity to serve, to serve this great state, nation, and each other. We pray that as we serve that we would remember those who have served this great republic. Especially this weekend I pray for the families of those who have paid the ultimate sacrifice. I pray that You, Father, would comfort them with a comfort only You can bring. Father, today I pray that You grant wisdom and strength to this House of Representatives as they lead. Father, we pray all of these things in Your most Holy name, Amen.”

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Rep. Segal moved that Rep. Haugh be excused from today’s session.  
The motion prevailed.

### Motions and Resolutions

Reps. Tyler, Barnett, Brown, Constan, Crawford, Darany, Heise, Hooker, Knollenberg, LeBlanc, Liss, Poleski and Slavens offered the following resolution:

**House Resolution No. 95.**

A resolution to declare June 5-11, 2011, as Rip Current Awareness Week in the state of Michigan.

Whereas, Summer months bring the excitement of heading to Great Lakes beaches as well as the hidden dangers of rip currents; and

Whereas, Rip currents are a narrow stream of water moving swiftly away from shore, often perpendicular to the shoreline, that extend through the surf zone and past the line of breaking waves; and

Whereas, Rip currents are the greatest surf zone hazard to all beachgoers. They can sweep even the strongest swimmer away from the beach and are particularly dangerous for weak and non-swimmers; and

Whereas, Sixty-four drowning deaths were reported in Lake Michigan during the U.S. Coast Guard’s 2010 fiscal year, including at least 17 Great Lakes drowning deaths associated with rip currents; and

Whereas, Drowning is the sixth leading cause of unintentional injury or death for people of all ages, and the second leading cause of death for children ages 1 to 14 years; and

Whereas, Participation in formal swimming lessons can reduce the risk of drowning by 88 percent among children aged 1 to 4 years; and

Whereas, Rip currents can be identified by looking for differences in the water color, water motion, incoming wave shape or breaking point compared to adjacent conditions. Channel of churning, choppy water, an area having a notable difference in water color, line of foam, seaweed, or debris moving steadily away from the beach, or a break in the incoming wave pattern may indicate a rip current; and

Whereas, Swimmers can avoid rip current problems by never swimming alone, swimming near a lifeguard, looking for posted signs and warning flags which may indicate higher than usual hazards, checking with lifeguards before swimming, obeying all instructions provided by lifeguards, and by being cautious. Always assume rip currents are present even if you don’t see them; and

Whereas, If caught in a rip current, try to remain calm to conserve energy, don’t fight the current, swim across the current in a direction following the shoreline, and when out of the current, swim and angle away from the current and towards shore; and

Whereas, If you cannot escape a rip current try to float or calmly tread water, remember that rip current strength eventually subsides offshore, and draw attention to yourself by facing the shore, waving your arms, and yelling for help; and

Whereas, To assist a swimmer caught in a rip current, get help from a lifeguard or call 9-1-1 and yell instructions on how to escape, then throw the rip current victim something that floats, such as a lifejacket, cooler, or ball, and

Whereas, Many have died trying to help others escape a rip current. Don’t become a victim while trying to help someone else. Seek professional help for swimmers caught in a rip current; now, therefore, be it

Resolved by the House of Representatives, That the members of this legislative body declare June 5-11, 2011, as Rip Currents Awareness Week in the state of Michigan. We recognize and honor the achievements of our Great Lakes lifeguards and encourage swimmers and beachgoers to be cautious and prepared when enjoying Michigan beaches this summer.

The question being on the adoption of the resolution,

The resolution was adopted.

The Speaker called the Speaker Pro Tempore to the Chair.

**Reports of Select Committees**

**First Conference Report**

The Committee of Conference on the matters of difference between the two Houses concerning **House Bill No. 4526, entitled**

A bill to make, supplement, adjust, and consolidate appropriations for various state departments and agencies, the judicial branch, and the legislative branch for the fiscal year ending September 30, 2012; to provide for certain conditions on appropriations; to provide for the expenditure of the appropriations; and to provide anticipated appropriations for the fiscal year ending September 30, 2013.

Recommends:

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

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

A bill to make, supplement, adjust, and consolidate appropriations for various state departments and agencies, the judicial branch, and the legislative branch for the fiscal year ending September 30, 2012; to provide for certain conditions on appropriations; to provide for the expenditure of the appropriations; and to provide anticipated appropriations for the fiscal year ending September 30, 2013.

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

ARTICLE I

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

PART 1

LINE-ITEM APPROPRIATIONS

FOR FISCAL YEAR 2011-2012

Sec. 101. Subject to the conditions set forth in this article, the amounts listed in this part are appropriated for the department of agriculture and rural development for the fiscal year ending September 30, 2012, 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 .....	441.0	
<b>GROSS APPROPRIATION</b> .....		\$ 72,219,300
Interdepartmental grant revenues:		
IDG from LARA (LCC), liquor quality testing fees.....		197,600
IDG from MDNRE, biosolids .....		100,000
Total interdepartmental grants and intradepartmental transfers .....		297,600
<b>ADJUSTED GROSS APPROPRIATION</b> .....		\$ 71,921,700
Federal revenues:		
USDA, multiple grants .....		10,873,300
EPA, multiple grants.....		1,635,700
HHS-FDA .....		1,203,900
United States department of labor.....		471,800
Total federal revenues.....		14,184,700
Special revenue funds:		
Total local revenues .....		0
Private - slow-the-spread foundation.....		83,300
Private - commodity group revenue .....		88,000
Total private revenues.....		171,300
Agricultural preservation fund.....		2,031,100
Agriculture equine industry development fund .....		3,773,300
Agriculture pollution prevention fund.....		100
Animal welfare fund.....		144,500
Commodity inspection fees .....		832,400
Consumer and industry food safety education fund.....		290,200
Dairy and food safety fund .....		3,006,600

	For Fiscal Year Ending Sept. 30, 2012
Freshwater protection fund.....	5,094,100
Gasoline inspection and testing fund .....	2,747,800
Grain dealer fee fund.....	222,500
Horticulture fund .....	72,800
Industry support funds.....	535,300
Licensing and inspection fees .....	4,188,800
Migrant housing inspection fees.....	114,200
Migratory labor housing fund.....	29,000
Nonretail liquor fees.....	716,800
Refined petroleum fund.....	3,870,900
Testing fees.....	447,500
Weights and measures regulation fees.....	745,100
Total other state restricted revenues .....	28,863,000
State general fund/general purpose .....	\$ 28,702,700
<b>Sec. 102. EXECUTIVE</b>	
Full-time equated unclassified positions..... 2.0	
Full-time equated classified positions .....	26.0
Commissions and boards.....	\$ 23,800
Unclassified positions—2.0 FTE positions .....	213,300
Executive direction—8.0 FTE positions.....	1,050,600
Management services—15.0 FTE positions .....	981,100
Statistical reporting service—1.0 FTE positions.....	158,300
Emergency management—2.0 FTE positions.....	243,600
Accounting service center .....	878,300
GROSS APPROPRIATION .....	\$ 3,549,000
Appropriated from:	
Special revenue funds:	
Private - commodity group revenue .....	88,000
Industry support funds.....	40,500
Nonretail liquor fees.....	8,800
Refined petroleum fund.....	57,800
State general fund/general purpose .....	\$ 3,353,900
<b>Sec. 103. DEPARTMENTWIDE</b>	
Rent and building occupancy charges .....	\$ 991,900
GROSS APPROPRIATION .....	\$ 991,900
Appropriated from:	
Federal revenues:	
USDA, multiple grants .....	224,600
EPA, multiple grants.....	174,100
HHS-FDA .....	43,300
Special revenue funds:	
Agricultural preservation fund.....	22,700
Freshwater protection fund.....	33,500
Licensing and inspection fees .....	156,800
Nonretail liquor fees.....	28,800
Refined petroleum fund.....	257,200
State general fund/general purpose .....	\$ 50,900
<b>Sec. 104. INFORMATION AND TECHNOLOGY</b>	
Information technology services and projects.....	\$ 1,303,400
GROSS APPROPRIATION .....	\$ 1,303,400
Appropriated from:	
Interdepartmental grant revenues:	
IDG from LARA (LCC), liquor quality testing fees.....	2,800
Special revenue funds:	
Agricultural preservation fund.....	200

	For Fiscal Year Ending Sept. 30, 2012
Agriculture equine industry development fund .....	93,600
Freshwater protection fund.....	100
Gasoline inspection testing fund .....	27,400
Licensing and inspection fees .....	28,300
Nonretail liquor fees.....	500
State general fund/general purpose .....	\$ 1,150,500
<b>Sec. 105. FOOD AND DAIRY</b>	
Full-time equated classified positions .....	104.0
Food safety and quality assurance—81.0 FTE positions .....	\$ 9,931,600
Milk safety and quality assurance—23.0 FTE positions.....	3,037,900
GROSS APPROPRIATION .....	\$ 12,969,500
Appropriated from:	
Federal revenues:	
USDA, multiple grants .....	234,900
HHS-FDA .....	451,600
Special revenue funds:	
Consumer and industry food safety education fund.....	290,200
Dairy and food safety fund .....	3,006,600
State general fund/general purpose .....	\$ 8,986,200
<b>Sec. 106. ANIMAL INDUSTRY</b>	
Full-time equated classified positions .....	64.0
Animal disease prevention and response—64.0 FTE positions .....	\$ 8,889,400
GROSS APPROPRIATION .....	\$ 8,889,400
Appropriated from:	
Federal revenues:	
USDA, multiple grants .....	1,233,500
HHS-FDA .....	40,600
Special revenue funds:	
Animal welfare fund.....	144,500
Licensing and inspection fees .....	113,100
State general fund/general purpose .....	\$ 7,357,700
<b>Sec. 107. PESTICIDE AND PLANT PEST MANAGEMENT</b>	
Full-time equated classified positions .....	99.0
Pesticide and plant pest management—88.0 FTE positions.....	\$ 10,612,700
Emerald ash borer control program—7.0 FTE positions .....	1,822,600
Producer security/grain dealers—4.0 FTE positions .....	543,400
GROSS APPROPRIATION .....	\$ 12,978,700
Appropriated from:	
Federal revenues:	
USDA, multiple grants .....	2,942,100
EPA, multiple grants.....	738,800
HHS-FDA .....	109,200
Special revenue funds:	
Private - slow-the-spread foundation .....	83,300
Commodity inspection fees .....	832,400
Grain dealers fee fund.....	222,500
Horticulture fund .....	72,800
Industry support funds.....	336,300
Licensing and inspection fees .....	3,808,700
State general fund/general purpose .....	\$ 3,832,600
<b>Sec. 108. ENVIRONMENTAL STEWARDSHIP</b>	
Full-time equated classified positions .....	43.0
Environmental stewardship—18.0 FTE positions .....	\$ 6,133,800
Michigan agriculture environmental assurance program—3.0 FTE positions .....	552,600
Farmland and open space preservation—9.0 FTE positions .....	958,200

	For Fiscal Year Ending Sept. 30, 2012
Local conservation districts .....	100
Migrant labor housing—6.0 FTE positions .....	1,162,300
Right-to-farm—3.0 FTE positions .....	519,000
Intercounty drain—4.0 FTE positions .....	425,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 9,751,000</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDNRE, biosolids .....	100,000
Federal revenues:	
USDA, multiple grants .....	1,000,000
EPA, multiple grants .....	361,200
United States department of labor .....	471,800
Special revenue funds:	
Agricultural preservation fund .....	958,200
Agriculture pollution prevention fund .....	100
Freshwater protection fund .....	5,060,500
Migrant housing inspection fees .....	114,200
Migratory labor housing fund .....	29,000
State general fund/general purpose .....	\$ 1,656,000
<b>Sec. 109. LABORATORY PROGRAM</b>	
Full-time equated classified positions .....	94.0
Laboratory services—42.0 FTE positions .....	\$ 5,564,600
USDA monitoring—13.0 FTE positions .....	2,452,000
Consumer protection program—39.0 FTE positions .....	5,571,300
<b>GROSS APPROPRIATION</b> .....	<b>\$ 13,587,900</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG from LARA (LCC), liquor quality testing fees .....	194,800
Federal revenues:	
USDA, multiple grants .....	2,474,700
EPA, multiple grants .....	361,600
HHS-FDA .....	559,200
Special revenue funds:	
Agriculture equine industry development fund .....	557,800
Gasoline inspection and testing fund .....	2,720,400
Licensing and inspection fees .....	81,900
Refined petroleum fund .....	3,555,900
Testing fees .....	447,500
Weights and measures regulation fees .....	745,100
State general fund/general purpose .....	\$ 1,889,000
<b>Sec. 110. AGRICULTURE DEVELOPMENT</b>	
Full-time equated classified positions .....	8.0
Agriculture development—5.0 FTE positions .....	\$ 2,040,300
Grape and wine program—3.0 FTE positions .....	736,300
<b>GROSS APPROPRIATION</b> .....	<b>\$ 2,776,600</b>
Appropriated from:	
Federal revenues:	
USDA, multiple grants .....	1,513,500
Special revenue funds:	
Industry support funds .....	158,500
Nonretail liquor fees .....	678,700
State general fund/general purpose .....	\$ 425,900
<b>Sec. 111. FAIRS AND EXPOSITIONS</b>	
Full-time equated classified positions .....	3.0
Fairs and racing—3.0 FTE positions .....	\$ 331,300
Purses and supplements - fairs/licensed tracks .....	611,400

	For Fiscal Year Ending Sept. 30, 2012
Licensed tracks - light horse racing .....	34,100
Standardbred breeders' awards.....	250,000
Standardbred purses and supplements - licensed tracks.....	461,600
Standardbred sire stakes .....	209,000
Standardbred training and stabling.....	9,300
Thoroughbred owners' awards .....	31,900
Thoroughbred supplements - licensed tracks .....	309,600
Thoroughbred breeder's awards.....	309,600
Thoroughbred sire stakes.....	214,100
Distribution of outstanding winning tickets .....	350,000
GROSS APPROPRIATION .....	\$ 3,121,900
Appropriated from:	
Special revenue funds:	
Agriculture equine industry development fund.....	3,121,900
State general fund/general purpose .....	\$ 0
<b>Sec. 112. CAPITAL OUTLAY</b>	
Farmland and open space development acquisition .....	\$ 2,300,000
GROSS APPROPRIATION .....	\$ 2,300,000
Appropriated from:	
Federal revenues:	
USDA, multiple grants .....	1,250,000
Special revenue funds:	
Agriculture preservation fund.....	1,050,000
State general fund/general purpose .....	\$ 0

PART 2  
PROVISIONS CONCERNING APPROPRIATIONS  
FOR FISCAL YEAR 2011-2012

**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 2011-2012 is \$57,565,700.00 and state spending from state resources to be paid to local units of government for fiscal year 2011-2012 is \$1,500,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

**DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT**

Environmental protection .....	\$ 1,500,000
TOTAL.....	\$ 1,500,000

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

Sec. 203. As used in this article:

- (a) "Department" means the department of agriculture and rural development.
- (b) "Director" means the director of the department.
- (c) "EPA" means the United States environmental protection agency.
- (d) "FTE" means full-time equated.
- (e) "HHS-FDA" means the United States department of health and human services - food and drug administration.
- (f) "IDG" means interdepartmental grant.
- (g) "LARA" means the Michigan department of licensing and regulatory affairs.
- (h) "MDEQ" means the Michigan department of environmental quality.
- (i) "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. 206. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$5,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this article 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 article 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 article 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 article under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 207. (1) The department shall maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following:

- (a) Fiscal year-to-date expenditures by category.
- (b) Fiscal year-to-date expenditures by appropriation unit.
- (c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.
- (d) The number of active department employees by job classification.
- (e) Job specifications and wage rates.

(2) The department may develop and operate its own website to provide this information or may reference the state's central transparency website as the source for this information.

Sec. 208. Unless otherwise specified, the departments shall use the Internet to fulfill the reporting requirements of this article. 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. 211. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of technology, management, and budget. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 212. The department and agencies receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. Federal and state guidelines for short-term and long-term retention of records shall be followed. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 214. From the funds appropriated in part 1 for information technology, departments and agencies shall pay user fees to the department of technology, management, and budget for technology-related services and projects. The user fees shall be subject to provisions of an interagency agreement between the department and agencies and the department of technology, management, and budget.

Sec. 215. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 228. Not later than November 15, 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 of representatives standing committees on appropriations, and the senate and house fiscal agencies.

Sec. 229. Within 14 days after the release of the executive budget recommendation, the department shall provide the state budget director, the senate and house appropriations chairs, the senate and house appropriations subcommittees on agriculture and rural development, respectively, and the senate and house fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2011 and September 30, 2012.

#### **EXECUTIVE**

Sec. 301. (1) Pursuant to the appropriations in part 1, the department may receive and expend revenue and use that revenue to cover necessary expenses related to publications, audit and licensing functions, livestock sales, certification of nursery stock, and laboratory analyses as specified in the following:

- (a) Management services publications.
- (b) Management services audit and licensing functions.
- (c) Pesticide and plant pest management propagation and certification of virus-free foundation stock.
- (d) Pesticide and plant pest management grading services.
- (e) Laboratory support testing for testing horses in draft horse pulling contests at county fairs when local jurisdictions request state assistance.

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

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

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

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

(2) The department shall notify the 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. 302. Of the funds appropriated in part 1 that are other than line-item grants, the department shall not provide grants to local government agencies, institutions of higher education, or nonprofit organizations unless the department provides notice of the grant to the 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.

#### **FOOD AND DAIRY**

Sec. 402. Not later than April 1, 2012, 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 2010-2011 fiscal year.

#### **ANIMAL INDUSTRY**

Sec. 450. From the funds appropriated in section 106 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 106 for bovine tuberculosis, the department shall pay for all whole herd testing costs and individual animal testing costs in the modified accredited zone to maintain split-state status requirements. These costs include indemnity and compensation for injury causing death or downer to animals.

Sec. 453. (1) Of the funds appropriated in part 1, the department may provide for indemnity as provided for pursuant to the animal industry act, 1988 PA 466, MCL 287.701 to 287.746, not to exceed \$100,000.00 per order from any line item for the fiscal year ending September 30, 2012. 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 to the state budget director.

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

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. The department shall also convene a workgroup to work toward eradicating bovine TB in the modified accredited zone.

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

Sec. 457. On or before October 15, 2011, 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; 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 106 for animal industry, the department shall provide inspection and testing of aquaculture facilities and aquaculture researchers as provided under section 7 of the Michigan aquaculture development act, 1996 PA 199, MCL 286.877. It is the intent of the legislature that the department shall work with aquaculture facilities and aquaculture researchers to identify, contain, and eradicate viral hemorrhagic septicemia in this state.

#### **PESTICIDE AND PLANT PEST MANAGEMENT**

Sec. 551. (1) 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.

(2) From the funds appropriated in part 1 for pesticide and plant pest management, not less than \$200,000.00 shall be used for the purpose to ensure that Michigan commodities receive departmental inspections required by other governments to ship commodities out of Michigan. The department shall devise a plan to provide these required government inspections in a timely manner.

#### **ENVIRONMENTAL STEWARDSHIP**

Sec. 601. The part 1 appropriation line item environmental stewardship shall be used to support department agriculture pollution prevention programs, including groundwater and freshwater protection programs under part 87 of the Michigan natural resources and environmental protection act, 1994 PA 451, MCL 324.8701 to 324.8717, and technical assistance in implementing conservation grants available under the federal farm bill of 2008.

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

(2) The department shall work with representatives of intercounty drainage districts to develop a mutually agreeable method of funding department costs associated with the intercounty drainage program.

#### **AGRICULTURE DEVELOPMENT**

Sec. 706. Not later than April 1, 2012, 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. 709. (1) Not later than April 1, 2012, 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.

#### **FAIRS AND EXPOSITIONS**

Sec. 801. All appropriations from the agricultural equine industry development fund shall be spent on equine-related purposes. No funds from the agriculture equine industry development fund shall be expended for nonequine-related purposes without prior approval of the legislature.

Sec. 802. All appropriations from the agriculture equine industry development fund, except for the racing commission and laboratory analysis program appropriations, shall be reduced proportionately if revenues to the agriculture equine industry development fund decline during the fiscal year ending September 30, 2011 to a level lower than the amounts appropriated in section 108.

Sec. 803. In the event there is no live thoroughbred race meet in 2011 or 2012, all purse money and program money appropriated for the thoroughbred industry in fiscal year 2010-2011 and fiscal year 2011-2012 shall be held in escrow for a period not to exceed 18 months, or until a thoroughbred race meet license is applied for and granted by the Michigan gaming control board. In the event there is no thoroughbred meet in 2011 or 2012, the purse pool distribution order to be issued by the Michigan gaming control board in 2012 that delineates distribution between the thoroughbred meet that has been held at pinnacle race course and the joint thoroughbred/quarterhorse meet held in Mt. Pleasant shall be the same distribution formula as issued in 2011, with the thoroughbred portion being held in escrow.

Sec. 804. The Michigan gaming control board shall use actual expenditure data in determining the actual regulatory costs of conducting racing dates and shall provide that data to the senate and house of representatives appropriations subcommittees on agriculture and general government and the senate and house fiscal agencies. The Michigan gaming control board shall not be reimbursed for more than the actual regulatory cost of conducting race dates. If a certified horsemen's organization funds more than the actual regulatory cost, the balance shall remain in the agriculture equine industry development fund to be used to fund subsequent race dates conducted by race meeting licensees with which

the certified horsemen’s organization has contracts. If a certified horsemen’s organization funds less than the actual regulatory costs of the additional horse racing dates, the Michigan gaming control board shall reduce the number of future race dates conducted by race meeting licensees with which the certified horsemen’s organization has contracts. Prior to the reduction in the number of authorized race dates due to budget deficits, the executive director of the Michigan gaming control board shall provide notice to the certified horsemen’s organizations with an opportunity to respond with alternatives. In determining actual costs, the Michigan gaming control board shall take into account that each specific breed may require different regulatory mechanisms.

**CAPITAL OUTLAY**

Sec. 1002. (1) The director shall allocate lump-sum appropriations made in this article 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.

PART 2A  
PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS  
FOR FISCAL YEAR 2012-2013

**GENERAL SECTIONS**

Sec. 1201. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, 2013 for the line items listed in part 1. The fiscal year 2012-2013 appropriations are anticipated to be the same as those for fiscal year 2011-2012, except that the line items will be adjusted for changes in caseload and related costs, federal fund match rates, economic factors, and available revenue. These adjustments will be determined after the January 2012 consensus revenue estimating conference.

ARTICLE IV  
DEPARTMENT OF COMMUNITY HEALTH  
PART 1  
LINE-ITEM APPROPRIATIONS  
FOR FISCAL YEAR 2011-2012

Sec. 101. Subject to the conditions set forth in this article, the amounts listed in this part are appropriated for the department of community health for the fiscal year ending September 30, 2012, 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 .....	3,634.2	
Average population .....	893.0	
<b>GROSS APPROPRIATION .....</b>		<b>\$ 14,241,316,400</b>
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....	6,569,400	
<b>ADJUSTED GROSS APPROPRIATION .....</b>		<b>\$ 14,234,747,000</b>
Federal revenues:		
Total federal revenues.....	8,986,611,000	
Special revenue funds:		
Total local revenues.....	250,605,900	
Total private revenues.....	96,494,700	
Merit award trust fund.....	86,744,500	
Total other state restricted revenues .....	2,043,107,400	
State general fund/general purpose .....		<b>\$ 2,771,183,500</b>

**Sec. 102. DEPARTMENTWIDE ADMINISTRATION**

Full-time equated unclassified positions.....	6.0	
Full-time equated classified positions .....	175.2	
Director and other unclassified—6.0 FTE positions .....		<b>\$ 583,900</b>
Departmental administration and management—165.2 FTE positions .....		<b>21,787,400</b>
Worker’s compensation program .....		<b>8,754,700</b>

	For Fiscal Year Ending Sept. 30, 2012
Rent and building occupancy .....	9,252,200
Developmental disabilities council and projects—10.0 FTE positions .....	2,855,700
<b>GROSS APPROPRIATION</b> .....	<b>\$ 43,233,900</b>
Appropriated from:	
Federal revenues:	
Total federal revenues.....	13,632,700
Special revenue funds:	
Total private revenues.....	35,100
Total other state restricted revenues .....	749,500
State general fund/general purpose .....	<b>\$ 28,816,600</b>
<b>Sec. 103. MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION AND SPECIAL PROJECTS</b>	
Full-time equated classified positions .....	111.5
Mental health/substance abuse program administration—110.5 FTE positions.....	<b>\$ 17,586,800</b>
Gambling addiction—1.0 FTE position .....	3,000,000
Protection and advocacy services support.....	194,400
Community residential and support services.....	1,777,200
Federal and other special projects .....	2,497,200
Family support subsidy .....	19,470,500
Housing and support services.....	9,306,800
<b>GROSS APPROPRIATION</b> .....	<b>\$ 53,832,900</b>
Appropriated from:	
Federal revenues:	
Total federal revenues.....	37,101,600
Special revenue funds:	
Total private revenues.....	390,000
Total other state restricted revenues .....	3,000,000
State general fund/general purpose .....	<b>\$ 13,341,300</b>
<b>Sec. 104. COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS</b>	
Full-time equated classified positions .....	9.5
Medicaid mental health services .....	<b>\$ 2,149,977,900</b>
Community mental health non-Medicaid services .....	273,908,100
Medicaid adult benefits waiver.....	32,056,100
Mental health services for special populations .....	5,842,800
Medicaid substance abuse services.....	46,709,700
CMHSP, purchase of state services contracts.....	134,201,900
Civil service charges .....	1,499,300
Federal mental health block grant—2.5 FTE positions.....	15,397,500
State disability assistance program substance abuse services .....	2,018,800
Community substance abuse prevention, education, and treatment programs .....	81,737,500
Children’s waiver home care program.....	18,944,800
Nursing home PAS/ARR-OBRA—7.0 FTE positions.....	12,179,300
Children with serious emotional disturbance waiver.....	8,188,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 2,782,661,700</b>
Appropriated from:	
Interdepartmental grant revenues:	
Interdepartmental grant from the department of human services.....	2,769,000
Federal revenues:	
Total federal revenues.....	1,584,568,500
Special revenue funds:	
Total local revenues.....	25,228,900
Total other state restricted revenues .....	22,314,900
State general fund/general purpose .....	<b>\$ 1,147,780,400</b>

For Fiscal Year  
Ending Sept. 30,  
2012

**Sec. 105. STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL HEALTH SERVICES**

Total average population.....	893.0	
Full-time equated classified positions .....	2,194.2	
Caro regional mental health center - psychiatric hospital - adult—468.3 FTE positions.....		\$ 56,772,200
Average population.....	185.0	
Kalamazoo psychiatric hospital - adult—483.1 FTE positions.....		54,782,400
Average population.....	189.0	
Walter P. Reuther psychiatric hospital - adult—433.3 FTE positions.....		52,297,800
Average population.....	234.0	
Hawthorn center - psychiatric hospital - children and adolescents—230.9 FTE positions.....		27,075,900
Average population.....	75.0	
Center for forensic psychiatry—578.6 FTE positions.....		66,767,900
Average population.....	210.0	
Revenue recapture .....		750,000
IDEA, federal special education.....		120,000
Special maintenance .....		332,500
Purchase of medical services for residents of hospitals and centers.....		445,600
Gifts and bequests for patient living and treatment environment .....		1,000,000
<b>GROSS APPROPRIATION .....</b>		<b>\$ 260,344,300</b>

Appropriated from:

Interdepartmental grant revenues:

Federal revenues:

Total federal revenues.....		29,921,200
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Special revenue funds:

CMHSP, purchase of state services contracts.....		134,201,900
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Other local revenues .....		17,494,500
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Total private revenues.....		1,000,000
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Total other state restricted revenues .....		15,948,400
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State general fund/general purpose .....		\$ 61,778,300
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**Sec. 106. PUBLIC HEALTH ADMINISTRATION**

Full-time equated classified positions .....	91.7	
Public health administration—7.3 FTE positions.....		\$ 1,557,200
Healthy Michigan fund programs.....		5,000,000
Minority health grants and contracts—3.0 FTE positions .....		612,700
Promotion of healthy behaviors.....		975,900
Vital records and health statistics—81.4 FTE positions .....		9,442,800
<b>GROSS APPROPRIATION .....</b>		<b>\$ 17,588,600</b>

Appropriated from:

Interdepartmental grant revenues:

Interdepartmental grant from the department of human services.....		1,171,500
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Federal revenues:

Total federal revenues.....		4,887,900
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Special revenue funds:

Total private revenues.....		300,000
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Total other state restricted revenues .....		9,974,700
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State general fund/general purpose .....		\$ 1,254,500
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**Sec. 107. HEALTH POLICY**

Full-time equated classified positions .....	66.8	
Emergency medical services program state staff—23.0 FTE positions .....		\$ 4,850,300
Emergency medical services grants and services .....		660,000
Health policy administration—24.4 FTE positions .....		4,150,800
Nurse education and research program—3.0 FTE positions .....		744,200
Certificate of need program administration—14.0 FTE positions .....		2,071,100
Rural health services—1.0 FTE position .....		1,410,300

	For Fiscal Year Ending Sept. 30, 2012
Michigan essential health provider.....	872,700
Primary care services—1.4 FTE positions .....	2,886,900
GROSS APPROPRIATION .....	\$ 17,646,300
Appropriated from:	
Interdepartmental grant revenues:	
Interdepartmental grant from the department of treasury, Michigan state hospital finance authority.....	116,300
Interdepartmental grant from the department of licensing and regulatory affairs.....	2,040,700
Federal revenues:	
Total federal revenues.....	5,432,600
Special revenue funds:	
Total local revenues.....	100,000
Total private revenues.....	255,000
Total other state restricted revenues .....	6,232,600
State general fund/general purpose .....	\$ 3,469,100
<b>Sec. 108. INFECTIOUS DISEASE CONTROL</b>	
Full-time equated classified positions .....	50.7
AIDS prevention, testing, and care programs—12.7 FTE positions .....	\$ 59,449,300
Immunization local agreements.....	11,975,200
Immunization program management and field support—15.0 FTE positions.....	1,786,300
Pediatric AIDS prevention and control—1.0 FTE position.....	1,231,400
Sexually transmitted disease control local agreements .....	3,360,700
Sexually transmitted disease control management and field support—22.0 FTE positions .....	3,743,300
GROSS APPROPRIATION .....	\$ 81,546,200
Appropriated from:	
Federal revenues:	
Total federal revenues.....	43,541,200
Special revenue funds:	
Total private revenues.....	27,707,700
Total other state restricted revenues .....	7,470,600
State general fund/general purpose .....	\$ 2,826,700
<b>Sec. 109. LABORATORY SERVICES</b>	
Full-time equated classified positions .....	111.0
Laboratory services—111.0 FTE positions .....	\$ 17,183,900
GROSS APPROPRIATION .....	\$ 17,183,900
Appropriated from:	
Interdepartmental grant revenues:	
Interdepartmental grant from the department of environmental quality .....	471,900
Federal revenues:	
Total federal revenues.....	2,092,300
Special revenue funds:	
Total other state restricted revenues .....	8,267,600
State general fund/general purpose .....	\$ 6,352,100
<b>Sec. 110. EPIDEMIOLOGY</b>	
Full-time equated classified positions .....	126.7
AIDS surveillance and prevention program .....	\$ 2,254,100
Asthma prevention and control—2.6 FTE positions .....	856,900
Bioterrorism preparedness—66.6 FTE positions.....	49,286,900
Epidemiology administration—40.0 FTE positions .....	8,202,000
Lead abatement program—7.0 FTE positions.....	2,647,700
Newborn screening follow-up and treatment services—10.5 FTE positions .....	5,337,800
Tuberculosis control and prevention.....	867,000
GROSS APPROPRIATION .....	\$ 69,452,400
Appropriated from:	
Federal revenues:	
Total federal revenues.....	61,271,300

For Fiscal Year  
Ending Sept. 30,  
2012

Special revenue funds:

Total private revenues .....	25,000
Total other state restricted revenues .....	6,367,900
State general fund/general purpose .....	\$ 1,788,200

**Sec. 111. LOCAL HEALTH ADMINISTRATION AND GRANTS**

Full-time equated classified positions .....	2.0
Essential local public health services .....	\$ 37,386,100
Implementation of 1993 PA 133, MCL 333.17015 .....	20,000
Local health services—2.0 FTE positions .....	500,000
Medicaid outreach cost reimbursement to local health departments .....	9,000,000
GROSS APPROPRIATION .....	\$ 46,906,100

Appropriated from:

Federal revenues:

Total federal revenues .....	9,500,000
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Special revenue funds:

Total local revenues .....	5,150,000
State general fund/general purpose .....	\$ 32,256,100

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

**PROMOTION**

Full-time equated classified positions .....	75.5
Cancer prevention and control program—12.0 FTE positions .....	\$ 14,298,200
Chronic disease control and health promotion administration—33.4 FTE positions .....	5,950,100
Diabetes and kidney program—12.2 FTE positions .....	1,777,600
Public health traffic safety coordination—1.0 FTE position .....	87,500
Smoking prevention program—14.0 FTE positions .....	2,075,000
Violence prevention—2.9 FTE positions .....	2,123,200
GROSS APPROPRIATION .....	\$ 26,311,600

Appropriated from:

Federal revenues:

Total federal revenues .....	23,884,200
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Special revenue funds:

Total private revenues .....	61,600
Total other state restricted revenues .....	649,700
State general fund/general purpose .....	\$ 1,716,100

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

Full-time equated classified positions .....	55.1
Childhood lead program—6.0 FTE positions .....	\$ 1,598,400
Dental programs—3.0 FTE positions .....	992,000
Dental program for persons with developmental disabilities .....	151,000
Family, maternal, and children's health services administration—43.6 FTE positions .....	6,047,700
Family planning local agreements .....	9,085,700
Local MCH services .....	7,018,100
Pregnancy prevention program .....	602,100
Prenatal care outreach and service delivery support .....	3,794,200
Special projects—2.5 FTE positions .....	8,397,800
Sudden infant death syndrome program .....	321,300
GROSS APPROPRIATION .....	\$ 38,008,300

Appropriated from:

Federal revenues:

Total federal revenues .....	32,846,800
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Special revenue funds:

Total local revenues .....	75,000
State general fund/general purpose .....	\$ 5,086,500

**Sec. 114. WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAM**

Full-time equated classified positions .....	45.0
Women, infants, and children program administration and special projects—45.0 FTE positions ..	\$ 15,900,800

	For Fiscal Year Ending Sept. 30, 2012
Women, infants, and children program local agreements and food costs .....	253,825,500
<b>GROSS APPROPRIATION</b> .....	<b>\$ 269,726,300</b>
Appropriated from:	
Federal revenues:	
Total federal revenues.....	211,112,500
Special revenue funds:	
Total private revenues.....	58,613,800
State general fund/general purpose .....	\$ 0
<b>Sec. 115. CHILDREN'S SPECIAL HEALTH CARE SERVICES</b>	
Full-time equated classified positions .....	47.8
Children's special health care services administration—45.0 FTE positions.....	\$ 5,245,700
Bequests for care and services—2.8 FTE positions.....	1,511,400
Outreach and advocacy.....	3,773,500
Nonemergency medical transportation .....	2,679,300
Medical care and treatment .....	294,056,500
<b>GROSS APPROPRIATION</b> .....	<b>\$ 307,266,400</b>
Appropriated from:	
Federal revenues:	
Total federal revenues.....	175,308,200
Special revenue funds:	
Total private revenues.....	996,800
Total other state restricted revenues .....	3,843,600
State general fund/general purpose .....	\$ 127,117,800
<b>Sec. 116. CRIME VICTIM SERVICES COMMISSION</b>	
Full-time equated classified positions .....	13.0
Grants administration services—13.0 FTE positions .....	\$ 1,811,300
Justice assistance grants .....	19,106,100
Crime victim rights services grants.....	16,570,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 37,487,400</b>
Appropriated from:	
Federal revenues:	
Total federal revenues.....	23,467,200
Special revenue funds:	
Total other state restricted revenues .....	14,020,200
State general fund/general purpose .....	\$ 0
<b>Sec. 117. OFFICE OF SERVICES TO THE AGING</b>	
Full-time equated classified positions .....	43.5
Office of services to aging administration—43.5 FTE positions .....	\$ 6,408,800
Community services .....	35,314,400
Nutrition services .....	35,430,200
Foster grandparent volunteer program.....	2,233,600
Retired and senior volunteer program.....	627,300
Senior companion volunteer program .....	1,604,400
Employment assistance.....	3,792,500
Respite care program.....	5,868,700
<b>GROSS APPROPRIATION</b> .....	<b>\$ 91,279,900</b>
Appropriated from:	
Federal revenues:	
Total federal revenues.....	57,159,200
Special revenue funds:	
Total private revenues.....	677,500
Merit award trust fund.....	4,468,700
Total other state restricted revenues .....	1,400,000
State general fund/general purpose .....	\$ 27,574,500
<b>Sec. 118. MEDICAL SERVICES ADMINISTRATION</b>	
Full-time equated classified positions .....	415.0

	For Fiscal Year Ending Sept. 30, 2012
Medical services administration—415.0 FTE positions .....	\$ 65,057,000
Facility inspection contract .....	132,800
MiChild administration .....	4,327,800
GROSS APPROPRIATION .....	\$ <u>69,517,600</u>
Appropriated from:	
Federal revenues:	
Total federal revenues .....	47,476,900
Special revenue funds:	
Total local revenues .....	105,900
Total private revenues .....	100,000
Total other state restricted revenues .....	110,100
State general fund/general purpose .....	\$ 21,724,700
<b>Sec. 119. MEDICAL SERVICES</b>	
Hospital services and therapy .....	\$ 1,273,299,300
Hospital disproportionate share payments .....	45,000,000
Physician services .....	303,223,900
Medicare premium payments .....	409,169,400
Pharmaceutical services .....	338,717,500
Home health services .....	6,791,100
Hospice services .....	139,637,700
Transportation .....	16,009,800
Auxiliary medical services .....	6,252,100
Dental services .....	162,930,800
Ambulance services .....	10,900,000
Long-term care services .....	1,686,454,600
Medicaid home- and community-based services waiver .....	229,921,000
Adult home help services .....	289,032,800
Personal care services .....	14,421,500
Program of all-inclusive care for the elderly .....	30,707,800
Health plan services .....	4,093,812,400
MiChild program .....	51,753,100
Plan first family planning waiver .....	13,089,200
Medicaid adult benefits waiver .....	105,877,700
Special indigent care payments .....	88,518,500
Federal Medicare pharmaceutical program .....	185,599,300
Maternal and child health .....	20,279,500
Subtotal basic medical services program .....	9,521,399,000
School-based services .....	91,296,500
Special Medicaid reimbursement .....	339,382,000
Subtotal special medical services payments .....	430,678,500
GROSS APPROPRIATION .....	\$ <u>9,952,077,500</u>
Appropriated from:	
Federal revenues:	
Total federal revenues .....	6,579,215,500
Special revenue funds:	
Total local revenues .....	68,249,700
Total private revenues .....	6,332,200
Merit award trust fund .....	82,275,800
Total other state restricted revenues .....	1,940,891,700
State general fund/general purpose .....	\$ 1,275,112,600
<b>Sec. 120. INFORMATION TECHNOLOGY</b>	
Information technology services and projects .....	\$ 33,521,400
Michigan Medicaid information system .....	25,723,700
GROSS APPROPRIATION .....	\$ <u>59,245,100</u>

For Fiscal Year  
Ending Sept. 30,  
2012

Appropriated from:	
Federal revenues:	
Total federal revenues.....	44,191,200
Special revenue funds:	
Total other state restricted revenues.....	1,865,900
State general fund/general purpose .....	\$ 13,188,000

PART 2  
PROVISIONS CONCERNING APPROPRIATIONS  
FOR FISCAL YEAR 2011-2012

**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 2011-2012 is \$4,901,035,400.00 and state spending from state resources to be paid to local units of government for fiscal year 2011-2012 is \$1,417,739,700.00. 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.....	\$ 258,500
Housing and support services.....	599,800

**COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS**

State disability assistance program substance abuse services .....	\$ 2,018,000
Community substance abuse prevention, education, and treatment programs .....	14,576,700
Medicaid mental health services .....	702,753,600
Community mental health non-Medicaid services .....	273,908,100
Mental health services for special populations .....	5,842,800
Medicaid adult benefits waiver.....	10,854,200
Medicaid substance abuse services.....	15,815,900
Children’s waiver home care program.....	5,906,800
Nursing home PASARR .....	2,717,200

**HEALTH POLICY, REGULATION, AND PROFESSIONS**

Primary care services .....	\$ 88,900
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**INFECTIOUS DISEASE CONTROL**

AIDS prevention, testing, and care programs .....	\$ 1,000,000
Sexually transmitted disease control local agreements .....	175,200

**LABORATORY SERVICES**

Laboratory services .....	\$ 13,700
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**LOCAL HEALTH ADMINISTRATION AND GRANTS**

Implementation of 1993 PA 133, MCL 333.17015 .....	\$ 8,000
Essential local public health services.....	32,256,100

**CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION**

Cancer prevention and control program .....	\$ 450,000
Chronic disease control and health promotion administration .....	75,000

**FAMILY, MATERNAL, AND CHILDREN’S HEALTH SERVICES**

Childhood lead program .....	\$ 51,100
Prenatal care outreach and service delivery support .....	1,500,000

**CHILDREN’S SPECIAL HEALTH CARE SERVICES**

Medical care and treatment .....	\$ 1,409,900
Outreach and advocacy.....	1,237,500

**MEDICAL SERVICES**

Dental services .....	\$ 2,536,000
Long-term care services .....	285,952,300
Transportation.....	2,971,900
Medicaid adult benefits waiver.....	6,246,800
Hospital services and therapy.....	4,965,500
Physician services.....	3,774,800

OFFICE OF SERVICES TO THE AGING

Community services .....	\$ 12,233,500
Nutrition services .....	8,787,000
Foster grandparent volunteer program.....	679,800
Retired and senior volunteer program.....	175,000
Senior companion volunteer program .....	215,000
Respite care program.....	5,384,800

CRIME VICTIM SERVICES COMMISSION

Crime victim rights services grants.....	\$ 10,300,000
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TOTAL OF PAYMENTS TO LOCAL UNITS OF GOVERNMENT .....	\$ 1,417,739,700
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Sec. 202. The appropriations authorized under this article are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this article:

- (a) "AIDS" means acquired immunodeficiency syndrome.
- (b) "CMHSP" means a community mental health services program as that term is defined in section 100a of the mental health code, 1974 PA 258, MCL 330.1100a.
- (c) "Current fiscal year" means the fiscal year ending September 30, 2012.
- (d) "Department" means the department of community health.
- (e) "Director" means the director of the department.
- (f) "DSH" means disproportionate share hospital.
- (g) "EPSDT" means early and periodic screening, diagnosis, and treatment.
- (h) "Federal health care reform legislation" means the patient protection and affordable care act, Public Law 111-148, and the health care and education reconciliation act of 2010, Public Law 111-152.
- (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) "GME" means graduate medical education.
- (k) "Health plan" means, at a minimum, an organization that meets the criteria for delivering the comprehensive package of services under the department's comprehensive health plan.
- (l) "HEDIS" means healthcare effectiveness data and information set.
- (m) "HIV" means human immunodeficiency virus.
- (n) "HMO" means health maintenance organization.
- (o) "IDEA" means the individuals with disabilities education act, 20 USC 1400 to 1482.
- (p) "MCH" means maternal and child health.
- (q) "MICHild" means the program described in section 1670.
- (r) "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, and 42 USC 1396r.
- (s) "PIHP" means a specialty prepaid inpatient health plan for Medicaid mental health services, services to individuals with developmental disabilities, and substance abuse services. Specialty prepaid inpatient health plans are described in section 232b of the mental health code, 1974 PA 258, MCL 330.1232b.
- (t) "Title XVIII" and "Medicare" mean title XVIII of the social security act, 42 USC 1395 to 1395kkk.
- (u) "Title XIX" and "Medicaid" mean title XIX of the social security act, 42 USC 1396 to 1396w-5.
- (v) "Title XX" means title XX of the social security act, 42 USC 1397 to 1397m-5.

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

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$40,000,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this article 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 article 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 article under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 208. Unless otherwise specified, the departments shall use the Internet to fulfill the reporting requirements of this article. 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 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. If the revenue collected by the department from fees and collections exceeds the amount appropriated in part 1, the revenue may be carried forward with the approval of the state budget director into the subsequent fiscal year. The revenue carried forward under this section shall be used as the first source of funds in the subsequent fiscal year.

Sec. 212. (1) On or before February 1 of the current fiscal year, the department shall report to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director on the detailed name and amounts of federal, restricted, private, and local sources of revenue that support the appropriations in each of the line items in part 1.

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

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

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

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

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

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

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

Sec. 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 of the current fiscal year 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.

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

(a) Immunizations.

(b) Communicable disease control.

(c) Sexually transmitted disease control.

(d) Tuberculosis control.

(e) Prevention of gonorrhea eye infection in newborns.

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

- (g) Community health annex of the Michigan emergency management plan.
- (h) Prenatal care.

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

- (a) A detailed description of each funded project.
- (b) The amount allocated for each project, the appropriation line item from which the allocation is funded, and the source of financing for each project.
- (c) The expected project duration.
- (d) A detailed spending plan for each project, including a list of all subgrantees and the amount allocated to each subgrantee.

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

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

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

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

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

Sec. 265. The department and agencies receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. Federal and state guidelines for short-term and long-term retention of records shall be followed. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 266. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2012 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.

Sec. 267. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 270. Within 180 days after receipt of the notification from the attorney general's office of a legal action in which expenses had been recovered pursuant to section 106(4) of the social welfare act, 1939 PA 280, MCL 400.106, or any other statute under which the department has the right to recover expenses, the department shall submit a written report to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget office which includes, at a minimum, all of the following:

- (a) The total amount recovered from the legal action.
- (b) The program or service for which the money was originally expended.

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

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

Sec. 276. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those 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 and the Salvation Army harbor light program that receive payment or reimbursement from funds appropriated under section 104.

(b) Area agencies on aging and local providers 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. 287. Not later than November 15, 2011, 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 previous fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the office of the state budget, the chairpersons of the senate and house of representatives standing appropriations committees, and the senate and house fiscal agencies.

Sec. 292. (1) The department shall maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following:

(a) Fiscal year-to-date expenditures by category.

(b) Fiscal year-to-date expenditures by appropriation unit.

(c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.

(d) The number of active department employees by job classification.

(e) Job specifications and wage rates.

(2) The department may develop and operate its own website to provide this information or may reference the state's central transparency website as the source for this information.

Sec. 294. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of technology, management, and budget. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 295. The department shall explore program and other service areas, including eligibility determination, where privatization may lead to increased efficiencies and budgetary savings.

Sec. 296. Within 14 days after the release of the executive budget recommendation, the department shall provide the state budget director, the senate and house appropriations chairs, the senate and house appropriations subcommittees on community health, respectively, and the senate and house fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2011 and September 30, 2012.

#### **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 mental health services for special populations, 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 mental health services for special populations shall not be utilized for services provided to illegal immigrants, fugitive felons, and individuals who are not residents of this state. The department shall maintain contracts with recipients of multicultural services grants that mandate grantees establish that recipients of services are legally residing in the United States. An exception to the contractual provision shall be allowed to address individuals presenting with emergent mental health conditions.

(3) The department shall require an annual report from the independent organizations that receive mental health services for special populations funding. The annual report, due January 1 of the current fiscal year, shall include specific information on services and programs provided, the client base to which the services and programs were provided, information on any wrap around services provided, and the expenditures for those services. The department shall provide the annual reports to the senate and house appropriations subcommittees on community health 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 individuals in the service delivery system who have requested and are clinically appropriate for different services.

(h) Lapses and carryforwards during the immediately preceding fiscal year for CMHSPs 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. 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 coordinating agency fee schedules 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 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. The department shall report to the legislature by April 1 of the current fiscal year on any such discussions.

Sec. 408. (1) By April 1 of the current fiscal year, the department shall report the following data from the prior fiscal year on substance 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. 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 individuals with serious mental illness, serious emotional disturbance, or developmental disability from possible jail incarceration when appropriate.

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

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

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

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

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

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

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

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

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

Sec. 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. 462. (1) With the exception of administrative costs, in order to implement the fiscal year 2011-2012 funding reduction to the community mental health non-Medicaid services line, the department shall further implement the funding formula that was partially implemented during fiscal year 2009-2010 in which the funding reduction does not exceed 4% for each CMHSP.

(2) The department may convene a workgroup including CMHSPs regarding the allocation of the current fiscal year administrative reduction of up to \$3,400,000.00.

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 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. 490. (1) The department shall continue a workgroup to develop a plan to maximize uniformity and consistency in the standards required of providers contracting directly with PIHPs, CMHSPs, and substance abuse coordinating agencies. These standards shall apply to community living supports, personal care services, substance abuse services, skill-building services, and other similar supports and services providers who contract with PIHPs, CMHSPs, and substance abuse coordinating agencies or their contractors.

(2) The workgroup shall include representatives of the department, PIHPs, CMHSPs, substance abuse coordinating agencies, and affected providers. The standards shall include, but are not limited to, contract language, training requirements for direct support staff, performance indicators, financial and program audits, and billing procedures.

(3) The department shall provide a status report on the workgroup's efforts to the senate and house appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director by June 1 of the current fiscal year.

Sec. 491. The department shall explore changes in program policy in the habilitation supports waiver for persons with developmental disabilities that would permit the movement of a slot that has become available to a county that has demonstrated a greater need for the services.

Sec. 492. If a CMHSP has entered into an agreement with a county or county sheriff to provide mental health services to the inmates of the county jail, the department shall not prohibit the use of state general fund/general purpose dollars by CMHSPs to provide mental health services to inmates of a county jail.

Sec. 494. (1) In order to avoid duplication of efforts, the department shall utilize applicable national accreditation review criteria to determine compliance with corresponding state requirements for CMHSPs, PIHPs, or subcontracting provider agencies that have been reviewed and accredited by a national accrediting entity for behavioral health care services.

(2) Upon a coordinated submission by the CMHSPs, PIHPs, or subcontracting provider agencies, a listing of program requirements that are part of the state program review criteria but are not reviewed by an applicable national accrediting entity, the department shall review the listing and provide a recommendation to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget office as to whether or not state program review should continue. The CMHSPs, PIHPs, or subcontracting agencies may request the department to convene a workgroup to fulfill this section.

(3) The department shall continue to comply with state and federal law and shall not initiate an action that negatively impacts beneficiary safety.

(4) As used in this section, "national accrediting entity" means the joint commission on accreditation of healthcare organizations, the commission on accreditation of rehabilitation facilities, the council of accreditation, or other appropriate entity, as approved by the department.

(5) By July 1 of the current fiscal year, the department shall provide a progress report to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget office on implementation of this section.

Sec. 495. It is the intent of the legislature that the department begin working with the centers for Medicare and Medicaid services to develop a program that creates a medical home for the individuals receiving Medicaid mental health benefits.

Sec. 496. CMHSPs and PIHPs are permitted to offset state funding reductions by limiting the administrative component of their contracts with providers and case management to a maximum of 9%.

Sec. 497. The population data used in determining the distribution of substance abuse block grant funds shall be from the most recent federal census.

#### **STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL HEALTH SERVICES**

Sec. 601. The department shall continue a revenue recapture project to generate additional revenues from third parties related to cases that have been closed or are inactive. A portion of revenues collected through project efforts may be

used for departmental costs and contractual fees associated with these retroactive collections and to improve ongoing departmental reimbursement management functions.

Sec. 602. 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. 605. (1) The department shall not implement any closures or consolidations of state hospitals, centers, or agencies until CMHSPs or PIHPs have programs and services in place for those individuals currently in those facilities and a plan for service provision for those individuals who would have been admitted to those facilities.

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

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

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

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

Sec. 608. Effective October 1, 2011, the department, in consultation with the department of technology, management, and budget, may maintain a bid process to identify 1 or more private contractors to provide food service and custodial services for the administrative areas at any state hospital identified by the department as capable of generating savings through the outsourcing of such services.

#### **PUBLIC HEALTH ADMINISTRATION**

Sec. 650. The department shall report to the senate and house appropriations subcommittees on community health by April 1 of the current fiscal year on its criteria and methodology used to derive the information provided to residents in the annual Michigan fish advisory.

Sec. 653. The department shall maintain plans to address potential state public health emergencies.

#### **HEALTH POLICY**

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

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

#### **INFECTIOUS DISEASE CONTROL**

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.

#### **LOCAL HEALTH ADMINISTRATION AND GRANTS**

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

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

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

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

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

#### **CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION**

Sec. 1004. It is the intent of the legislature that the department continue to collaborate with the county of St. Clair and the city of Detroit southwest community to investigate and evaluate cancer rates.

#### **FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES**

Sec. 1103. Beginning January 3, 2012, the department shall annually issue to the legislature, and to the public on the Internet, a report providing estimated public funds administered by the department for family planning, sexually transmitted infection prevention and treatment, and pregnancies and births, as well as demographics collected by the department as self-reported by individuals utilizing those services.

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

(a) Funding allocations.

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

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

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

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

Sec. 1106. Each family planning program receiving federal title X family planning funds under 42 USC 300 to 300a-8 shall be in compliance with all performance and quality assurance indicators that the office of 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. 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. 1117. Contingent upon the availability of federal or state restricted funds, the department may pursue efforts to reduce the incidence of stillbirth. Efforts shall include the establishment of a program to increase public awareness of stillbirth, promote education to monitor fetal movements counting kicks, promote a uniform definition of stillbirth, standardize data collection of stillbirths, and collaborate with appropriate federal agencies and statewide organizations. The department shall seek federal or other grant funds to assist in implementing this program.

Sec. 1119. From the funds appropriated in part 1 for family planning local agreements or pregnancy prevention programs, no state funds shall be used to encourage or support abortion services.

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) If funds become available, provision of the school health education curriculum, such as the Michigan model for health or another comprehensive school health education curriculum, shall be in accordance with the health

education goals established by the Michigan model steering committee. The steering committee shall be composed 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 mental health and substance abuse administration 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.

#### **WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAM**

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

- (a) Provide special formula for eligible clients with specified metabolic and allergic disorders.
- (b) Provide medical care and treatment to eligible patients with cystic fibrosis who are 21 years of age or older.
- (c) Provide medical care and treatment to eligible patients with hereditary coagulation defects, commonly known as hemophilia, who are 21 years of age or older.
- (d) Provide human growth hormone to eligible patients.

Sec. 1204. By October 1, 2011, the department shall report to the senate and house appropriations committees on community health and the senate and house fiscal agencies on its plan for enrolling Medicaid eligible children's special health care services recipients in the Medicaid health plans. The report shall include information on which Medicaid health plans are participating, the methods used to assure continuity of care and continuity of ongoing relationships with providers, and projected savings from the implementation of the proposal.

#### **CRIME VICTIM SERVICES COMMISSION**

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

#### **OFFICE OF SERVICES TO THE AGING**

Sec. 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. 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. 1420. If funds become available, the department shall create a pilot project to establish an aging care management services program with services provided solely by nurses. This pilot project shall be established in a county with a population greater than 150,000 but less than 250,000.

#### **MEDICAL SERVICES**

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

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

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

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

(4) The department shall modify program policies to permit individuals eligible for the transitional medical assistance program, as structured in fiscal year 2009-2010, to access medical assistance coverage through a 100% cost share.

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

Sec. 1606. For the purpose of guardian and conservator charges, the department 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. 1611. (1) For care provided to medical services recipients with other third-party sources of payment, medical services reimbursement shall not exceed, in combination with such other resources, including Medicare, those amounts established for medical services-only patients. The medical services payment rate shall be accepted as payment in full. Other than an approved medical services co-payment, no portion of a provider's charge shall be billed to the recipient or any person acting on behalf of the recipient. Nothing in this section shall be considered to affect the level of payment from a third-party source other than the medical services program. The department shall require a nonenrolled provider to accept medical services payments as payment in full.

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

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

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

Sec. 1627. (1) The department shall use procedures and rebate 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, and children's special health care services.

(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. Medicaid coverage for adult dental and podiatric 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.

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

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

- (a) Two dollars for a physician office visit.
- (b) Three dollars for a hospital emergency room visit.
- (c) Fifty dollars for the first day of an inpatient hospital stay.
- (d) One dollar for an outpatient hospital visit.

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

Sec. 1642. The department shall allow ambulatory surgery centers in this state to fully participate in the Medicaid program.

Sec. 1657. (1) Reimbursement for medical services to screen and stabilize a Medicaid recipient, including stabilization of a psychiatric crisis, in a hospital emergency room shall not be made contingent on obtaining prior authorization from the recipient's HMO. If the recipient is discharged from the emergency room, the hospital shall notify the recipient's HMO within 24 hours of the diagnosis and treatment received.

(2) If the treating hospital determines that the recipient will require further medical service or hospitalization beyond the point of stabilization, that hospital shall receive authorization from the recipient's HMO prior to admitting the recipient.

(3) Subsections (1) and (2) do not require an alteration to an existing agreement between an HMO and its contracting hospitals and do not require an HMO to reimburse for services that are not considered to be medically necessary.

Sec. 1659. The following sections of this article 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: 404, 411, 418, 428, 474, 494, 1607, 1657, 1662, 1689, 1699, 1740, 1764, 1787, 1815, 1820, 1835, 1850, and 1853.

Sec. 1662. (1) The department shall assure that an external quality review of each contracting HMO is performed that results in an analysis and evaluation of aggregated information on quality, timeliness, and access to health care services that the HMO or its contractors furnish to Medicaid beneficiaries.

(2) The department shall require Medicaid HMOs to provide EPSDT utilization data through the encounter data system, and HEDIS well child health measures in accordance with the national committee for quality assurance prescribed methodology.

(3) The department shall provide a copy of the analysis of the Medicaid HMO annual audited HEDIS reports and the annual external quality review report to the senate and house of representatives appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director, within 30 days of the department's receipt of the final reports from the contractors.

Sec. 1670. (1) The appropriation in part 1 for the MICHild program is to be used to provide comprehensive health care to all children under age 19 who reside in families with income at or below 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 article. 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. 1673. The department may establish premiums for MICHild eligible individuals in families with income above 150% of the federal poverty level. The monthly premiums shall not be less than \$10.00 or exceed \$15.00 for a family.

Sec. 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/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. 1684. The department shall submit a report by September 30 of the current fiscal year 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, shall 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. 1689. (1) Priority in enrolling additional individuals 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 individuals are admitted to nursing homes who would be more appropriately served by the Medicaid home- and community-based services waiver program. It is the intent of the legislature that when an individual is transferred from a nursing home to the home- and community-based services waiver program, the funding to cover that individual's home- and community-based services waiver program costs shall be transferred from the long-term care services line item to the Medicaid home- and community-based services waiver line item. These funds are not available for expenditure until they have been transferred to another line item in this article under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) Within 60 days of the end of each fiscal year, 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 year. 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) The department shall maintain 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. 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. 1699. (1) The department may make separate payments in the amount of \$45,000,000.00 directly to qualifying hospitals serving a disproportionate share of indigent patients and to hospitals providing GME training programs. If direct payment for GME and DSH is made to qualifying hospitals for services to Medicaid clients, hospitals shall not include GME costs or DSH payments in their contracts with HMOs.

(2) The department shall allocate \$45,000,000.00 in DSH funding using the distribution methodology used in fiscal year 2003-2004.

(3) By September 30 of the current fiscal year, the department shall report to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies on the new distribution of funding to each eligible hospital from the GME and DSH pools.

(4) The department shall form a workgroup on DSH funding consisting of representatives from hospitals and hospital systems receiving DSH funding and the Michigan health and hospital association. The workgroup shall work to derive a new DSH formula or formulas designed to provide equitable payments to qualifying hospitals. The department shall report to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies on the results of the workgroup's efforts by March 1 of the current fiscal year.

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, emergency medical technician 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. 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. 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. 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 may disapprove requests or discontinue interim payments that result in financial risk to this state. The department shall make reasonable efforts to ensure that the interim payments are as similar in amount to expected cost-settled payments.

Sec. 1756. The department shall develop a plan to expand and improve the beneficiary monitoring program. 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. 1757. The department shall direct the department of human services to obtain proof from all Medicaid recipients that they are legal United States citizens or otherwise legally residing in this country and that they are residents of this state before approving Medicaid eligibility.

Sec. 1764. The department shall annually certify rates paid to Medicaid health plans 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. 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. 1775. If the state's application for a waiver to implement managed care for dual Medicare/Medicaid eligible is approved by the federal government, by April 1, 2012 the department shall provide a report to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies. This report shall include information on the amount of Medicare funding that would be provided to the state, the number of individuals who would be enrolled in the program, which health plans would be among those providing the services, and the estimated savings from the new program.

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. 1787. The department shall require the managed care enrollment broker to maintain telephone numbers of Medicaid beneficiaries and provide each Medicaid health plan with the telephone number of that health plan's enrollees on a monthly basis.

Sec. 1793. The department shall consider the development of a pilot project that focuses on the prevention of preventable hospitalizations from nursing homes.

Sec. 1804. The department, in cooperation with the department of human services, shall work with the federal public assistance reporting information system to identify Medicaid recipients who are veterans and who may be eligible for federal veterans health care benefits or other benefits.

Sec. 1815. From the funds appropriated in part 1 for health plan services, the department shall not implement a capitation withhold as part of the overall capitation rate schedule that exceeds the 0.19% withhold administered during fiscal year 2008-2009.

Sec. 1820. (1) In order to avoid duplication of efforts, the department shall utilize applicable national accreditation review criteria to determine compliance with corresponding state requirements for Medicaid health plans that have been reviewed and accredited by a national accrediting entity for health care services.

(2) Upon submission by Medicaid health plans of a listing of program requirements that are part of the state program review criteria but are not reviewed by an applicable national accrediting entity, the department shall review the listing and provide a recommendation to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget office as to whether or not state program review should continue. The Medicaid health plans may request the department to convene a workgroup to fulfill this section.

(3) The department shall continue to comply with state and federal law and shall not initiate an action that negatively impacts beneficiary safety.

(4) As used in this section, "national accrediting entity" means the national committee for quality assurance, the utilization review accreditation committee, or other appropriate entity, as approved by the department.

(5) By July 1 of the current fiscal year, the department shall provide a progress report to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget office on implementation of this section.

Sec. 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. 1832. (1) The department shall continue efforts to standardize billing formats, referral forms, electronic credentialing, primary source verification, electronic billing and attachments, claims status, eligibility verification, and reporting of accepted and rejected encounter records received in the department data warehouse.

(2) The department shall convene a workgroup on making e-billing mandatory for the Medicaid program. The workgroup shall include representatives from medical provider organizations, Medicaid HMOs, and the department. The department shall report to the legislature on the findings of the workgroup by April 1 of the current fiscal year.

(3) The department shall provide a report by April 1 of the current fiscal year to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies detailing the percentage of claims for Medicaid reimbursement provided to the department that were initially rejected in the first quarter of fiscal year 2011-2012.

Sec. 1835. The department shall develop and implement processes to report rejected and accepted encounters to Medicaid health plans. The department shall further enhance encounter data reporting processes and program rules that make each health plan's encounter data as complete as possible, provide a fair measure of acuity for each health plan's enrolled population for risk adjustment purposes, and minimize health plan administrative expenses.

Sec. 1836. In addition to the guidelines established in Medical Services Administration Bulletin MSA 09-28, medically necessary optical devices and other treatment services for adult Medicaid patients shall be covered when conventional treatments do not provide functional vision correction. Such ocular conditions include, but are not limited to, congenital or acquired ocular disease or eye trauma.

Sec. 1837. The department shall explore utilization of telemedicine and telepsychiatry as strategies to increase access to services for Medicaid recipients in medically underserved areas.

Sec. 1842. (1) Subject to the availability of funds, the department shall adjust the hospital outpatient Medicaid reimbursement rate for qualifying hospitals as provided in this section. The Medicaid reimbursement rate for qualifying hospitals shall be adjusted to provide each qualifying hospital with its actual cost of delivering outpatient services to Medicaid recipients.

(2) As used in this section, "qualifying hospital" means a hospital that has not more than 50 staffed beds and is either located outside a metropolitan statistical area or in a metropolitan statistical area but within a city, village, or township with a population of not more than 12,000 according to the official 2000 federal decennial census and within a county with a population of not more than 165,000 according to the official 2000 federal decennial census.

Sec. 1846. (1) The department shall establish a workgroup on graduate medical education funding. The workgroup shall include representatives of teaching hospitals, the Michigan health and hospital association, and other interested parties.

(2) The workgroup shall do all of the following:

(a) Identify physician specialties where there is a current or potential shortage of practitioners and identify the geographic areas of this state where those shortages exist or potentially could develop.

(b) Research efforts by other states to address practitioner shortages by adjusting their graduate medical education payments.

(c) Recommend potential policy changes to the graduate medical education program to help reduce practitioner shortages.

(3) The department shall report the results of the workgroup's efforts to the senate and house appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director by April 1 of the current fiscal year.

(4) It is the intent of the legislature that the report required under subsection (3) be used as a possible basis for the establishment of new graduate medical education funding formulas in fiscal year 2012-2013.

Sec. 1847. The department shall meet with the Michigan association of ambulance services to discuss the possible structure of an ambulance quality assurance assessment program.

Sec. 1849. (1) The department shall use at least 50% of the funds allocated for voluntary in-home visiting services for evidence-based models or models that conform to a promising approach that are in the process of being evaluated through a process that meets the requirements described in subsection (2) with the goal of being evidence-based by January 1, 2013.

(2) As used in this section:

(a) "Evidence-based" means a model or practice that meets all of the following requirements:

(i) The model or practice is governed by a program manual or protocol that specifies the purpose, rigorous evaluation requirements, and duration and frequency of service that constitutes the model.

(ii) Scientific research using methods that meet scientific standards, evaluated using either randomized controlled research designs, or quasi-experimental research designs with equivalent comparison groups. The effects of such programs must have been demonstrated with 2 or more separate client samples that the program improves client outcomes central to the purpose of the program; and the model or practice monitors program implementation for fidelity to the specified model.

(b) "In-home visiting services" means a service delivery strategy that is carried out in the homes of families or children from conception to school age that provides culturally sensitive face-to-face visits by nurses, or other professional or paraprofessionals trained to promote positive parenting practices, enhance the socio-emotional and cognitive development of children, improve health of the family, and empower the family to be self-sufficient.

(3) By February 1 of the current fiscal year, the department shall submit to the house and senate appropriations subcommittees on community health an annual report on evidence-based voluntary in-home visiting services, including a full accounting of administrative expenditures from the prior fiscal year, and a summary detailing the demographic characteristics of Medicaid families served.

(4) No later than September 30, 2011, the department shall submit a report to the senate and house appropriations subcommittees on community health on its plan to establish an integrated benefit for Medicaid evidence-based home visitation services to be provided by Medicaid health plans for eligible beneficiaries. The report shall include information on the potential methods used to assure continuity of care and continuity of ongoing relationships with providers and their potential effectiveness. It is the intent of the legislature that the integrated benefit must be provided by evidence-based service delivery models or practices in a manner that achieves fidelity to the evidence-based model.

Sec. 1850. The department may allow Medicaid health plans to assist with the redetermination process through outreach activities to ensure continuation of Medicaid eligibility and enrollment in managed care. This may include mailings, telephone contact, or face-to-face contact with beneficiaries enrolled in the individual Medicaid health plan. Health plans may offer assistance in completing paperwork for beneficiaries enrolled in their plan.

Sec. 1853. The department shall form a workgroup composed of representatives from the Medicaid HMOs and the Michigan association of health plans to develop revisions to the process of automatically assigning new Medicaid recipients to HMOs if they do not choose an HMO upon enrollment. The department shall report on the results of the workgroup’s findings to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies by March 1 of the current fiscal year.

Sec. 1854. The department may work with a provider of kidney dialysis services and renal care as authorized under section 2703 of the patient protection and affordable care act, Public Law 111-148, to develop a chronic condition health home program for Medicaid enrollees identified with chronic kidney disease and who are beginning dialysis. If initiated, the department shall develop metrics that evaluate program effectiveness and submit a report to the senate and house appropriations subcommittees on community health. Metrics shall include cost savings and clinical outcomes.

Sec. 1855. The department may consider the feasibility of a revenue-neutral, financially risk-averse Medicaid patient optimization solution for the support of emergency department redirection for non-emergent patients.

Sec. 1857. It is the intent of the legislature that the department not reduce Medicaid reimbursement for wheelchairs.

**ONE-TIME BASIS ONLY**

Sec. 1901. For the state fiscal year ending September 30, 2012, there is appropriated from general fund/general purpose revenue, on a 1-time basis only, \$22,100,000.00 and federal revenue for the following purposes:

Mental health services for special populations .....	\$ 3,000,000
Healthy Michigan fund programs.....	3,000,000
Primary care services – island health clinics .....	300,000
Hospital services and therapy – graduate medical education.....	17,129,400
Hospital services and therapy – rural and sole community hospitals .....	29,533,400
<b>GROSS APPROPRIATION .....</b>	<b>\$ 52,962,800</b>

Appropriated from:

Federal revenues:

Federal revenues.....	30,862,800
State general fund/general purpose .....	\$ 22,100,000

Sec. 1902. From the funds appropriated in section 1901 for healthy Michigan fund programs, \$900,000.00 shall be allocated for cancer prevention and control.

Sec. 1903. (1) From the funds appropriated in section 1901 for hospital services and therapy – rural and sole community hospitals, \$10,000,000.00 general fund/general purpose revenue and any associated federal match shall be awarded to hospitals that meet criteria established by the department for services to low-income rural residents.

(2) No hospital or hospital system shall receive more than 5.0% of the total funding referenced in subsection (1).

(3) The department shall report to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies on the distribution of funds referenced in subsection (1) by April 1 of the current fiscal year.

PART 2A  
PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS  
FOR FISCAL YEAR 2012-2013

**GENERAL SECTIONS**

Sec. 2001. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, 2013 for the line items listed in part 1. The fiscal year 2012-2013 appropriations are anticipated to be the same as those for fiscal year 2011-2012, except that the line items will be adjusted for changes in caseload and related costs, federal fund match rates, economic factors, and available revenue. These adjustments will be determined after the January 2012 consensus revenue estimating conference.

ARTICLE V  
DEPARTMENT OF CORRECTIONS  
PART 1  
LINE-ITEM APPROPRIATIONS  
FOR FISCAL YEAR 2011-2012

Sec. 101. Subject to the conditions set forth in this article, the amounts listed in this part are appropriated for the department of corrections for the fiscal year ending September 30, 2012, 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 .....	45,917	
Full-time equated unclassified positions.....	16.0	
Full-time equated classified positions .....	15,552.8	
<b>GROSS APPROPRIATION</b> .....		<b>\$ 1,936,573,800</b>

Appropriated from:

Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....	943,800	
<b>ADJUSTED GROSS APPROPRIATION</b> .....		<b>\$ 1,935,630,000</b>

Federal revenues:

Total federal revenues.....	7,995,100	
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Special revenue funds:

Total local revenues.....	447,300	
Total private revenues.....	0	
Total other state restricted revenues .....	52,351,400	
State general fund/general purpose .....		<b>\$ 1,874,836,200</b>

**Sec. 102. EXECUTIVE**

Full-time equated unclassified positions.....	16.0	
Full-time equated classified positions .....	46.0	
Unclassified positions—16.0 FTE positions .....		\$ 1,192,600
Executive direction—46.0 FTE positions.....		5,411,100
Neal, et al. settlement agreement .....		15,000,000
<b>GROSS APPROPRIATION</b> .....		<b>\$ 21,603,700</b>

Appropriated from:

State general fund/general purpose .....		<b>\$ 21,603,700</b>
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**Sec. 103. PLANNING AND COMMUNITY SUPPORT**

Full-time equated classified positions .....	12.0	
MPRI residential stability.....		\$ 7,251,300
MPRI employment readiness.....		7,265,100
MPRI social support.....		4,861,000
MPRI health and behavioral health.....		3,357,700
MPRI operations support.....		3,848,400
MPRI reintegration, training, and employment.....		600,000
MPRI other projects .....		26,726,200
MPRI federal grants .....		1,035,000
Substance abuse testing and treatment services—12.0 FTE positions .....		24,070,900
Residential services .....		18,075,500
Community corrections comprehensive plans and services .....		13,958,000
Regional jail program.....		100
Felony drunk driver jail reduction and community treatment program .....		1,440,100
County jail reimbursement program.....		17,072,100
<b>GROSS APPROPRIATION</b> .....		<b>\$ 129,561,400</b>

Appropriated from:

Federal revenues:

DOJ, office of justice programs, RSAT.....	143,900	
DOJ, prisoner reintegration .....	1,035,000	

Special revenue funds:

Jail reimbursement program fund.....	5,900,000	
State general fund/general purpose .....		<b>\$ 122,482,500</b>

For Fiscal Year  
Ending Sept. 30,  
2012

**Sec. 104. OPERATIONS SUPPORT ADMINISTRATION**

Full-time equated classified positions .....	152.9	
Operations support administration—45.0 FTE positions .....		\$ 4,110,700
New custody staff training .....		4,094,100
Compensatory buyout and union leave bank.....		100
Worker's compensation.....		16,278,900
Bureau of fiscal management—90.9 FTE positions.....		8,448,300
Office of legal services—6.0 FTE positions .....		2,345,100
Internal affairs—11.0 FTE positions .....		1,219,300
Rent .....		2,095,200
Equipment and special maintenance.....		2,425,500
Administrative hearings officers.....		2,682,900
Judicial data warehouse user fees .....		50,000
Interdepartmental grant to judiciary .....		1,000,000
Interdepartmental grant to corrections ombudsman .....		250,000
Sheriffs' coordinating and training office .....		500,000
Prosecutorial and detainer expenses.....		4,051,000
<b>GROSS APPROPRIATION</b> .....		<b>\$ 49,551,100</b>

Appropriated from:

Interdepartmental grant revenues:

IDG-MDSP, Michigan justice training fund.....		313,200
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Special revenue funds:

Local corrections officer training fund.....		500,000
Correctional industries revolving fund.....		534,600
State general fund/general purpose .....		\$ 48,203,300

**Sec. 105. FIELD OPERATIONS ADMINISTRATION**

Full-time equated classified positions .....	2,161.9	
Field operations—2,007.9 FTE positions.....		\$ 184,553,200
Parole board operations—45.0 FTE positions.....		4,517,400
Parole/probation services.....		2,243,500
Community re-entry centers—48.0 FTE positions.....		14,269,300
Electronic monitoring center—61.0 FTE positions.....		16,570,200
<b>GROSS APPROPRIATION</b> .....		<b>\$ 222,153,600</b>

Appropriated from:

Special revenue funds:

Local - community tether program reimbursement.....		447,300
Re-entry center offender reimbursements.....		141,600
Parole and probation oversight fees .....		6,300,000
Parole and probation oversight fees set-aside .....		2,649,500
Tether program participant contributions .....		2,033,800
State general fund/general purpose .....		\$ 210,581,400

**Sec. 106. CORRECTIONAL FACILITIES-ADMINISTRATION**

Average population.....	1,750	
Full-time equated classified positions .....	1,249.1	
Correctional facilities administration—29.0 FTE positions .....		\$ 8,186,400
Prison food service—394.0 FTE positions.....		56,718,200
Transportation—211.6 FTE positions.....		19,043,600
Central records—53.5 FTE positions .....		3,906,100
Inmate legal services .....		715,900
Loans to parolees.....		179,400
Housing inmates in federal institutions.....		793,900
Prison store operations—75.0 FTE positions.....		1,467,100
Prison industries operations—189.0 FTE positions .....		21,325,400
Federal school lunch program .....		712,800
Leased beds and alternatives to leased beds .....		10,000,100
Public works programs.....		10,000,000
Cost-effective housing initiative.....		47,906,300

	For Fiscal Year Ending Sept. 30, 2012
Average population .....	1,750
Inmate housing fund .....	(79,232,700)
Education program—252.0 FTE positions .....	31,279,600
<b>GROSS APPROPRIATION</b> .....	<b>\$ 133,002,100</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDCH, forensic center food service .....	630,600
Federal revenues:	
DAG-FNS, national school lunch .....	712,800
DED-OESE, title 1 .....	533,500
DED-OVAE, adult education .....	911,200
DED-OSERS .....	110,200
DED, vocational education equipment .....	283,100
DED, youthful offender/Specter grant .....	1,318,400
DOJ-BOP, federal prisoner reimbursement .....	211,100
DOJ-OJP, serious and violent offender reintegration initiative .....	10,400
DOJ, prison rape elimination act grant .....	1,037,900
SSA-SSI, incentive payment .....	144,300
Special revenue funds:	
Correctional industries revolving fund .....	21,325,400
Public works user fees .....	10,000,000
Resident stores .....	1,467,100
State general fund/general purpose .....	<b>\$ 94,306,100</b>
<b>Sec. 107. HEALTH CARE</b>	
Full-time equated classified positions .....	1,690.0
Health care administration—14.0 FTE positions .....	<b>\$ 3,236,200</b>
Prisoner health care services .....	93,095,500
Vaccination program .....	691,200
Interdepartmental grant to human services, eligibility specialists .....	100,000
Mental health services and support—546.0 FTE positions .....	55,069,200
Northern region clinical complexes—366.6 FTE positions .....	43,198,100
Southern region clinical complexes—763.4 FTE positions .....	116,384,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 311,774,200</b>
Appropriated from:	
Special revenue funds:	
Prisoner health care copayments .....	354,900
State general fund/general purpose .....	<b>\$ 311,419,300</b>
<b>Sec. 108. NORTHERN REGION CORRECTIONAL FACILITIES</b>	
Average population .....	18,983
Full-time equated classified positions .....	4,282.9
Alger maximum correctional facility - Munising—265.0 FTE positions .....	<b>\$ 27,249,700</b>
Average population .....	889
Baraga maximum correctional facility - Baraga—325.1 FTE positions .....	31,829,200
Average population .....	884
Earnest C. Brooks correctional facility - Muskegon—447.0 FTE positions .....	45,545,500
Average population .....	2,440
Chippewa correctional facility - Kincheloe—467.4 FTE positions .....	47,846,400
Average population .....	2,282
Kinross correctional facility - Kincheloe—339.0 FTE positions .....	35,237,600
Average population .....	1,799
Marquette branch prison - Marquette—339.6 FTE positions .....	37,544,000
Average population .....	1,201
Newberry correctional facility - Newberry—263.9 FTE positions .....	26,091,500
Average population .....	978
Oaks correctional facility - Eastlake—306.0 FTE positions .....	34,317,200
Average population .....	1,156

	For Fiscal Year Ending Sept. 30, 2012
Ojibway correctional facility - Marenisco—205.9 FTE positions .....	19,053,300
Average population .....	1,090
Central Michigan correctional facility - St. Louis—416.9 FTE positions .....	40,278,900
Average population .....	2,400
Pugsley correctional facility - Kingsley—216.0 FTE positions .....	20,464,400
Average population .....	1,158
Saginaw correctional facility - Freeland—312.8 FTE positions .....	31,952,400
Average population .....	1,480
St. Louis correctional facility - St. Louis—320.3 FTE positions .....	32,541,300
Average population .....	1,226
Northern region administration and support—58.0 FTE positions .....	4,304,300
GROSS APPROPRIATION .....	\$ 434,255,700
Appropriated from:	
Special revenue funds:	
State general fund/general purpose .....	\$ 434,255,700
<b>Sec. 109. SOUTHERN REGION CORRECTIONAL FACILITIES</b>	
Average population .....	25,184
Full-time equated classified positions .....	5,958.0
Bellamy Creek correctional facility - Ionia—394.4 FTE positions .....	\$ 39,857,300
Average population .....	1,850
Carson City correctional facility - Carson City—455.1 FTE positions .....	47,496,100
Average population .....	2,440
Cooper street correctional facility - Jackson—260.9 FTE positions.....	28,092,100
Average population .....	1,799
G. Robert Cotton correctional facility - Jackson—402.5 FTE positions .....	39,548,100
Average population .....	1,841
Charles E. Egeler correctional facility - Jackson—355.3 FTE positions .....	39,929,200
Average population .....	1,376
Richard A. Handlon correctional facility - Ionia—233.4 FTE positions .....	24,033,900
Average population .....	1,373
Gus Harrison correctional facility - Adrian—444.7 FTE positions .....	45,738,200
Average population .....	2,342
Huron Valley correctional complex - Ypsilanti—559.7 FTE positions .....	58,478,700
Average population .....	1,872
Ionia maximum correctional facility - Ionia—304.7 FTE positions .....	30,890,400
Average population .....	654
Lakeland correctional facility - Coldwater—262.8 FTE positions.....	24,877,200
Average population .....	1,336
Macomb correctional facility - New Haven—304.3 FTE positions .....	30,406,800
Average population .....	1,228
Maxey/Woodland Center correctional facility - Whitmore Lake—272.2 FTE positions .....	26,084,800
Average population .....	328
Michigan reformatory - Ionia—320.1 FTE positions.....	34,309,700
Average population .....	1,338
Mound correctional facility - Detroit—283.4 FTE positions .....	26,010,600
Average population .....	1,062
Parnall correctional facility - Jackson—266.2 FTE positions.....	27,548,800
Average population .....	1,678
Ryan correctional facility - Detroit—281.8 FTE positions .....	29,198,600
Average population .....	1,048
Thumb correctional facility - Lapeer—292.5 FTE positions .....	30,251,400
Average population .....	1,219
Special alternative incarceration program (Camp Cassidy Lake)—120.0 FTE positions .....	10,149,700
Average population .....	400
Southern region administration and support—144.0 FTE positions .....	19,946,000
GROSS APPROPRIATION .....	\$ 612,847,600

For Fiscal Year  
Ending Sept. 30,  
2012

Appropriated from:	
Federal revenues:	
DOJ, state criminal alien assistance program.....	1,543,300
Special revenue funds:	
Public works user fees.....	358,700
State general fund/general purpose .....	\$ 610,945,600
<b>Sec. 110. INFORMATION TECHNOLOGY</b>	
Information technology services and projects .....	\$ 21,824,400
GROSS APPROPRIATION .....	\$ 21,824,400
Appropriated from:	
Special revenue funds:	
Correctional industries revolving fund .....	159,600
Parole and probation oversight fees set-aside .....	626,200
State general fund/general purpose .....	\$ 21,038,600

PART 2  
PROVISIONS CONCERNING APPROPRIATIONS  
FOR FISCAL YEAR 2011-2012

**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 2011-2012 is \$1,927,187,600.00 and state spending from state resources to be paid to local units of government for fiscal year 2011-2012 is \$89,893,500.00. 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.....	\$ 53,642,400
Public service work projects .....	707,800
Community corrections comprehensive plans and services .....	13,958,000
Community corrections residential services .....	18,075,500
Community corrections public education and training.....	50,000
Felony drunk driver jail reduction and community treatment program .....	1,440,100
Community re-entry centers .....	2,019,600
Regional jail program.....	100
TOTAL.....	\$ 89,893,500

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

Sec. 203. As used in this article:

- (a) "Administrative segregation" means confinement for maintenance of order or discipline to a cell or room apart from accommodations provided for inmates who are participating in programs of the facility.
- (b) "Cost per prisoner" means the sum total of the funds appropriated under part 1 for the following, divided by the projected prisoner population in fiscal year 2010-2011:
  - (i) Northern and southern region correctional facilities.
  - (ii) Northern and southern region administration and support.
  - (iii) Northern and southern region clinical complexes.
  - (iv) Prisoner health care services.
  - (v) Health care administration.
  - (vi) Vaccination program.
  - (vii) Prison food service and federal school lunch program.
  - (viii) Transportation.
  - (ix) Inmate legal services.
  - (x) Correctional facilities administration.
  - (xi) Central records.
  - (xii) DOJ psychiatric plan.
  - (xiii) Worker's compensation.
  - (xiv) New custody staff training.
  - (xv) Prison store operations.
  - (xvi) Education services and federal education grants.
  - (xvii) Education program.

- (c) “DAG” means the United States department of agriculture.
- (d) “DAG-FNS” means the DAG food and nutrition service.
- (e) “DED” means the United States department of education.
- (f) “DED-OESE” means the DED office of elementary and secondary education.
- (g) “DED-OSERS” means the DED office of special education and rehabilitative services.
- (h) “DED-OVAE” means the DED office of vocational and adult education.
- (i) “Department” or “MDOC” means the Michigan department of corrections.
- (j) “DOJ” means the United States department of justice.
- (k) “DOJ-BOP” means the DOJ bureau of prisons.
- (l) “DOJ-OJP” means the DOJ office of justice programs.
- (m) “Evidence-based practices” or “EBP” means a decision-making process that integrates the best available research, clinician expertise, and client characteristics.
- (n) “FTE” means full-time equated.
- (o) “GED” means general educational development certificate.
- (p) “Goal” means the intended or projected result of a comprehensive corrections plan or community corrections program to reduce repeat offending, criminogenic and high-risk behaviors, prison commitment rates, to reduce the length of stay in a jail, or to improve the utilization of a jail.
- (q) “GPS” means global positioning system.
- (r) “HIV” means human immunodeficiency virus.
- (s) “IDG” means interdepartmental grant.
- (t) “IDT” means intradepartmental transfer.
- (u) “Jail” means a facility operated by a local unit of government for the physical detention and correction of persons charged with or convicted of criminal offenses.
- (v) “MDCH” means the Michigan department of community health.
- (w) “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.
- (x) “MDSP” means the Michigan department of state police.
- (y) “MPRI” means the Michigan prisoner reentry initiative.
- (z) “Objective risk and needs assessment” means an evaluation of an offender’s criminal history; the offender’s noncriminal history; and any other factors relevant to the risk the offender would present to the public safety, including, but not limited to, having demonstrated a pattern of violent behavior, and a criminal record that indicates a pattern of violent offenses.
- (aa) “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.
- (bb) “Offender 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) Not sent or returned to prison for the conviction of a new crime or the revocation of probation or parole.
  - (iv) Not been sentenced to a jail term for a new criminal offense.
  - (v) Obtained employment, has enrolled or participated in a program of education or job training, or has investigated all bona fide employment opportunities.
  - (vi) Obtained housing.
- (cc) “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.
- (dd) “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.
- (ee) “Programmatic success” means that the department program or initiative has ensured that the offender has accomplished all of the following:
  - (i) Obtained employment, has enrolled or participated in a program of education or job training, or has investigated all bona fide employment opportunities.
  - (ii) Obtained housing.
  - (iii) Obtained a state identification card.

(ff) "Recidivism" means any of the following:

(i) The arrest and conviction of a supervised individual for a new offense while under community supervision.

(ii) The adjudication of a supervised individual for a violation of the conditions of supervision while under community supervision.

(iii) A sanction resulting from a violation of terms of supervision that results in a return to prison without being adjudicated.

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

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

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

(jj) "SSA" means the United States social security administration.

(kk) "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 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. 204a. (1) The department shall collaborate with the civil service commission and the department of civil service to review the compensation rates for health care professionals who provide direct health care services to prisoners within the corrections system, including, but not limited to, doctors, all nursing professionals, pharmacists, pharmacy technicians, and psychologists. The review shall include health care professionals employed by the state as well as those employed through state contractors. These rates shall be compared to available data on compensation rates for comparable medical professionals in the private sectors who provide services to the general public to estimate any disparity in compensation.

(2) Following the review, the department shall make recommendations on changes needed to the state compensation plan for health care professional positions and to department contracts with health care providers so that compensation levels are sufficient to ensure that needed health care professional positions with vacancies are filled, that the department experiences adequate retention levels for these positions, and that necessary health care services are delivered in a timely manner to the prisoner population. A report outlining these recommendations shall be submitted to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget office by May 1, 2011.

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

Sec. 207. State employees shall be given the opportunity to 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. Unless otherwise specified, the department shall use the Internet to fulfill the reporting requirements of this article. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement or it may include placement of reports on an Internet or Intranet site.

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

Sec. 211. (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, union steward activities, and public works programs and services provided to local units of government. The revenues and fees collected are appropriated for all expenses associated with these services and activities.

(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.

(3) By April 1, 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 the collection of fees under this section. At minimum, this report shall include a categorical accounting of all fees collected under this section.

Sec. 212. On a quarterly basis, each executive branch department and agency receiving appropriations in part 1 shall report on the number of full-time equated positions in pay status by civil service classification to the senate and house appropriations subcommittees on corrections and the senate and house fiscal agencies. This report shall include a detailed accounting of the long-term vacancies that exist within each department. As used in this subsection, "long-term vacancy" means any full-time equated position that has not been filled at any time during the past 24 calendar months.

Sec. 213. By February 15, 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 2009-2010, the amount by which the revenue exceeded any applicable appropriated fund source, the amount spent during fiscal year 2009-2010, the account balance at the close of fiscal year 2009-2010, and the projected revenues and expenditures for fiscal year 2010-2011.

Sec. 214. From the funds appropriated in part 1 for information technology, the department shall pay user fees to the department of technology, management, and budget 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 technology, management, and budget. It is the intent of the legislature that the department consider using third-party software and information technologies before contracting for such services through the department of technology, management, and budget.

Sec. 215. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of technology, management, and budget. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 216. (1) Due to the current budgetary problems of this state, out-of-state travel for the fiscal year ending September 30, 2012 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) 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.

Sec. 218. The department and agencies receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. Federal and state guidelines for short-term and long-term retention of records shall be followed. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 219. Any contract for prisoner telephone services entered into after the effective date of this article 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. 220. Not later than November 15, 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 of representatives standing committees on appropriations, and the senate and house fiscal agencies.

Sec. 221. (1) The department shall maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following:

- (a) Fiscal year-to-date expenditures by category.
  - (b) Fiscal year-to-date expenditures by appropriation unit.
  - (c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.
  - (d) The number of active department employees by job classification.
  - (e) Job specifications and wage rates.
- (2) The department may develop and operate its own website to provide this information or may reference the state's central transparency website as the source for this information.

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

Sec. 224. By March 1, 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. 229. Within 14 days after the release of the executive budget recommendation, the department shall provide the state budget director, the senate and house appropriations chairs, the senate and house appropriations subcommittees on corrections, respectively, and the senate and house fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2011 and September 30, 2012.

Sec. 235. It is the intent of the legislature that the department reduce expenditures using the following strategies:

(a) Following the recommendations outlined in audit report 471-0130-08 of June 2009 issued by the Michigan office of the auditor general, which found \$7,534,039.00 in known savings that would have been achieved through cost-neutral operation of the bureau of correctional industries, as follows:

(i) Finding 1 indicates that the bureau of correctional industries has consistently failed to maintain profitable or cost-neutral operations.

(ii) Finding 2 indicates that the bureau of correctional industries had not developed or implemented a comprehensive business plan.

(iii) Finding 3 indicates that the bureau of correctional industries did not efficiently schedule and utilize its trucks and drivers for delivery of products and services.

(iv) Finding 4 indicates that the bureau of correctional industries had not established comprehensive policies and procedures for setting prices and discounts for products and services.

(b) Continuing the supply chain transformation (SCT) with the new fiscal year beginning October 1, 2011. The SCT shall address all goods and services delivered into the department, with special focus in the following areas: food service, offender transport, warehousing, prisoner stores, laundries, textiles, transportation, reverse logistics, education, sex offender programming, assaultive offender programming, Michigan state industries manufacturing and related material, and capital and service purchase contracts under development or due to expire. The department shall continually detail its supply chain strategy and implementation plan including tasks, timing, resources, costs, and benefits to be achieved. The department shall provide quarterly cost and benefit savings report information. The department shall contract with a world-class supply chain external resource with the following capabilities: demonstrated success working in a department of corrections environment in the targeted supply chain areas of focus; demonstrated expertise in defining, developing, and implementing cross-functional infrastructures; continuous quality improvement teams; stakeholder and communications outreach programs; six sigma/lean tools and templates; hands-on supply chain; continuous quality improvement and six sigma tool training; and positive working relations and measurable, documented client satisfaction results.

(c) Following the recommendations outlined in audit report 471-0620-07L of October 2008 issued by the Michigan office of the auditor general, which found \$14,800,000.00 in estimated savings that could be achieved through reforms of the department's staffing and purchasing policies, as follows:

(i) Finding 1 indicates that the department needs to improve its administration of custody officer staffing.

(ii) Finding 2 indicates that the department needs to pursue additional cost-saving measures through future contract negotiations and review of its organizational structure.

(iii) Finding 3 indicates that the department did not have a formal process in place to negotiate prices for goods and services purchased from Michigan state industries.

(d) Following the recommendations outlined in audit report 471-0623-07L of December 2008 issued by the Michigan office of the auditor general, which found significant but indeterminate savings could be achieved through reforms of prisoner transportation policies, specifically, finding 4 indicates that the department should continue to seek the cooperation of the state court administrative office and its medical service providers to fully use existing technology to conduct videoconferencing for court and medical appointments.

Sec. 236. It is the intent of the legislature that from the revenue resulting from the sale of the former Scott correctional facility sufficient funds shall be appropriated to the department to reimburse Michigan state industries for costs related to the construction of the Industries Building, which was operated by Michigan state industries on the site of the Scott correctional facility.

Sec. 237. The department shall observe all requirements set forth in statute and administrative rules related to procurement requests and shall ensure that proper communication is maintained with the department of technology, management, and budget regarding the use of delegated purchasing authority granted by the department of technology, management, and budget. The department shall not pursue the procurement of any good or service on its own that falls outside its delegated authority from the department of technology, management, and budget. If any requests for proposal or requests for qualifications are delayed due to the department's improper use of purchasing authority under statute and administrative rules, the department shall report on the improper use to the house and senate appropriations subcommittees on corrections within 15 days after determining that the improper use occurred. The report shall review the purpose of the relevant procurement effort, explain why the improper use of delegated authority occurred, and outline steps being taken to ensure that improper use of delegated authority does not occur again in the future.

Sec. 238. It is the intent of the legislature that the department make additional efforts to sell, rent, or otherwise repurpose closed correctional facilities.

Sec. 239. It is the intent of the legislature that the department establish and maintain a management-to-staff ratio of 1 supervisor for each 5 employees at the department's central office in Lansing and at both the northern and southern region administration offices.

Sec. 240. On or before March 1, 2012, the department shall solicit and evaluate proposals for services related to the audit of vendor and contract payments and the recovery of improper payments. The period covered by the proposed audit shall be not less than 3 prior fiscal years. On or before September 1, 2012, the department shall provide to the house and senate committees on appropriations and the house and senate fiscal agencies a complete report on the results of the proposal solicitation and findings and amounts recovered from subsequent recovery audits.

#### **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 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. The department shall provide a report 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 by May 1, reviewing actions taken to implement the recommendations of the mental health study required under section 302 of 2007 PA 124 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. 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, 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 concurrent with submission of the executive budget 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, 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 planned expenditures for each project funded and for each project to be funded, itemized by service to be provided and service provider. The department shall provide an amended report at least 60 days before making revisions to allocations or planned expenditures.

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, 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 article, the department shall ensure to the maximum extent possible that residential substance abuse treatment services are available statewide.

(2) By March 1, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the allocation, distribution, and expenditure of all funds appropriated by the substance abuse testing and treatment line item during fiscal year 2010-2011 and projected for fiscal year 2011-2012. 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, 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 success and programmatic success as those terms are defined in section 203.

Sec. 405a. The department shall work cooperatively with MDCH and substance abuse coordinating agencies in referring offenders as appropriate to intensive substance abuse services, including residential services.

Sec. 406. As a condition for expending any money appropriated in part 1 for reinvestment in prisoner re-entry programs, the department shall establish a pilot program with an allocation of at least \$2,000,000.00 from the funding appropriated to prisoner reintegration programs to contract with faith-based nonprofit agencies with established programs that assist prisoners exiting the prison system to reintegrate into the community. The department shall report to the house and senate appropriations subcommittees on corrections, the house and senate fiscal agencies, and the state budget director by December 1 on the contracts awarded under the pilot program, including the faith-based, nonprofit agencies selected and the contract amounts awarded to each agency. The department shall analyze and compare the success and failure rates of prisoners served under the pilot program and those served through other department reintegration programs and shall report this information to the legislature during budget hearings on the fiscal year 2012-2013 budget.

Sec. 407. (1) By June 30, the department shall place the 2011 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 2010, the statistical report be placed on an Internet site within 6 months after the end of each calendar year.

Sec. 408. The department shall measure the recidivism rates of offenders using at least a 3-year period following their release from prison. Any time spent in a county jail or otherwise incarcerated shall be included in the recidivism rates.

Sec. 409. The office of community alternatives 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.

Sec. 410. (1) The funds included in part 1 for community corrections comprehensive plans and services are to encourage the development through technical assistance grants, implementation, and operation of community corrections programs that enhance offender success and that also may serve as an alternative to incarceration in a state facility or jail. The comprehensive corrections plans shall include an explanation of how the public safety will be maintained, the goals for the local jurisdiction, offender target populations intended to be affected, offender eligibility criteria for purposes outlined in the plan, and how the plans will meet the following objectives, consistent with section 8(4) of the community corrections act, 1988 PA 511, MCL 791.408:

(a) Reduce admissions to prison of offenders who would likely be sentenced to imprisonment, including probation violators.

(b) Improve the appropriate utilization of jail facilities, the first priority of which is to open jail beds intended to house otherwise prison-bound felons, and the second priority being to appropriately utilize jail beds so that jail crowding does not occur.

(c) Open jail beds through the increase of pretrial release options.

(d) Reduce the readmission to prison of parole violators.

(e) Reduce the admission or readmission to prison of offenders, including probation violators and parole violators, for substance abuse violations.

(f) Contribute to offender success, as that term is defined in section 203.

(2) The award of community corrections comprehensive plans and residential services funds shall be based on criteria that include, but are not limited to, the prison commitment rate by category of offenders, trends in prison commitment rates and jail utilization, historical trends in community corrections program capacity and program utilization, and the projected impact and outcome of annual policies and procedures of programs on offender success, prison commitment rates, and jail utilization.

(3) Funds awarded for residential services in part 1 shall provide for a per diem reimbursement of not more than \$47.50 for nonaccredited facilities, or of not more than \$48.50 for facilities that have been accredited by the American corrections association or a similar organization as approved by the department.

Sec. 411. The comprehensive corrections plans shall also include, where appropriate, descriptive information on the full range of sanctions and services that are available and utilized within the local jurisdiction and an explanation of how jail beds, residential services, the special alternative incarceration program, probation detention centers, the electronic monitoring program for probationers, and treatment and rehabilitative services will be utilized to support the objectives and priorities of the comprehensive corrections plans and the purposes and priorities of section 8(4) of the community corrections act, 1988 PA 511, MCL 791.408, that contribute to the success of offenders. The plans shall also include, where appropriate, provisions that detail how the local communities plan to respond to sentencing guidelines

found in chapter XVII of the code of criminal procedure, 1927 PA 175, MCL 777.1 to 777.69, and use the county jail reimbursement program under section 414. The state community corrections board shall encourage local community corrections advisory boards to include in their comprehensive corrections plans strategies to collaborate with local alcohol and drug treatment agencies of the MDCH for the provision of alcohol and drug screening, assessment, case management planning, and delivery of treatment to alcohol- and drug-involved offenders.

Sec. 412. (1) As part of the March biannual report specified in section 12(2) of the community corrections act, 1988 PA 511, MCL 791.412, that requires an analysis of the impact of that act on prison admissions and jail utilization, the department shall submit to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director the following information for each county and counties consolidated for comprehensive corrections plans:

(a) Approved technical assistance grants and comprehensive corrections plans including each program and level of funding, the utilization level of each program, and profile information of enrolled offenders.

(b) If federal funds are made available, the number of participants funded, the number served, the number successfully completing the program, and a summary of the program activity.

(c) Status of the community corrections information system and the jail population information system.

(d) Data on residential services, including participant data, participant sentencing guideline scores, program expenditures, average length of stay, and bed utilization data.

(e) Offender disposition data by sentencing guideline range, by disposition type, by prior record variable score, by number and percent statewide and by county, current year, and comparisons to the previous 3 years.

(f) Data on the use of funding made available under the felony drunk driver jail reduction and community treatment program.

(2) The report required under subsection (1) shall include the total funding allocated, program expenditures, required program data, and year-to-date totals.

Sec. 413. (1) The department shall identify and coordinate information regarding the availability of and the demand for community corrections programs, jail-based community corrections programs, jail-based probation violation sanctions, and all state-required jail data.

(2) The department is responsible for the collection, analysis, and reporting of all state-required jail data.

(3) As a prerequisite to participation in the programs and services offered through the department, counties shall provide necessary jail data to the department.

Sec. 414. (1) The department shall administer a county jail reimbursement program from the funds appropriated in part 1 for the purpose of reimbursing counties for housing in jails certain felons who otherwise would have been sentenced to prison.

(2) The county jail reimbursement program shall reimburse counties for convicted felons in the custody of the sheriff if the conviction was for a crime committed on or after January 1, 1999 and 1 of the following applies:

(a) The felon's sentencing guidelines recommended range upper limit is more than 18 months, the felon's sentencing guidelines recommended range lower limit is 12 months or less, the felon's prior record variable score is 35 or more points, and the felon's sentence is not for commission of a crime in crime class G or crime class H or a nonperson crime in crime class F under chapter XVII of the code of criminal procedure, 1927 PA 175, MCL 777.1 to 777.69.

(b) The felon's minimum sentencing guidelines range minimum is more than 12 months under the sentencing guidelines described in subdivision (a).

(c) The felon was sentenced to jail for a felony committed while he or she was on parole and under the jurisdiction of the parole board and for which the sentencing guidelines recommended range for the minimum sentence has an upper limit of more than 18 months.

(3) State reimbursement under this subsection shall be \$60.00 per diem per diverted offender for offenders with a presumptive prison guideline score, \$50.00 per diem per diverted offender for offenders with a straddle cell guideline for a group 1 crime, and \$35.00 per diem per diverted offender for offenders with a straddle cell guideline for a group 2 crime. Reimbursements shall be paid for sentences up to a 1-year total.

(4) As used in this subsection:

(a) "Group 1 crime" means a crime in 1 or more of the following offense categories: arson, assault, assaultive other, burglary, criminal sexual conduct, homicide or resulting in death, other sex offenses, robbery, and weapon possession as determined by the department of corrections based on specific crimes for which counties received reimbursement under the county jail reimbursement program in fiscal year 2007 and fiscal year 2008, and listed in the county jail reimbursement program document titled "FY 2007 and FY 2008 Group One Crimes Reimbursed", dated March 31, 2009.

(b) "Group 2 crime" means a crime that is not a group 1 crime, including larceny, fraud, forgery, embezzlement, motor vehicle, malicious destruction of property, controlled substance offense, felony drunk driving, and other nonassaultive offenses.

(c) "In the custody of the sheriff" means that the convicted felon has been sentenced to the county jail and is either housed in the county jail or has been released from jail and is being monitored through the use of the sheriff's electronic monitoring system.

(5) County jail reimbursement program expenditures shall not exceed the amount appropriated in part 1 for the county jail reimbursement program. Payments to counties under the county jail reimbursement program shall be made in the order in which properly documented requests for reimbursements are received. A request shall be considered to be properly documented if it meets MDOC requirements for documentation. By October 15, 2011, the department shall distribute the documentation requirements to all counties.

(6) Of the funds appropriated in part 1 for the county jail reimbursement program, \$500,000.00 shall be utilized to reimburse county jails for housing individuals who violate terms of probation under the swift-and-sure sanctions pilot program.

Sec. 415. (1) The department shall create a database for use by the department and MPRI service providers. The database shall be available to both the department and the service provider in real time. The department, in consultation with the service providers, shall issue a policy defining each field in the database so that there will be common usage of all terms and fields.

(2) The department, in consultation with the service providers, shall publish financial guidelines for administration of this program.

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 or the lower limit of the sentencing range is 1 year or less and the upper limit of the range is more than 18 months and the prior record variable is less than 35 points, 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, 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 collaborate with the state court administrative office on facilitating changes to Michigan court rules that would require the court to collect at the time of sentencing the state operator's license, state identification card, or other documentation used to establish the identity of the individual to be admitted to the department. The department shall maintain those documents in the prisoner's personal file.

(2) The department shall collaborate with the Michigan department of state to ensure that an achievable list of documents necessary to obtain a state operator's license or state identification card upon parole or release is developed and presented to the prisoner so that application for identification can begin 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.

(3) The department shall cooperate with MDCH to create and maintain a process by which prisoners can obtain their Michigan birth certificates if necessary. The department shall describe a process for obtaining birth certificates from other states, and in situations where the prisoner's effort fails, the department shall assist in obtaining the birth certificate.

(4) By March 1, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, the legislative corrections ombudsman, and the state budget director on the plan for implementing all necessary processes and policy changes in order to ensure compliance with the requirements of 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, 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. 422. It is the intent of the legislature that MPRI programs from prisoner entry into the corrections system to reentry into the community and as measured by offender success and programmatic success as those terms are defined in section 203 shall be maintained as standard operating procedure in the department. In particular, services should be focused on moderate- to high-risk individuals. Special in-prison programming shall be directed to those prisoners who were paroled and have returned to prison and who will subsequently be eligible for parole again in the future. In addition, MPRI services provided to prisoners shall include basic computer skills training.

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, 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. The money appropriated in part 1 for prisoner reintegration, training, and employment programs shall be distributed to 1 or more Michigan-chartered 501(c)(3) nonprofit corporations to expand existing business models, create new business enterprises, or purchase capital equipment for expansion of current business operations. Qualifying nonprofits must hire new employees through the funding provided in this section, must include at least 45% returning citizens, must have documented entrepreneurial social enterprise expertise in creating employment opportunities for parolees, and must presently have established public utility asset recovery recycling programs. The programs shall be administered by 1 or more Michigan-chartered corporations that are exempt from taxation under section 501(c)(3) of the internal revenue code, 26 USC 501(c)(3).

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 and March 2011.

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, 2012, April 1, 2012, July 1, 2012, and September 30, 2012 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) It is the intent of the legislature that the department, in coordination with the department of licensing and regulatory affairs, Michigan state housing development authority, nonprofit and faith-based organizations, and local government officials, implement employment-related projects targeted toward at-risk young adults who are disconnected from school and employment, and probationers and parolees in high-crime neighborhoods where the adult incarceration rate is at least 45%.

(2) The department shall identify high-crime neighborhoods where the adult incarceration rate is at least 45% and in consultation with the department of human services, the superintendent of public instruction, and nonprofit and faith-based organizations shall develop programs for recommendation to the legislature that offer academic, counseling, and social support to children of incarcerated parents.

#### **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 licensing and regulatory affairs 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 licensing and regulatory affairs for administrative hearings officers in excess of the amount expressly appropriated by this article 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.

Sec. 506. Of the funds appropriated in part 1, \$250,000.00 is appropriated to provide an interdepartmental grant to the legislative corrections ombudsman for oversight activities.

Sec. 507. Of the funds appropriated in part 1, \$1,000,000.00 is appropriated as an interdepartmental grant to the judiciary for the establishment of a pilot program for the use of swift-and-sure jail sanctions as a response to certain probation violations.

#### **FIELD OPERATIONS ADMINISTRATION**

Sec. 601. (1) From the funds appropriated in part 1, the department shall conduct a statewide caseload audit of field agents. The audit shall address public protection issues and assess the ability of the field agents to complete their professional duties. The complete audit shall be submitted to the senate and house appropriations subcommittees on corrections and the senate and house fiscal agencies, and the state budget office by March 1.

(2) It is the intent of the legislature that the department maintain a number of field agents sufficient to meet supervision and workload standards.

Sec. 602. (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, 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, 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, 2011 individual reports for the community re-entry program, the electronic tether program, and the special alternative to incarceration program. The reports shall be submitted to the 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 article 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. 615. After the parole board has reviewed the cases of all inmates sentenced to life with the possibility of parole who have good institutional records and pose low-risk to the community, the parole board shall provide the legislature with a detailed explanation of why an inmate who scores "high probability of release" is not being paroled. A report containing this explanation shall be submitted to the house and senate appropriations subcommittees on corrections, the house and senate fiscal agencies, and the state budget director by January 1.

### **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. 803. For mental health contracts entered into by the department, including those with the Michigan department of community health, recognized performance standards and measures of quality shall be utilized to conduct periodic performance reviews. At least once every 3 years, the department shall renegotiate all mental health contracts entered into under this section with the goals of improving care and reducing costs.

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, 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, 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 due to refusal of treatment.

(b) Cost and duration of treatment by offender as allowable by privacy law.

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 at least a 30-day supply of medication and a prescription for refills 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, 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 parolees and offenders discharged on the maximum sentence who are HIV or hepatitis C positive by paroling office as reported to the state department of community health for referral to the local public health department.

Sec. 810. As a condition of expending appropriations in part 1, the department shall ensure each prisoner serving a sentence in a state correctional facility, and each probationer placed at the special alternative incarceration program under the special alternative incarceration act, 1988 PA 287, MCL 798.11 to 798.18, provides a sample for DNA identification profiling. The department shall implement the requirements of this section in accordance with the provisions of any relevant legislation enacted by the legislature.

Sec. 812. (1) The department shall provide the department of human services with a monthly list of prisoners newly committed to the department of corrections. The department and the department of human services shall enter into an interagency agreement under which the department of human services provides the department of corrections with monthly lists of newly committed prisoners who are eligible for Medicaid benefits in order to maintain the process by which Medicaid benefits are suspended rather than terminated. The department shall assist prisoners who may be eligible for Medicaid benefits after release from prison with the Medicaid enrollment process prior to release from prison.

(2) The department shall provide the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director with quarterly updates on the utilization of Medicaid benefits for prisoners.

Sec. 813. The department shall monitor and document drug utilization by department for prisoner health care services. As part of this effort, the department shall examine drug utilization patterns and cost-cutting strategies used by corrections systems in other states. By March 1, 2011, the department shall provide a report to the legislature detailing the department's drug utilizations and drug utilization statistics for corrections systems in other states.

Sec. 816. By April 1, the department shall provide the members of the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, the state budget director, and the legislative corrections ombudsman with a report on pharmaceutical expenditures and prescribing practices. In particular, the report shall provide the following information:

(a) A detailed accounting of expenditures on antipsychotic medications.

(b) Any changes that have been made to the prescription drug formularies.

(c) A progress report on the department's efforts to address various findings outlined in audit report 471-0325-09L issued in March 2011 by the Michigan office of the auditor general.

#### **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) Savings in the inmate housing fund shall be achieved through competitive bidding of facility operations or other measures to reduce the custody, treatment, clinical, and administrative costs associated with the housing of prisoners. Savings shall be distributed as necessary into separate accounts created to separately identify savings through specific cost savings measures.

(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. It is the intent of the legislature that the department maintain or expand upon existing public works programming by contracting with local units of government or private organizations. Any local unit of government or private organization that contracts with the department for public works services shall be responsible for financing the entire cost of such an agreement.

Sec. 907. The department shall report by March 1 to the senate and house appropriations subcommittees on corrections, the 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. 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. By March 1, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, the legislative corrections ombudsman, and the state budget director the number of critical incidents occurring each month by type and the number and severity of assaults occurring each month at each facility during calendar year 2011.

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 on the ratio of correctional officers to prisoners for each correctional institution, the ratio of shift command staff to line custody staff, and the ratio of noncustody institutional staff to prisoners for each correctional institution.

Sec. 913. (1) It is the intent of the legislature that any prisoner required to complete an assaultive offender program, sexual offender program, or other program as a condition of parole shall be transferred to a facility where that program is available in order to accomplish timely completion of that program prior to the expiration of his or her minimum sentence and eligibility for parole. Nothing in this section should be deemed to make parole denial appealable in court.

(2) The department shall submit a quarterly report to the members of the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, the state budget director, and the legislative corrections ombudsman detailing enrollment in sex offender programming and assaultive offender programming. At a minimum, the report shall include the following:

(a) A full accounting of the number of individuals who are required to complete either sex offender programming or assaultive offender programming, but have not yet done so.

(b) The number of individuals who have reached their earliest release date, but who have not completed required sex offender and/or assaultive offender programming.

(c) A plan of action for addressing any waiting lists or backlogs for sex offender programming or assaultive offender programming that may exist.

Sec. 916. The department shall report by February 1 to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the number of computers available for use by prisoners within each prison facility. The report shall summarize the purpose and frequency of use of these computers within each facility.

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 March 1, 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 January 1, 2009 and April 1, 2011 as a result of closing correctional facilities and correctional camps between January 1, 2009 and January 1, 2012, itemized by correctional facility or correctional camp.

(b) The projected fiscal year 2011-2012 savings by closing correctional facilities and correctional camps between January 1, 2009 and January 1, 2012, 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 January 1, 2009 and January 1, 2012.

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. (1) 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, 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.

(2) The department shall make efforts to encourage retired school teachers to provide education services in correctional facilities through volunteerism.

Sec. 924. The department shall evaluate all prisoners at intake for substance abuse disorders, developmental disorders, serious mental illness, and other mental health disorders. Prisoners with serious mental illness shall not be confined in administrative segregation due to 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 therapeutic seclusion shall be evaluated every 12 hours by a mental health professional in order to remain in therapeutic seclusion.

Sec. 925. By March 1, 2012, 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, 2011, and the annual number of prisoners in administrative segregation between October 1, 2003 and September 30, 2011 who at any time during the current or prior prison term were diagnosed with serious mental illness or have a developmental disorder and the number of days each of the prisoners with serious mental illness or a developmental disorder have been confined to administrative segregation.

Sec. 927. The department of corrections and the department of human services shall enter 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 Maxey/Woodland center correctional facility. 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. The department shall report by February 1, 2012 to the house and senate appropriations subcommittees on corrections, the house and senate fiscal agencies, and the state budget director on distributions to each separate control account and the expenditures charged against each control account during the previous fiscal year.

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. By April 1, 2012, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the training curriculum used and the number and types of staff receiving training under such curriculum since October 2009.

(b) Provide appropriate placement for prisoners less than 19 years of age who have serious mental illness, serious emotional disturbance, or a developmental disorder and need to be housed separately from the general population. Prisoners less than 19 years of age who have serious mental illness, serious emotional disturbance, or a developmental disorder shall not be placed in administrative segregation due to serious mental illness or serious emotional disturbance. Under the supervision of a mental health professional, a prisoner less than 19 years of age with serious mental illness or serious emotional disturbance may be secluded in a therapeutic environment for the safety of the prisoner or others. A prisoner in therapeutic seclusion shall be evaluated every 12 hours by a mental health professional in order to remain in therapeutic seclusion.

(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. 932. From the funds appropriated in part 1 for mental health services and support, \$100,000.00 is appropriated to permit the department to contract with a board-certified child and adolescent psychiatrist to provide psychiatric services to individuals who are less than 19 years of age and are incarcerated in a department facility.

Sec. 934. From the funds appropriated in part 1 for prison industries operations, the department shall provide a report on the pilot program for the manufacturing of textiles and clothing established in at least 1 state correctional facility under section 934 of 2010 PA 188.

Sec. 935. When the department determines that the closure of a correctional facility is warranted and is determining which facility should be subject to closure, it is the intent of the legislature that the department fully consider the potential economic impact of each prison closure being considered on the community in which the facility resides. The department shall make it a high priority to close a facility for which the local economic impact is minimized.

Sec. 936. The department shall contract with third-party providers to complete an assessment of energy utilization at each state correctional facility. In particular, the department shall endeavor to identify and implement energy-saving initiatives in the various correctional facilities. By April 1, the department shall provide the members of the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, the state budget director, and the legislative corrections ombudsman with a report on these efforts.

Sec. 937. The funds appropriated in part 1 for the cost-effective housing initiative shall be utilized to ensure more cost-effective housing of prisoners. The department shall use this funding to house prisoners in the most cost-effective manner possible. This shall include exploring the use of public-private partnerships, the use of privately owned facilities in Michigan, and the use of state facilities by third-party contractors. The use of cost-effective housing from this initiative shall be used to achieve general prison operations savings budgeted in the inmate housing fund line item. The department shall work cooperatively with the chairpersons of the senate and house appropriations subcommittees on corrections in identifying appropriate reductions to prison facility line items to achieve the budgeted savings in the inmate housing fund line item.

Sec. 938. A contractor that provides food service for a correctional facility should be encouraged to provide those services using fresh food that is grown or produced locally.

Sec. 939. By January 1, the department shall release a request for proposal seeking competitive bids for the privatization of the special alternative incarceration facility.

Sec. 940. For the purpose of procuring drug testing services at correctional facilities, the department shall enter into a contract with a Michigan-based company that provides laboratory oral fluid drug testing.

Sec. 941. The department shall ensure that any contract with a public or private party to operate the special alternative incarceration facility at camp Cassidy Lake includes a provision to require that public works program services continue to be provided to the St. Louis Center in Chelsea at rates consistent with the rate structure in place as of May 1, 2011.

Sec. 942. The department shall ensure that any contract with a public or private party to operate a facility to house state prisoners includes a provision to allow access by both the office of the legislative auditor general and the office of the legislative corrections ombudsman to the facility and to appropriate records and documents related to the operation of the facility. These access rights for both offices shall be the same for the contracted facility as for a general state-operated correctional facility.

PART 2A  
PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS  
FOR FISCAL YEAR 2012-2013

**GENERAL SECTIONS**

Sec. 1201. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, 2013 for the line items listed in part 1. The fiscal year 2012-2013 appropriations are anticipated to be the same as those for fiscal year 2011-2012, except that the line items will be adjusted for changes in caseload and related costs, federal fund match rates, economic factors, and available revenue. These adjustments will be determined after the January 2012 consensus revenue estimating conference.

ARTICLE VI  
DEPARTMENT OF EDUCATION  
PART 1  
LINE-ITEM APPROPRIATIONS  
FOR FISCAL YEAR 2011-2012

Sec. 101. There is appropriated for the department of education and certain state purposes related to education as set forth in this article for the fiscal year ending September 30, 2012, from the following funds:

**DEPARTMENT OF EDUCATION**

**APPROPRIATION SUMMARY**

Full-time equated unclassified positions.....	6.0	
Full-time equated classified positions .....	554.0	
<b>GROSS APPROPRIATION .....</b>		<b>\$ 117,313,000</b>
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		0
<b>ADJUSTED GROSS APPROPRIATION .....</b>		<b>\$ 117,313,000</b>
Federal revenues:		
Federal revenues.....		68,186,100
Federal indirect funds.....		4,181,000
IMLS, library services and technology act .....		5,562,100
Total federal revenues.....		77,929,200
Special revenue funds:		
Local cost sharing (schools for deaf/blind).....		6,835,000
Local school district service fees .....		324,200
Total local revenues.....		7,159,200
Gifts, bequests, and donations.....		760,800
Private foundations .....		2,283,600
Total private revenues.....		3,044,400
Total local and private revenues .....		10,203,600
Certification fees .....		6,065,200
Commodity distribution fees .....		71,700
Student insurance revenues .....		218,600
Teacher college review fees.....		55,300
Teacher testing fees .....		344,500
Tenant rent.....		261,000
Training and orientation workshop fees .....		150,000

	For Fiscal Year Ending Sept. 30, 2012
Total other state restricted revenues .....	7,166,300
State general fund/general purpose .....	\$ 22,013,900
<b>Sec. 102. STATE BOARD OF EDUCATION/OFFICE OF THE SUPERINTENDENT</b>	
Full-time equated unclassified positions..... 6.0	
Full-time equated classified positions .....	14.0
State board of education, per diem payments .....	\$ 24,400
Unclassified positions—6.0 FTE positions .....	645,600
State board/superintendent operations—14.0 FTE positions.....	2,032,000
GROSS APPROPRIATION .....	\$ 2,702,000
Appropriated from:	
Federal revenues:	
Federal revenues.....	114,400
Special revenue funds:	
Private foundations .....	28,100
Certification fees .....	627,000
State general fund/general purpose .....	\$ 1,932,500
<b>Sec. 103. CENTRAL SUPPORT</b>	
Full-time equated classified positions .....	19.6
Central support—19.6 FTE positions.....	\$ 3,120,600
Worker’s compensation.....	54,000
Building occupancy charges - property management services.....	2,728,200
Tenant rent.....	261,000
Training and orientation workshops .....	150,000
Terminal leave payments .....	554,700
GROSS APPROPRIATION .....	\$ 6,868,500
Appropriated from:	
Federal revenues:	
Federal revenues.....	1,441,700
Federal indirect funds.....	2,294,700
Special revenue funds:	
Certification fees .....	413,800
Teacher testing fees .....	13,500
Tenant rent.....	261,000
Training and orientation workshop fees .....	150,000
State general fund/general purpose .....	\$ 2,293,800
<b>Sec. 104. INFORMATION TECHNOLOGY SERVICES</b>	
Information technology operations.....	\$ 3,332,900
GROSS APPROPRIATION .....	\$ 3,332,900
Appropriated from:	
Federal revenues:	
Federal revenues.....	494,600
Federal indirect funds.....	1,455,300
Special revenue funds:	
Local cost sharing (schools for deaf/blind).....	76,500
Certification fees .....	313,000
State general fund/general purpose .....	\$ 993,500
<b>Sec. 105. SPECIAL EDUCATION SERVICES</b>	
Full-time equated classified positions .....	47.0
Special education operations—47.0 FTE positions.....	\$ 7,909,900
GROSS APPROPRIATION .....	\$ 7,909,900
Appropriated from:	
Federal revenues:	
Federal revenues.....	7,463,200
Special revenue funds:	
Private foundations .....	110,100
Certification fees .....	39,500
State general fund/general purpose .....	\$ 297,100

	For Fiscal Year Ending Sept. 30, 2012
<b>Sec. 106. MICHIGAN SCHOOLS FOR THE DEAF AND BLIND</b>	
Full-time equated classified positions .....	103.0
Michigan schools for the deaf and blind operations—102.0 FTE positions .....	\$ 13,632,000
Camp Tuhsmeheeta—1.0 FTE position .....	295,100
Private gifts - blind.....	200,000
Private gifts - deaf.....	250,000
GROSS APPROPRIATION .....	\$ 14,377,100
Appropriated from:	
Federal revenues:	
Federal revenues.....	6,326,700
Special revenue funds:	
Local cost sharing (schools for deaf/blind).....	6,758,500
Local school district service fees .....	312,500
Gifts, bequests, and donations.....	760,800
Student insurance revenue .....	218,600
State general fund/general purpose .....	\$ 0
<b>Sec. 107. PROFESSIONAL PREPARATION SERVICES</b>	
Full-time equated classified positions .....	34.0
Professional preparation operations—34.0 FTE positions .....	\$ 5,724,100
Department of attorney general.....	50,000
GROSS APPROPRIATION .....	\$ 5,774,100
Appropriated from:	
Federal revenues:	
Federal revenues.....	1,386,700
Special revenue funds:	
Certification fees .....	3,564,900
Teacher college review fees.....	55,300
Teacher testing fees .....	331,000
State general fund/general purpose .....	\$ 436,200
<b>Sec. 108. EARLY CHILDHOOD EDUCATION AND FAMILY SERVICES</b>	
Full-time equated classified positions .....	26.0
Early childhood education and family services operations—26.0 FTE positions.....	\$ 4,295,700
GROSS APPROPRIATION .....	\$ 4,295,700
Appropriated from:	
Federal revenues:	
Federal revenues.....	3,388,300
Special revenue funds:	
Certification fees .....	59,100
State general fund/general purpose .....	\$ 848,300
<b>Sec. 109. STATE AID AND SCHOOL FINANCE SERVICES</b>	
Full-time equated classified positions .....	7.5
State aid and school finance operations—7.5 FTE positions.....	\$ 985,400
GROSS APPROPRIATION .....	\$ 985,400
Appropriated from:	
State general fund/general purpose .....	\$ 985,400
<b>Sec. 110. AUDIT SERVICES</b>	
Full-time equated classified positions .....	3.5
Audit operations—3.5 FTE positions.....	\$ 541,800
GROSS APPROPRIATION .....	\$ 541,800
Appropriated from:	
Federal revenues:	
Federal indirect funds.....	431,000
Special revenue funds:	
Certification fees .....	55,200
State general fund/general purpose .....	\$ 55,600
<b>Sec. 111. ADMINISTRATIVE LAW SERVICES</b>	
Full-time equated classified positions .....	2.0
Administrative law operations—2.0 FTE positions.....	\$ 1,044,800
GROSS APPROPRIATION .....	\$ 1,044,800

	For Fiscal Year Ending Sept. 30, 2012
Appropriated from:	
Federal revenues:	
Federal revenues .....	541,700
Special revenue funds:	
Certification fees .....	452,000
State general fund/general purpose .....	\$ 51,100
<b>Sec. 112. EDUCATION ASSESSMENT AND ACCOUNTABILITY</b>	
Full-time equated classified positions .....	64.1
Educational assessment operations—64.1 FTE positions .....	\$ 11,272,500
GROSS APPROPRIATION .....	\$ 11,272,500
Appropriated from:	
Federal revenues:	
Federal revenues .....	9,704,500
State general fund/general purpose .....	\$ 1,568,000
<b>Sec. 113. GRANTS ADMINISTRATION AND SCHOOL SUPPORT SERVICES</b>	
Full-time equated classified positions .....	73.6
Grants administration and school support services operations—67.6 FTE positions .....	\$ 10,937,400
College access challenge grant program—6.0 FTE positions .....	4,293,200
Federal and private grants .....	3,000,000
GROSS APPROPRIATION .....	\$ 18,230,600
Appropriated from:	
Federal revenues:	
Federal revenues .....	16,654,000
Special revenue funds:	
Local school district service fees .....	11,700
Private foundations .....	1,000,000
Commodity distribution fees .....	71,700
State general fund/general purpose .....	\$ 493,200
<b>Sec. 114. FIELD SERVICES</b>	
Full-time equated classified positions .....	44.0
Field services operations—44.0 FTE positions .....	\$ 9,302,700
GROSS APPROPRIATION .....	\$ 9,302,700
Appropriated from:	
Federal revenues:	
Federal revenues .....	8,537,900
Special revenue funds:	
Private foundations .....	572,100
Certification fees .....	51,600
State general fund/general purpose .....	\$ 141,100
<b>Sec. 115. EDUCATIONAL IMPROVEMENT AND INNOVATION SERVICES</b>	
Full-time equated classified positions .....	55.7
Educational improvement and innovation operations—55.7 FTE positions .....	\$ 10,674,000
GROSS APPROPRIATION .....	\$ 10,674,000
Appropriated from:	
Federal revenues:	
Federal revenues .....	8,688,200
Special revenue funds:	
Private foundations .....	573,300
Certification fees .....	489,100
State general fund/general purpose .....	\$ 923,400
<b>Sec. 116. CAREER AND TECHNICAL EDUCATION</b>	
Full-time equated classified positions .....	27.0
Career and technical education operations—27.0 FTE positions .....	\$ 4,234,700
GROSS APPROPRIATION .....	\$ 4,234,700
Appropriated from:	
Federal revenues:	
Federal revenues .....	3,444,200
State general fund/general purpose .....	\$ 790,500

For Fiscal Year  
Ending Sept. 30,  
2012

**Sec. 117. LIBRARY OF MICHIGAN**

Full-time equated classified positions .....	33.0	
Library of Michigan operations—32.0 FTE positions .....		\$ 3,808,500
Library services and technology program—1.0 FTE positions.....		5,562,100
State aid to libraries .....		5,445,700
Michigan elibrary .....		950,000
GROSS APPROPRIATION .....		\$ 15,766,300
Appropriated from:		
Federal revenues:		
IMLS, library services and technology act .....		5,562,100
State general fund/general purpose .....		\$ 10,204,200

PART 2  
PROVISIONS CONCERNING APPROPRIATIONS  
FOR FISCAL YEAR 2011-2012

**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, 2012 is \$29,180,200.00 and state spending from state resources to be paid to local units of government for the fiscal year ending September 30, 2012 is \$5,445,700.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

**DEPARTMENT OF EDUCATION**

State aid to libraries .....	\$ 5,445,700
Total department of education.....	\$ 5,445,700

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

Sec. 203. As used in this article:

- (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. Unless otherwise specified, the departments shall use the Internet to fulfill the reporting requirements of this article. 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) The department shall maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following:

- (a) Fiscal year-to-date expenditures by category.
- (b) Fiscal year-to-date expenditures by appropriation unit.
- (c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.
- (d) The number of active department employees by job classification.
- (e) Job specifications and wage rates.

(2) The department may develop and operate its own website to provide this information or may reference the state’s central transparency website as the source for this information.

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 technology, management, and budget 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 technology, management, and budget.

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

Sec. 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. 214. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2012 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 state superintendent of public instruction shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. The 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. 218. The department and agencies receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. Federal and state guidelines for short-term and long-term retention of records shall be followed. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 219. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$5,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this article 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 article 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 article 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 article 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. 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 November 15, 2012, 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. 227. Within 14 days after the release of the executive budget recommendation, the department shall provide the state budget director, the senate and house appropriations chairs, the senate and house appropriations subcommittees responsible for the department budget, respectively, and the senate and house fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2011 and September 30, 2012.

Sec. 229. The department and the superintendent of public instruction shall use funds appropriated in part 1 to ensure that all of the activities and duties required to be carried out by the department and the superintendent of public instruction under section 1280c of the revised school code, 1976 PA 451, MCL 380.1280c, are completed not later than the deadlines prescribed in that section.

#### **STATE BOARD/OFFICE OF THE SUPERINTENDENT**

Sec. 301. (1) The appropriations in part 1 may be used for per diem payments to the state board for meetings at which a quorum is present or for performing official business authorized by the state board. The per diem payments shall be at a rate as follows:

(a) State board of education - president - \$110.00 per day.

(b) State board of education - member other than president - \$100.00 per day.

(2) A state board of education member shall not be paid a per diem for more than 30 days per year.

Sec. 302. From the amount appropriated in part 1 to the state board of education, not more than \$35,000.00 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. 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) From the amount appropriated in part 1 for tenant rent, the department may receive and expend 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 technology, management, and budget. These funds shall be used for the operation, maintenance, and renovation expenses associated with the leased space.

(3) From the unexpended balances of appropriations for the Michigan schools for the deaf and blind operations, up to \$250,000.00 of any unexpended and unencumbered funds remaining on September 30, 2012 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, 2013.

(4) From the tenant rent appropriation for Michigan schools for the deaf and blind operations, up to \$100,000.00 of any unexpended and unencumbered funds remaining on September 30, 2012 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, 2013.

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 by the Michigan schools for the deaf and blind 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 EDUCATIONAL IMPROVEMENT AND INNOVATION**

Sec. 601. From the amount appropriated in part 1 for the office of educational improvement and innovation, 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. 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.

Sec. 804. From the funds appropriated in part 1 and other funding available, the department and library of Michigan shall maintain custody of the non-Michigan genealogy and all Michigan-specific collections. These collections shall continue to be made available to the public.

#### **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. 902. The college access challenge grant program is a work project as provided in section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a, and as follows and as such appropriations for the program shall not lapse at the end of the fiscal year but shall continue to be available for expenditure until the project has been completed:

(a) The purpose of the project is to provide assistance and training to Michigan families, counselors, teachers, and community leaders in applying for and securing funds for college to low-income students.

(b) The project will be accomplished by state employees and/or by contracts with private vendors.

(c) The total estimated cost of the project is \$8,571,000.00.

(d) The tentative completion date is September 30, 2012.

Sec. 903. By not later than March 1, 2012, the department shall work with districts that operate as a school of excellence cyber school as defined in section 551 of the revised school code, 1976 PA 451, MCL 380.551, and districts that operate an alternative education program with a seat-time waiver under section 101 of the state school aid act of 1979, 1979 PA 94, MCL 388.1701, to provide a report to 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 on all of the following:

- (a) Each district operating a program and the districts that enroll students in their program.
- (b) The total number of students and membership pupils enrolled in each program.
- (c) The district in which each pupil is enrolled if other than the district with the seat-time wavier or the cyber school.
- (d) The district in which the pupil was enrolled prior to enrolling in the cyber school or the district with a seat-time waiver program.
- (e) The number of participating students who had previously dropped out of school.
- (f) The number of participating students who had previously been expelled from school.
- (g) The cost per pupil paid to each online education provider.
- (h) The cost per pupil charged to school districts that enroll their students in the program.
- (i) The name of each online education provider contracted by a district with a seat-time waiver or a cyber school and the state in which the online education provider is located.

PART 2A  
PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS  
FOR FISCAL YEAR 2012-2013

**GENERAL SECTIONS**

Sec. 1201. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, 2013 for the line items listed in part 1. The fiscal year 2012-2013 appropriations are anticipated to be the same as those for fiscal year 2011-2012, except that the line items will be adjusted for changes in caseload and related costs, federal fund match rates, economic factors, and available revenue. These adjustments will be determined after the January 2012 consensus revenue estimating conference.

ARTICLE VII  
DEPARTMENT OF ENVIRONMENTAL QUALITY  
PART 1  
LINE-ITEM APPROPRIATIONS  
FOR FISCAL YEAR 2011-2012

Sec. 101. Subject to the conditions set forth in this article, the amounts listed in this part are appropriated for the department of environmental quality for the fiscal year ending September 30, 2012, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**DEPARTMENT OF ENVIRONMENTAL QUALITY**

**APPROPRIATION SUMMARY**

Full-time equated unclassified positions.....	6.0	
Full-time equated classified positions .....	1,334.5	
<b>GROSS APPROPRIATION .....</b>		<b>\$ 414,520,000</b>
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		9,043,200
<b>ADJUSTED GROSS APPROPRIATION .....</b>		<b>\$ 405,476,800</b>
Federal revenues:		
Total federal revenues.....		159,701,500
Special revenue funds:		
Total private revenues.....		711,800
Total other state restricted revenues .....		223,571,900
State general fund/general purpose .....		\$ 21,491,600

**FUND SOURCE SUMMARY**

Full-time equated unclassified positions.....	6.0	
Full-time equated classified positions .....	1,334.5	
<b>GROSS APPROPRIATION .....</b>		<b>\$ 414,520,000</b>
Interdepartmental grant revenues:		
IDG, MDOT - Michigan transportation fund .....		1,165,900
IDG, MDSP .....		1,095,900
IDT, interdivisional charges.....		2,053,400
IDT, laboratory services .....		4,728,000
Total interdepartmental grants and intradepartmental transfers .....		9,043,200
<b>ADJUSTED GROSS APPROPRIATION .....</b>		<b>\$ 405,476,800</b>
Federal revenues:		
Federal funds .....		159,701,500

For Fiscal Year  
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2012

Special revenue funds:	
Private funds.....	711,800
Aboveground storage tank fees .....	489,700
Air emissions fees .....	10,163,900
Campground fund.....	292,700
Clean Michigan initiative - response activities .....	5,500,000
Clean Michigan initiative fund - clean water fund.....	4,030,700
Cleanup and redevelopment fund.....	16,555,600
Community pollution prevention fund .....	250,000
Electronic waste recycling fund .....	269,800
Environmental education fund.....	260,900
Environmental pollution prevention fund.....	2,425,900
Environmental protection bond fund.....	1,452,500
Environmental protection fund.....	5,832,200
Environmental response fund .....	8,236,000
Fees and collections .....	348,000
Financial instruments.....	5,000,000
Great Lakes protection fund.....	1,051,500
Groundwater discharge permit fees .....	1,624,400
Hazardous materials transportation permit fund .....	912,400
Infrastructure construction fund .....	434,300
Land and water permit fees.....	5,695,800
Landfill maintenance trust fund .....	28,200
Medical waste emergency response fund .....	330,000
Metallic mining surveillance fee revenue.....	38,000
Mineral well regulatory fee revenue.....	213,100
NPDES fees.....	4,298,400
Oil and gas regulatory fund.....	10,632,700
Orphan well fund.....	2,207,000
Public swimming pool fund .....	690,200
Public utility assessments.....	264,800
Public water supply fees.....	4,682,500
Refined petroleum fund.....	37,642,400
Retired engineers technical assistance program .....	1,860,200
Revitalization revolving loan fund .....	94,100
Revolving loan revenue bonds.....	11,400,000
Sand extraction fee revenue.....	81,000
Scrap tire regulatory fund.....	5,328,800
Septage waste contingency fund .....	17,000
Septage waste program fund .....	609,000
Settlement funds .....	2,490,900
Sewage sludge land application fees .....	993,700
Small business pollution prevention revolving loan fund .....	146,700
Soil erosion and sedimentation control training fund .....	134,100
Solid waste management fund - staff account.....	4,822,600
State site cleanup fund .....	4,400,000
Stormwater permit fees .....	3,345,300
Strategic water quality initiatives fund.....	40,000,000
Underground storage tank fees.....	2,575,500
Waste reduction fee revenue.....	4,851,100
Wastewater operator training fees .....	550,700
Water analysis fees .....	3,947,900
Water pollution control revolving fund .....	3,530,500
Water quality protection fund.....	100,000
Water use reporting fees.....	439,200

	For Fiscal Year Ending Sept. 30, 2012
Total other state restricted revenues .....	223,571,900
State general fund/general purpose .....	\$ 21,491,600
<b>Sec. 102. EXECUTIVE OPERATIONS</b>	
Full-time equated unclassified positions..... 6.0	
Full-time equated classified positions .....	14.0
Unclassified salaries—6.0 FTE positions .....	\$ 500,000
Executive direction—14.0 FTE positions.....	1,656,400
GROSS APPROPRIATION .....	\$ 2,156,400
Appropriated from:	
Federal revenues:	
Federal funds .....	72,100
Special revenue funds:	
Environmental response fund .....	140,500
Oil and gas regulatory fund.....	231,900
Refined petroleum fund.....	414,500
Settlement funds .....	58,100
State general fund/general purpose .....	\$ 1,239,300
<b>Sec. 103. OFFICE OF THE GREAT LAKES</b>	
Full-time equated classified positions .....	18.0
Office of the Great Lakes—18.0 FTE positions.....	\$ 2,697,700
GROSS APPROPRIATION .....	\$ 2,697,700
Appropriated from:	
Federal revenues:	
Federal funds .....	1,591,500
Special revenue funds:	
Great Lakes protection fund .....	680,800
Settlement funds .....	106,600
State general fund/general purpose .....	\$ 318,800
<b>Sec. 104. GREAT LAKES RESTORATION INITIATIVE</b>	
Great Lakes restoration initiative .....	\$ 25,000,000
GROSS APPROPRIATION .....	\$ 25,000,000
Appropriated from:	
Federal revenues:	
Federal funds .....	25,000,000
State general fund/general purpose .....	\$ 0
<b>Sec. 105. DEPARTMENT SUPPORT SERVICES</b>	
Full-time equated classified positions .....	37.0
Central support services—37.0 FTE positions.....	\$ 3,905,400
Accounting service center .....	1,224,700
Administrative hearings.....	489,700
Automated data processing.....	2,053,400
Building occupancy charges.....	5,985,000
Environmental support projects.....	5,000,000
Rent - privately owned property.....	1,960,800
GROSS APPROPRIATION .....	\$ 20,619,000
Appropriated from:	
Interdepartmental grant revenues:	
IDG, MDSP.....	86,700
IDT, interdivisional charges.....	2,053,400
IDT, laboratory services .....	502,700
Federal revenues:	
Federal funds .....	5,200
Special revenue funds:	
Aboveground storage tank fees .....	55,900
Air emissions fees .....	1,597,600
Campground fund.....	15,100

	For Fiscal Year Ending Sept. 30, 2012
Cleanup and redevelopment fund.....	1,332,600
Environmental pollution prevention fund.....	105,100
Environmental protection fund.....	5,500
Environmental response fund.....	614,000
Fees and collections.....	38,300
Financial instruments.....	5,000,000
Great Lakes protection fund.....	82,500
Groundwater discharge permit fees.....	188,200
Hazardous material transportation permit fund.....	34,900
Land and water permit fees.....	309,300
Medical waste emergency response fund.....	40,400
Metallic mining surveillance fee revenue.....	1,300
Mineral well regulatory fee revenue.....	15,200
NPDES fees.....	412,100
Oil and gas regulatory fund.....	1,016,800
Orphan well fund.....	40,400
Public swimming pool fund.....	64,100
Public utility assessments.....	49,400
Public water supply fees.....	254,100
Refined petroleum fund.....	1,879,200
Sand extraction fee revenue.....	1,000
Scrap tire regulatory fund.....	200,300
Septage waste program fund.....	34,000
Settlement funds.....	192,500
Sewage sludge land application fees.....	107,400
Small business pollution prevention revolving loan fund.....	19,000
Soil erosion and sedimentation control training fund.....	5,300
Solid waste management fund - staff account.....	581,400
Stormwater permit fees.....	184,400
Underground storage tank fees.....	219,100
Waste reduction fee revenue.....	365,200
Wastewater operator training fees.....	6,000
Water analysis fees.....	355,600
Water use reporting fees.....	8,900
State general fund/general purpose.....	\$ 2,538,900
<b>Sec. 106. OFFICE OF ENVIRONMENTAL ASSISTANCE</b>	
Full-time equated classified positions.....	44.0
Office of environmental assistance—44.0 FTE positions.....	\$ 6,915,500
GROSS APPROPRIATION.....	\$ 6,915,500
Appropriated from:	
Federal revenues:	
Federal funds.....	880,100
Special revenue funds:	
Private funds.....	537,600
Air emissions fees.....	124,500
Environmental education fund.....	260,900
Retired engineers technical assistance program.....	1,860,200
Settlement funds.....	248,400
Small business pollution prevention revolving loan fund.....	118,900
Waste reduction fee revenue.....	2,884,900
State general fund/general purpose.....	\$ 0
<b>Sec. 107. WATER RESOURCE DIVISION</b>	
Full-time equated classified positions.....	321.0
Land and water interface permit programs—85.0 FTE positions.....	\$ 14,806,800
Program direction and project assistance—30.0 FTE positions.....	2,775,000
Water withdrawal assessment program—4.0 FTE positions.....	756,600

	For Fiscal Year Ending Sept. 30, 2012
Expedited water/wastewater permits—3.0 FTE positions .....	434,300
Fish contaminant monitoring.....	316,100
Groundwater discharge—22.0 FTE positions.....	2,868,800
NPDES nonstormwater program—89.0 FTE positions .....	11,690,400
Surface water—88.0 FTE positions.....	15,163,600
GROSS APPROPRIATION .....	\$ 48,811,600
Appropriated from:	
Interdepartmental grant revenues:	
IDG, MDOT - Michigan transportation fund .....	1,108,100
Federal revenues:	
Federal funds .....	14,298,800
Special revenue funds:	
Clean Michigan initiative fund - clean water fund.....	4,030,700
Environmental protection fund .....	2,546,100
Environmental response fund .....	183,700
Groundwater discharge permit fees .....	1,356,900
Infrastructure construction fund .....	434,300
Land and water permit fees .....	5,251,400
NPDES fees.....	3,685,600
Refined petroleum fund.....	429,400
Soil erosion and sedimentation control training fund .....	126,300
Stormwater permit fees .....	2,972,600
Water pollution control revolving fund .....	734,300
Water use reporting fees.....	426,100
State general fund/general purpose .....	\$ 11,227,300
<b>Sec. 108. LAW ENFORCEMENT DIVISION</b>	
Full-time equated classified positions .....	14.0
Environmental investigations—14.0 FTE positions .....	\$ 2,396,900
GROSS APPROPRIATION .....	\$ 2,396,900
Appropriated from:	
Federal revenues:	
Federal funds .....	703,100
Special revenue funds:	
Aboveground storage tank fees .....	5,100
Air emissions fees .....	150,600
Campground fund.....	2,800
Cleanup and redevelopment fund.....	126,700
Environmental pollution prevention fund.....	10,400
Environmental protection fund .....	45,400
Environmental response fund .....	65,300
Fees and collections .....	3,800
Great Lakes protection fund.....	8,300
Groundwater discharge permit fees .....	17,300
Hazardous material transportation permit fund.....	3,500
Land and water permit fees.....	36,800
Medical waste emergency response fund .....	4,100
Metallic mining surveillance fee revenue.....	500
Mineral well regulatory fee revenue.....	1,600
NPDES fees.....	41,600
Oil and gas regulatory fund.....	114,200
Orphan well fund.....	4,100
Public swimming pool fund .....	5,100
Public water supply fees.....	25,400
Refined petroleum fund.....	291,600
Sand extraction fee revenue.....	500
Scrap tire regulatory fund .....	97,000

	For Fiscal Year Ending Sept. 30, 2012
Septage waste program fund .....	3,400
Settlement funds .....	22,200
Sewage sludge land application fees .....	9,800
Small business pollution prevention revolving loan fund .....	1,900
Stormwater permit fees .....	18,400
Soil erosion and sedimentation control training fund .....	600
Underground storage tank fees .....	21,900
Waste reduction fee revenue .....	45,700
Wastewater operator training fees .....	600
Water analysis fees .....	28,400
Water use reporting fees .....	900
State general fund/general purpose .....	\$ 478,300
<b>Sec. 109. AIR QUALITY DIVISION</b>	
Full-time equated classified positions .....	208.0
Air quality programs—208.0 FTE positions .....	\$ 24,228,800
<b>GROSS APPROPRIATION</b> .....	<b>\$ 24,228,800</b>
Appropriated from:	
Federal revenues:	
Federal funds .....	7,488,200
Special revenue funds:	
Air emissions fees .....	7,739,500
Environmental response fund .....	119,800
Fees and collections .....	254,900
Oil and gas regulatory fund .....	121,600
Refined petroleum fund .....	3,163,200
Waste reduction fee revenue .....	1,200,000
State general fund/general purpose .....	\$ 4,141,600
<b>Sec. 110. ENVIRONMENTAL RESOURCE MANAGEMENT DIVISION</b>	
Full-time equated classified positions .....	324.5
Drinking water and environmental health—109.5 FTE positions .....	\$ 15,098,900
Hazardous waste management program—51.0 FTE positions .....	6,593,200
Low-level radioactive waste authority—2.0 FTE positions .....	199,300
Medical waste program—2.0 FTE positions .....	271,000
Municipal assistance—34.0 FTE positions .....	6,020,800
Radiological protection program—12.0 FTE positions .....	1,295,300
Scrap tire regulatory program—11.0 FTE positions .....	1,198,600
Oil, gas, and mineral services—60.0 FTE positions .....	11,176,500
Sewage sludge land application program—6.0 FTE positions .....	841,600
Solid waste management program—37.0 FTE positions .....	4,462,800
<b>GROSS APPROPRIATION</b> .....	<b>\$ 47,158,000</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDSP .....	979,600
Federal revenues:	
Federal funds .....	15,793,400
Special revenue funds:	
Campground fund .....	264,600
Electronic waste recycling fund .....	269,800
Environmental pollution prevention fund .....	2,205,800
Fees and collections .....	32,100
Hazardous material transportation permit fund .....	861,300
Medical waste emergency response fund .....	271,000
Metallic mining surveillance fee revenue .....	35,700
Mineral well regulatory fee revenue .....	190,800
Oil and gas regulatory fund .....	8,715,400
Orphan well fund .....	2,148,000

	For Fiscal Year Ending Sept. 30, 2012
Public swimming pool fund .....	602,400
Public utility assessments.....	199,300
Public water supply fees.....	2,556,900
Refined petroleum fund.....	601,100
Sand extraction fee revenue.....	79,200
Scrap tire regulatory fund.....	1,198,600
Septage waste contingency fund .....	17,000
Septage waste program fund .....	281,600
Sewage sludge land application fees .....	841,600
Solid waste management fund - staff account.....	4,030,500
Stormwater permit fees .....	103,100
Strategic water quality initiatives fund.....	400,000
Waste reduction fee revenue.....	162,500
Wastewater operator training fees .....	541,900
Water pollution control revolving fund .....	2,621,500
State general fund/general purpose .....	\$ 1,153,300
<b>Sec. 111. REMEDIATION DIVISION</b>	
Full-time equated classified positions .....	354.0
Contaminated site investigations, cleanup and revitalization—207.0 FTE positions.....	\$ 26,130,600
Federal cleanup project management—60.0 FTE positions .....	9,254,400
Laboratory services—48.0 FTE positions .....	7,702,600
Aboveground storage tank program—8.0 FTE positions .....	856,400
Underground storage tank program—31.0 FTE positions.....	3,865,100
Environmental bond site reclamation program.....	1,452,500
Brownfield grants and loans.....	5,500,000
Emergency cleanup actions .....	4,000,000
Environmental cleanup support .....	1,840,000
Environmental cleanup and redevelopment program .....	30,000,000
State sites cleanup program.....	4,400,000
Refined petroleum product cleanup program .....	20,000,000
Superfund cleanup .....	3,000,000
GROSS APPROPRIATION .....	\$ 118,001,600
Appropriated from:	
Interdepartmental grant revenues:	
IDT, laboratory services .....	4,068,600
Federal revenues:	
Federal funds .....	10,035,000
Special revenue funds:	
Private funds.....	174,200
Aboveground storage tank fees .....	410,400
Clean Michigan initiative - response activities .....	5,500,000
Cleanup and redevelopment fund .....	14,626,300
Environmental protection bond fund .....	1,452,500
Environmental protection fund .....	3,234,100
Environmental response fund .....	6,846,500
Landfill maintenance trust fund .....	28,200
Public water supply fees.....	276,800
Refined petroleum fund.....	29,592,000
Revitalization revolving loan fund .....	94,100
Settlement funds .....	1,782,400
State site cleanup fund .....	4,400,000
Strategic water quality initiatives fund.....	30,000,000
Underground storage tank fees.....	2,123,300
Water analysis fees .....	3,357,200
State general fund/general purpose .....	\$ 0

For Fiscal Year  
Ending Sept. 30,  
2012

**Sec. 112. GRANTS**

Coastal management grants.....	\$	1,750,000
Drinking water program grants .....		1,330,000
Federal - Great Lakes remedial action plan grants .....		700,000
Federal - nonpoint source water pollution grants.....		6,500,000
Grants to counties - air pollution .....		83,700
Great Lakes research and protection grants .....		250,000
Noncommunity water grants.....		1,400,000
Pollution prevention local grants.....		250,000
Radon grants.....		90,000
Scrap tire grants .....		3,500,000
Septage waste compliance grants .....		275,000
Strategic water quality initiative loans .....		9,600,000
Water quality protection grants .....		100,000
Water pollution control and drinking water revolving funds .....		82,943,000
<b>GROSS APPROPRIATION</b> .....	\$	<u>108,771,700</u>

Appropriated from:

Federal revenues:

Federal funds .....		81,913,000
Special revenue funds:		
Community pollution prevention fund .....		250,000
Great Lakes protection fund.....		250,000
Public water supply fees.....		1,400,000
Refined petroleum fund.....		83,700
Revolving loan revenue bonds.....		11,400,000
Scrap tire regulatory fund.....		3,500,000
Septage waste program fund .....		275,000
Strategic water quality initiatives fund.....		9,600,000
Water quality protection fund.....		100,000
State general fund/general purpose .....	\$	0

**Sec. 113. INFORMATION TECHNOLOGY**

Information technology services and projects .....	\$	7,762,800
<b>GROSS APPROPRIATION</b> .....	\$	<u>7,762,800</u>

Appropriated from:

Interdepartmental grant revenues:

IDT, laboratory services .....		156,700
IDG, MDSP .....		29,600
IDG, MDOT - Michigan transportation fund .....		57,800

Federal revenues:

Federal funds .....		1,921,100
Special revenue funds:		
Aboveground storage tank fees .....		18,300
Air emissions fees .....		551,700
Campground fund.....		10,200
Cleanup and redevelopment fund .....		470,000
Environmental pollution prevention fund .....		104,600
Environmental protection fund .....		1,100
Environmental response fund .....		266,200
Fees and collections .....		18,900
Great Lakes protection fund.....		29,900
Groundwater discharge permit fees .....		62,000
Hazardous material transportation permit fund .....		12,700
Land and water permit fees .....		98,300
Medical waste emergency response fund .....		14,500
Metallic mining surveillance fee revenue.....		500
Mineral well regulatory fee revenue.....		5,500

	For Fiscal Year Ending Sept. 30, 2012
NPDES fees.....	159,100
Oil and gas regulatory fund.....	432,800
Orphan well fund.....	14,500
Public swimming pool fund .....	18,600
Public utility assessments.....	16,100
Public water supply fees.....	169,300
Refined petroleum fund.....	1,187,700
Sand extraction fee revenue.....	300
Scrap tire regulatory fund.....	332,900
Septage waste program fund .....	15,000
Settlement funds.....	80,700
Sewage sludge land application fees .....	34,900
Small business pollution prevention revolving loan fund .....	6,900
Soil erosion and sedimentation control training fund .....	1,900
Solid waste management fund - staff account.....	210,700
Stormwater permit fees .....	66,800
Underground storage tank fees.....	211,200
Waste reduction fee revenue.....	192,800
Wastewater operator training fees .....	2,200
Water analysis fees .....	206,700
Water pollution control revolving fund .....	174,700
Water use reporting fees.....	3,300
State general fund/general purpose .....	\$ 394,100

PART 2  
PROVISIONS CONCERNING APPROPRIATIONS  
FOR FISCAL YEAR 2011-2012

**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 2011-2012 is \$245,063,500.00 and state spending from state resources to be paid to local units of government for fiscal year 2011-2012 is \$2,175,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

**GRANTS**

Noncommunity water grants.....	\$ 1,400,000
Scrap tire grants. ....	500,000
Septage waste compliance program. ....	275,000
<b>TOTAL.....</b>	<b>\$ 2,175,000</b>

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

Sec. 203. As used in this article:

- (a) "Department" means the department of environmental quality.
- (b) "Director" means the director of the department.
- (c) "FTE" means full-time equated.
- (d) "IDG" means interdepartmental grant.
- (e) "IDT" means intradepartmental transfer.
- (f) "MDOT" means the state transportation department.
- (g) "MDSP" means the department of state police.
- (h) "NPDES" means national pollution discharge elimination system.

Sec. 204. The civil service commission shall bill the department 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. Unless otherwise specified, the department shall use the Internet to fulfill the reporting requirements of this article. 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. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of technology, management, and budget. Funds

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

Sec. 207. The department and agencies receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. Federal and state guidelines for short-term and long-term retention of records shall be followed. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 208. From the funds appropriated in part 1 for information technology, departments and agencies shall pay user fees to the department of technology, management, and budget for technology-related services and projects. The user fees shall be subject to provisions of an interagency agreement between the department and agencies and the department of technology, management, and budget.

Sec. 210. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available. Preference shall be given to goods or services, or both, manufactured or provided by Michigan businesses if they are competitively priced and of comparable quality. In addition, preference shall be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 211. The director shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. The director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

Sec. 212. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 213. (1) Funds appropriated in part 1 shall not be used by the department to promulgate a rule that will apply to a small business and that will have a disproportionate economic impact on small businesses because of the size of those businesses if the department fails to reduce the disproportionate economic impact of the rule on small businesses as provided under section 40 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

(2) As used in this section:

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

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

Sec. 214. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those activities that the attorney general authorizes.

Sec. 215. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$30,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this article 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 article 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 article under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

Sec. 216. (1) The department shall report all of the following information relative to allocations made from appropriations for the environmental cleanup and redevelopment program, state cleanup, emergency actions, superfund cleanup, the revitalization revolving loan program, the brownfield grants and loans program, the leaking underground storage tank cleanup program, the contaminated lake and river sediments cleanup program, the refined petroleum product cleanup program, and the environmental protection bond projects under section 19508(7) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.19508, to the state budget director, the senate and house appropriations subcommittees on environmental quality, and the senate and house fiscal agencies:

(a) The name and location of the site for which an allocation is made.

(b) The nature of the problem encountered at the site.

(c) A brief description of how the problem will be resolved if the allocation is made for a response activity.

(d) The estimated date that site closure activities will be completed.

(e) The amount of the allocation, or the anticipated financing for the site.

(f) A summary of the sites and the total amount of funds expended at the sites at the conclusion of the fiscal year.

(g) The number of brownfield projects that were successfully redeveloped.

(2) The report prepared under subsection (1) shall also include all of the following:

(a) The status of all state-owned facilities that are on the list compiled under part 201 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101 to 324.20142.

(b) The report shall include the total amount of funds expended during the fiscal year and the total amount of funds awaiting expenditure.

(c) The total amount of bonds issued for the environmental protection bond program pursuant to part 193 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.19301 to 324.19306, and bonds issued pursuant to the clean Michigan initiative act, 1998 PA 284, MCL 324.95101 to 324.95108.

(3) The report shall be made available by March 31 of each year.

Sec. 217. (1) The department may expend amounts remaining from the current and prior fiscal year appropriations to meet funding needs of legislatively approved sites for the environmental cleanup and redevelopment program, the 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 1993 PA 353, 2003 PA 173, and 2006 PA 343 are appropriated for expenditure for any site listed in this article 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 2000 PA 275 and 2002 PA 520 are appropriated for expenditure for any site listed in this article 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, 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 article 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 article 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, 2008 PA 247, 2009 PA 118, and 2010 PA 189 are appropriated for expenditure for any site listed in this article and any site listed in the public acts referenced in this section.

Sec. 219. Unexpended settlement revenues at the end of the fiscal year may be carried forward into the settlement fund in the succeeding fiscal year up to a maximum carryforward of \$2,500,000.00.

Sec. 221. Not later than November 15, 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 previous fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the office of the state budget, the chairpersons of the senate and house of representatives standing committees on appropriations, and the senate and house fiscal agencies.

Sec. 222. Within 14 days after the release of the executive budget recommendation, the department shall provide the state budget director, the senate and house appropriations chairs, the senate and house appropriations subcommittees on environmental quality, respectively, and the senate and house fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2011 and September 30, 2012.

Sec. 223. Part 1 of this article provides authorizations to fund 1,334.5 FTE classified positions during the fiscal year ending September 30, 2012. Line-item appropriations include limitations on the number of payroll hours to be funded, on the basis of 2,088 hours per each FTE position. The department shall report the number of funded FTE positions within 15 days after the effective date of this article. The number of classified employees compensated through each line item is limited by the authorized FTE positions indicated in this article, as adjusted for the number of reported funded FTE positions. The report shall be provided to the house and senate appropriations subcommittees on environmental quality and the house and senate fiscal agencies.

Sec. 224. On a quarterly basis, the department shall report on the number of FTEs in pay status by civil service classification to the senate and house appropriations subcommittees on environmental quality and the senate and house fiscal agencies.

Sec. 225. (1) The department shall maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following:

(a) Fiscal year-to-date expenditures by category.

(b) Fiscal year-to-date expenditures by appropriation unit.

(c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.

(d) The number of active department employees by job classification.

(e) Job specifications and wage rates.

(2) The department may develop and operate its own website to provide this information or may reference the state's central transparency website as the source for this information.

Sec. 226. The department shall not expend more than \$10,000.00 from the appropriations in part 1 to implement the requirements of section 225.

Sec. 227. The department shall provide a report on the implementation of a permit application status tracking tool on the department's public internet website to the house and senate appropriations subcommittees on environmental quality, the standing committees of the house and senate with primary responsibility for environmental quality issues, and the house and senate fiscal agencies by December 31, 2011. This permit application status tracking tool shall allow permit applicants and the general public to track and review pending permit applications. Searchable parameters shall include, but are not limited to, applicant name and address, county of request, date of application, most recent activity, and status of the permit application. The report shall include the estimated cost of the proposed tool, the information technology requirements that would be needed for the database, the FTE and/or contractual requirements to develop and maintain the proposed tool, an estimated timeline of the implementation of the tool, and any potential foreseen challenges to its implementation.

Sec. 228. The department shall develop a customer satisfaction evaluation program. The program shall utilize customer satisfaction surveys to receive feedback in select program areas to help identify opportunities for improvements and efficiencies. The department shall provide a report on the customer satisfaction evaluation program and the feedback received to the house and senate appropriations subcommittees on environmental quality and the house and senate fiscal agencies by July 1, 2012.

Sec. 229. (1) The department shall submit a report identifying specific permit programs for which an expedited permitting option to fast track the permit process could be developed and instituted. The report shall include, but is not limited to, all of the following:

(a) A listing of the proposed permit programs.

(b) Estimates of the amount of time a pending permit would be granted with the expedited process compared to the amount of time with the normal permit process in those programs.

(c) Any estimated increase in cost to the department or the applicant for the expedited program.

(2) The report described in subsection (1) shall be submitted to the house and senate appropriations subcommittees on environmental quality, the standing committees of the house and senate with primary responsibility for environmental quality issues, and the house and senate fiscal agencies by December 31, 2011.

#### **REMEDICATION DIVISION**

Sec. 301. Revenues remaining in the interdepartmental transfers, laboratory services at the end of the fiscal year shall carry forward into the succeeding fiscal year.

Sec. 302. The unexpended funds appropriated in part 1 for emergency cleanup actions 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, 2016.

Sec. 303. Effective October 1, 2011, surplus funds not to exceed \$1,000,000.00 in the cleanup and redevelopment trust fund are appropriated to the environmental protection fund created in section 503a of the natural resources and environmental protection act, 1994 PA 451, MCL 324.503a.

Sec. 304. Effective October 1, 2011, surplus funds not to exceed \$1,000,000.00 in the community pollution prevention fund created in section 3f of 1976 IL 1, MCL 445.573f, are appropriated to the environmental protection fund created in section 503a of the natural resources and environmental protection act, 1994 PA 451, MCL 324.503a.

Sec. 305. It is the intent of the legislature to repay the refined petroleum fund for the \$70,000,000.00 that was transferred to the environmental protection fund created in section 503a of the natural resources and environmental protection act, 1994 PA 451, MCL 324.503a, as part of the resolution for the fiscal year 2006-2007 budget.

Sec. 306. The funds appropriated in part 1 for the refined petroleum product cleanup program shall be used to fund cleanup activities on the following sites:

<b>Site Name</b>	<b>County</b>
Alcona Oil Company	Alcona
Former Tavern & Gas Station	Alcona
Paragon Metal Works/Mikado Total	Alcona
Chatham Corners Store	Alger
Christmas Sports Enterprises	Alger
Midway Resort Inc.	Alger
Superior Shell Munising	Alger

Fennville Feed Supply	Allegan
New Salem Grocery	Allegan
Country Party Store	Alpena
Hubbard Lake Garage	Alpena
Bellaire Bay Mart	Antrim
Res. Wells Torch Lake Twp.	Antrim
Torch River Pit Stop	Antrim
Arvon Township School	Baraga
Blankenstein Pontiac	Barry
Bud's of Honor	Benzie
Village of Honor Res. Wells	Benzie
Berrien County Sheriff's Substation	Berrien
Coloma Citgo	Berrien
Fredrick's Auto Clinic	Berrien
Randy's Amoco	Berrien
Sterling Express Ltd.	Berrien
Baker Oil (E. Michigan)	Calhoun
Helmer I-94 Inc.	Calhoun
Korner Krossroads Party Store	Calhoun
Indian Lake Mini Super	Cass
Rigg's Corner Store	Cass
Service Mart 2, Union	Cass
Unocal 76, Edwardsburg (Energy Oil)	Cass
Arnold's Bait and Tackle	Charlevoix
Northern Oil (former)	Charlevoix
Club Rd. Property	Cheboygan
Park Shell Service	Chippewa
Ackels Car Care	Clinton
Bay Petroleum Corp.	Eaton
Bob's Marathon	Eaton
Beckon & Larks Lake Rd.	Emmet
Farmers Petroleum Coop - Petoskey	Emmet
Action Auto #10	Genesee
Central Distributing	Genesee
City of Davison-Mill St.	Genesee
Flint FD Fleet Admin.	Genesee
Flint Water Department Service Center	Genesee
Sunshine Foods #119 Burton	Genesee
United Cleaners Inc.	Genesee
Watkins & Himelohoch Inc.	Genesee
Bondale Dinkens	Gladwin
Winegar's Trading Post	Gladwin
4 Corners	Grand Traverse
Stop N Shop	Grand Traverse
Woodland Shop N Go #175	Grand Traverse
KD's Country Store	Gratiot
Pat's Service	Gratiot
Wilson's Grocery	Gratiot
Action Auto Store #30	Ingham
Bay Gas Station	Ingham
Bay Petroleum W. Willow	Ingham
Bay Petroleum, S. MLK	Ingham
Citgo #7	Ingham
Clark Station #1995	Ingham
Former Clark #531	Ingham
Fresh-Up Car Wash	Ingham
Miller Oil Company	Ingham
Forest Park School District	Iron

Alamo General Store	Kalamazoo
Bud's Auto Repair	Kalamazoo
Dutton Mills	Kent
Former Clark #1481	Kent
Great Northern Packaging	Kent
MSI #635	Kent
Hurly's Lodge	Lake
Church & Sons Gas Station	Lapeer
E.J. Green	Lapeer
P.T. Auto Sales	Lapeer
Schaudt's Service Station	Lapeer
Former Ted's Standard	Leelanau
Lakeside Resort and Party Store	Leelanau
Clark Store #2128	Livingston
Lakeland Montessori School	Livingston
The Oasis Truck Stop	Livingston
Bob's Standard Service	Luce
Action Auto (former)	Macomb
Memphis Shell	Macomb
Sokana Mobil	Macomb
Muffler Man	Manistee
Harvey Oil Co. Inc.	Marquette
Joe & Son's Service	Marquette
Quick Lube	Mason
Morley General Store	Mecosta
Jack's Mobil	Menominee
Dutch Hutch	Missaukee
Rinckey's Store	Missaukee
A.N. Russell & Son Inc.	Montcalm
Coral General Store	Montcalm
Edmore Mobil	Montcalm
R.V. Jensen Inc.	Montcalm
Lowell St. Hillman Twp.	Montmorency
Wyson's General Store	Montmorency
Bennett Pump	Muskegon
Bernie's Amoco	Muskegon
Grant Mini Mart	Newaygo
Wesco #14/Triangle Market	Newaygo
Emma Milner Property, Waterford	Oakland
Jenny Enterprises/Wine Basket, Highland	Oakland
Little Caesar's Pizza, Ortonville	Oakland
Wayne Oakland Oil Company	Oakland
Village of Mears GW Contam.	Oceana
Kimball's Western	Ogemaw
Rose City Feed & Tack	Ogemaw
Andy's Standard	Osceola
Lowing's Auto	Osceola
Neal's Service	Osceola
Tiel Oil Company	Osceola
Don's Marathon	Oscoda
West Otsego Lake Grocery	Otsego
Radio Tavern	Presque Isle
Westervelt, 805 S.	Saginaw
Former Sav-U Station	Shiawassee
Frank's Service	Shiawassee
Decker Service	St. Joseph
Payless SuperAmerica	St. Joseph
State Rd. 6842, Millington	Tuscola

Clark Store #1126	Van Buren
Drew, Ripple Property	Van Buren
Roy Smothers	Van Buren
Jimmie's Filling Station	Washtenaw
Total #2542 (Huron Mini-mart)	Washtenaw
B & H Food & Gas/Dix-Toledo Petro Mart	Wayne
Cal's Car Care, Incorporated - BTEX	Wayne
City of Detroit - DOT - 5800 Russell St.	Wayne
Garden Gas Station	Wayne
Hail Investments	Wayne
JJ Curran Crane	Wayne
K & A Gas	Wayne
Master Petroleum	Wayne
Micks Auto	Wayne
Speedy's Gas & Goodies	Wayne
Welcome Gas on Telegraph	Wayne
Peterson's Standard	Wexford

Sec. 307. Effective October 1, 2011, surplus funds not to exceed \$2,000,000.00 in the small business pollution prevention assistance revolving loan fund created in section 14513 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.14513, are appropriated to the environmental pollution prevention fund created in section 11130 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11130.

Sec. 308. Effective October 1, 2011, surplus funds not to exceed \$1,300,000.00 in the small business pollution prevention assistance revolving loan fund created in section 14513 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.14513, are appropriated to the environmental protection fund created in section 503a of the natural resources and environmental protection act, 1994 PA 451, MCL 324.503a.

Sec. 309. The funds appropriated in part 1 for the brownfield grants and loans 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 is to provide contaminated site cleanup.
- (b) The projects will be accomplished by contract.
- (c) The total estimated cost of all projects is \$5,500,000.00.
- (d) The tentative completion date is September 30, 2016.

Sec. 310. The funds appropriated in part 1 for the environmental bond site reclamation 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 \$1,452,500.00.
- (d) The tentative completion date is September 30, 2016.

Sec. 311. The department shall enter into a memorandum of understanding with the department of treasury to develop a process for the review and approval of tax exemption certificates in accordance with the list of commonly approved air pollution control equipment adopted by the state tax commission on August 16, 2010 and the list of commonly approved water pollution equipment adopted by the state tax commission on August 16, 2010.

#### **WATER RESOURCES DIVISION**

Sec. 401. From the funds appropriated in part 1 for surface water, \$100,000.00 shall be allocated to support the 1 additional FTE position for the aquatic nuisance control program that was added in the fiscal year ending September 30, 2011. The department shall report to the house and senate appropriations subcommittees on environmental quality and the house and senate fiscal agencies by September 30, 2012 on the use of this funding and the number of permit applications processed by the program in 2012.

Sec. 402. From the funds appropriated in part 1, the department shall fund a groundwater dispute resolution process in such a manner that maintains a strategically selected dispute resolution process given funds available. The department may utilize any and all available resources in providing this process and shall report to the legislature on the need for additional funds.

Sec. 403. From the funds appropriated in part 1, contingent upon the creation of an aquatic invasive species advisory council, the department shall support funding for the advisory council to provide recommendations to appropriate parties and bodies for a basin-wide approach to managing invasive species.

**GRANTS**

Sec. 501. If a certified health department does not exist in a city, county, or district or does not fulfill its responsibilities under part 117 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11701 to 324.11720, then the department may spend funds appropriated in part 1 under the septage waste compliance program in accordance with section 11716 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11716.

**RESOURCE MANAGEMENT DIVISION**

Sec. 601. (1) The department shall develop a report that addresses implementation of the state’s solid waste policy. At a minimum, the report shall do both of the following:

(a) Identify options for long-term funding for the solid waste management program. For each option, the report shall take into account the extent to which additional activities or materials, or both, such as recycling, composting, and beneficial reuse would impact the long-term funding of the solid waste management program.

(b) Assess the feasibility of contracting out landfill inspections.

(2) The department shall provide the report prepared under subsection (1) to the state budget director, the house and senate appropriations subcommittees on environmental quality, and the house and senate fiscal agencies by June 30, 2012.

**ONE-TIME BASIS ONLY**

Sec. 1001. For the state fiscal year ending September 30, 2012, there is appropriated from general fund/general purpose revenue, on a 1-time basis only, \$6,000,000.00 for the Muskegon cleanup site.

PART 2A  
PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS  
FOR FISCAL YEAR 2012-2013

**GENERAL SECTIONS**

Sec. 1201. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, 2013 for the line items listed in part 1. The fiscal year 2012-2013 appropriations are anticipated to be the same as those for fiscal year 2011-2012, except that the line items will be adjusted for changes in caseload and related costs, federal fund match rates, economic factors, and available revenue. These adjustments will be determined after the January 2012 consensus revenue estimating conference.

ARTICLE VIII  
GENERAL GOVERNMENT  
PART 1  
LINE-ITEM APPROPRIATIONS  
FOR FISCAL YEAR 2011-2012

Sec. 101. Subject to the conditions set forth in this article, the amounts listed in this part are appropriated for the departments of attorney general, civil rights, state, technology, management, and budget, and treasury, the executive office, the legislative branch, and certain other state purposes, for the fiscal year ending September 30, 2012, 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 .....	43.0	
Full-time equated classified positions .....	8,116.2	
<b>GROSS APPROPRIATION .....</b>		<b>\$ 3,897,242,100</b>
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....	669,027,400	
<b>ADJUSTED GROSS APPROPRIATION .....</b>		<b>\$ 3,228,214,700</b>
Federal revenues:		
Total federal revenues.....	768,099,400	
Special revenue funds:		
Total local revenues.....	7,989,300	
Total private revenues.....	979,400	
Total other state restricted revenues .....	1,726,410,300	
State general fund/general purpose .....	724,736,300	<b>\$</b>

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

**(1) APPROPRIATION SUMMARY**

Full-time equated unclassified positions.....	6.0	
Full-time equated classified positions .....	514.0	
<b>GROSS APPROPRIATION .....</b>		<b>\$ 74,590,900</b>
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....	21,885,400	
<b>ADJUSTED GROSS APPROPRIATION .....</b>		<b>\$ 52,705,500</b>

	For Fiscal Year Ending Sept. 30, 2012
Federal revenues:	
Total federal revenues.....	8,848,800
Special revenue funds:	
Total local revenues.....	0
Total private revenues.....	0
Total other state restricted revenues.....	15,489,100
State general fund/general purpose.....	\$ 28,367,600
<b>(2) ATTORNEY GENERAL OPERATIONS</b>	
Full-time equated unclassified positions.....	6.0
Full-time equated classified positions.....	514.0
Attorney general.....	\$ 112,500
Unclassified positions—5.0 FTE positions.....	476,300
Attorney general operations—477.0 FTE positions.....	68,330,700
Child support enforcement—25.0 FTE positions.....	3,008,000
Prosecuting attorneys coordinating council—12.0 FTE positions.....	1,881,800
GROSS APPROPRIATION.....	\$ 73,809,300
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDCH, health services.....	2,062,400
IDG from MDCH, WIC.....	77,000
IDG from department of corrections.....	527,700
IDG from MDE.....	317,000
IDG from MDEQ.....	1,917,700
IDG from MDHS.....	3,617,000
IDG from Michigan state housing development authority.....	540,200
IDG from MDLARA, children’s protection registry.....	39,100
IDG from MDLARA, financial and insurance regulation.....	1,154,400
IDG from MDLARA, licensing and regulation fees.....	197,800
IDG from MDLARA, Michigan occupational safety and health administration.....	100,800
IDG from MDLARA, remonumentation fees.....	85,000
IDG from MDMVA.....	131,500
IDG from MDOT, comprehensive transportation fund.....	177,200
IDG from MDOT, state aeronautics fund.....	165,900
IDG from MDOT, state trunkline fund.....	2,817,500
IDG from MDSP.....	322,300
IDG from MDSP, Michigan justice training fund.....	139,000
IDG from MDTMB.....	208,000
IDG from MDTMB, civil service commission.....	300,600
IDG from MDTMB, risk management revolving fund.....	1,419,300
IDG from MSF, workforce development agency.....	205,400
IDG from treasury.....	5,220,000
IDG from treasury, Michigan strategic fund.....	142,600
Federal revenues:	
DAG, state administrative match grant/food stamps.....	413,300
Federal funds.....	2,645,200
HHS, medical assistance, medigrant.....	645,100
HHS-OS, state Medicaid fraud control units.....	5,045,200
National criminal history improvement program.....	100,000
Special revenue funds:	
Antitrust enforcement collections.....	656,600
Assigned claims assessments.....	132,800
Attorney general’s operations fund.....	985,600
Auto repair facilities fees.....	261,300
Franchise fees.....	331,700
Game and fish protection fund.....	797,100
Liquor purchase revolving fund.....	1,165,700

	For Fiscal Year Ending Sept. 30, 2012
Manufactured housing fees.....	217,200
Merit award trust fund.....	408,600
Michigan employment security act - administrative fund.....	1,785,800
Prisoner reimbursement.....	515,200
Prosecuting attorneys training fees.....	375,000
Public utility assessments.....	1,888,800
Real estate enforcement fund.....	549,100
Reinstatement fees.....	175,400
Retirement funds.....	832,100
Second injury fund.....	913,600
Self-insurers security fund.....	640,800
Silicosis and dust disease fund.....	210,900
State building authority revenue.....	104,200
State casino gaming fund.....	1,235,200
State lottery fund.....	275,600
Utility consumers fund.....	623,700
Waterways fund.....	111,800
Worker's compensation administrative revolving fund.....	295,300
State general fund/general purpose.....	\$ 27,586,000
<b>(3) INFORMATION TECHNOLOGY</b>	
Information technology services and projects.....	\$ 781,600
GROSS APPROPRIATION.....	\$ 781,600
Appropriated from:	
State general fund/general purpose.....	\$ 781,600
<b>Sec. 103. DEPARTMENT OF CIVIL RIGHTS</b>	
<b>(1) APPROPRIATION SUMMARY</b>	
Full-time equated unclassified positions.....	5.0
Full-time equated classified positions.....	121.0
GROSS APPROPRIATION.....	\$ 13,730,200
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers.....	0
ADJUSTED GROSS APPROPRIATION.....	\$ 13,730,200
Federal revenues:	
Total federal revenues.....	2,880,600
Special revenue funds:	
Total local revenues.....	0
Total private revenues.....	18,700
Total other state restricted revenues.....	151,900
State general fund/general purpose.....	\$ 10,679,000
<b>(2) CIVIL RIGHTS OPERATIONS</b>	
Full-time equated unclassified positions.....	5.0
Full-time equated classified positions.....	121.0
Unclassified positions—5.0 FTE positions.....	\$ 267,100
Civil rights operations—113.0 FTE positions.....	11,454,100
Commission on disability concerns—7.0 FTE positions.....	1,186,100
Hispanic/Latino commission of Michigan—1.0 FTE positions.....	206,700
GROSS APPROPRIATION.....	\$ 13,114,000
Appropriated from:	
Federal revenues:	
EEOC, state and local antidiscrimination agency contracts.....	885,000
HUD, grant.....	1,313,200
Federal revenues.....	667,400
Special revenue funds:	
Private revenues.....	18,700
Division on deafness fund.....	93,400

	For Fiscal Year Ending Sept. 30, 2012
State restricted indirect funds.....	58,500
State general fund/general purpose .....	\$ 10,077,800
<b>(3) INFORMATION TECHNOLOGY</b>	
Information technology services and projects .....	\$ 616,200
GROSS APPROPRIATION .....	\$ 616,200
Appropriated from:	
Federal revenues:	
EEOC, state and local antidiscrimination agency contracts .....	15,000
State general fund/general purpose .....	\$ 601,200
<b>Sec. 104. EXECUTIVE OFFICE</b>	
<b>(1) APPROPRIATION SUMMARY</b>	
Full-time equated unclassified positions.....	10.0
Full-time equated classified positions .....	74.2
GROSS APPROPRIATION .....	\$ 4,399,200
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers .....	0
ADJUSTED GROSS APPROPRIATION .....	\$ 4,399,200
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 .....	\$ 4,399,200
<b>(2) EXECUTIVE OFFICE OPERATIONS</b>	
Full-time equated unclassified positions.....	10.0
Full-time equated classified positions .....	74.2
Governor.....	\$ 159,300
Lieutenant governor.....	111,600
Executive office—74.2 FTE positions.....	3,278,500
Unclassified positions—8.0 FTE positions .....	849,800
GROSS APPROPRIATION .....	\$ 4,399,200
Appropriated from:	
State general fund/general purpose .....	\$ 4,399,200
<b>Sec. 105. LEGISLATURE</b>	
<b>(1) APPROPRIATION SUMMARY</b>	
GROSS APPROPRIATION .....	\$ 115,971,600
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers .....	3,751,500
ADJUSTED GROSS APPROPRIATION .....	\$ 112,220,100
Federal revenues:	
Total federal revenues.....	0
Special revenue funds:	
Total local revenues .....	0
Total private revenues .....	400,000
Total other state restricted revenues .....	2,649,700
State general fund/general purpose .....	\$ 109,170,400
<b>(2) LEGISLATURE</b>	
Senate .....	\$ 24,598,800
Senate automated data processing .....	2,156,800
Senate fiscal agency .....	2,687,800
House of representatives.....	39,087,800
House automated data processing .....	1,712,300
House fiscal agency.....	2,687,800
GROSS APPROPRIATION .....	\$ 72,931,300

	For Fiscal Year Ending Sept. 30, 2012
Appropriated from:	
State general fund/general purpose .....	\$ 72,931,300
<b>(3) LEGISLATIVE COUNCIL</b>	
Legislative council.....	\$ 8,446,700
Legislative service bureau automated data processing .....	1,163,600
Worker's compensation.....	126,300
National association dues .....	141,500
Legislative corrections ombudsman.....	606,200
GROSS APPROPRIATION .....	\$ 10,484,300
Appropriated from:	
Interdepartmental grant revenues:	
IDG from Michigan department of corrections.....	250,000
Special revenue funds:	
Private - gifts and bequests revenues .....	400,000
State general fund/general purpose .....	\$ 9,834,300
<b>(4) LEGISLATIVE RETIREMENT SYSTEM</b>	
General nonretirement expenses.....	\$ 4,233,300
GROSS APPROPRIATION .....	\$ 4,233,300
Appropriated from:	
Special revenue funds:	
Court fees .....	1,109,800
State general fund/general purpose .....	\$ 3,123,500
<b>(5) PROPERTY MANAGEMENT</b>	
Capitol building.....	\$ 2,552,800
Cora Anderson building .....	8,315,800
Farnum building and other properties .....	1,815,700
GROSS APPROPRIATION .....	\$ 12,684,300
Appropriated from:	
State general fund/general purpose .....	\$ 12,684,300
<b>(6) OFFICE OF THE AUDITOR GENERAL</b>	
Unclassified positions.....	\$ 313,500
Field operations .....	15,324,900
GROSS APPROPRIATION .....	\$ 15,638,400
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDLARA, 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 MDTMB, civil service commission .....	107,900
IDG from MDOT, state trunkline fund .....	474,600
IDG, single audit act .....	2,658,600
Special revenue funds:	
21st century jobs trust fund.....	50,000
Clean Michigan initiative implementation bond fund.....	38,300
Commercial mobile radio system emergency telephone fund.....	38,300
Contract audit administration fees.....	53,900
Correctional industries revolving fund .....	32,000
Fee adequacy, air quality delegated authority .....	9,600
Game and fish protection fund.....	22,000
Legislative retirement system .....	19,100
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

	For Fiscal Year Ending Sept. 30, 2012
Michigan tobacco settlement authority.....	27,000
Michigan veterans' trust fund.....	24,900
Motor transport revolving fund.....	5,200
Office services revolving fund.....	6,900
State disbursement unit, office of child support.....	27,600
State services fee fund.....	952,100
Waterways fund.....	7,600
State general fund/general purpose.....	\$ 10,597,000
<b>Sec. 106. DEPARTMENT OF STATE</b>	
<b>(1) APPROPRIATION SUMMARY</b>	
Full-time equated unclassified positions.....	6.0
Full-time equated classified positions.....	1,809.0
GROSS APPROPRIATION.....	\$ 211,885,000
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers.....	20,000,000
ADJUSTED GROSS APPROPRIATION.....	\$ 191,885,000
Federal revenues:	
Total federal revenues.....	1,810,000
Special revenue funds:	
Total local revenues.....	0
Total private revenues.....	100
Total other state restricted revenues.....	178,788,700
State general fund/general purpose.....	\$ 11,286,200
<b>(2) EXECUTIVE DIRECTION</b>	
Full-time equated unclassified positions.....	6.0
Full-time equated classified positions.....	30.0
Secretary of state.....	\$ 112,500
Unclassified positions—5.0 FTE positions.....	453,200
Operations—30.0 FTE positions.....	3,224,100
GROSS APPROPRIATION.....	\$ 3,789,800
Appropriated from:	
Auto repair facilities fees.....	60,300
Driver fees.....	221,600
Expedient service fees.....	58,300
Parking ticket court fines.....	8,300
Personal identification card fees.....	26,100
Reinstatement fees - operator licenses.....	204,000
Transportation administration collection fund.....	2,061,500
Vehicle theft prevention fees.....	35,500
State general fund/general purpose.....	\$ 1,114,200
<b>(3) DEPARTMENT SERVICES</b>	
Full-time equated classified positions.....	159.0
Operations—152.0 FTE positions.....	\$ 22,600,800
Assigned claims assessments—7.0 FTE positions.....	1,031,800
GROSS APPROPRIATION.....	\$ 23,632,600
Appropriated from:	
Special revenue funds:	
Abandoned vehicle fees.....	467,400
Assigned claims assessments.....	1,031,800
Auto repair facilities fees.....	414,000
Child support clearance fees.....	34,200
Driver fees.....	917,200
Driver improvement course fund.....	300,000
Expedient service fees.....	256,200
Marine safety fund.....	79,400
Off-road vehicle title fees.....	8,000

	For Fiscal Year Ending Sept. 30, 2012
Parking ticket court fines.....	52,600
Personal identification card fees.....	118,900
Reinstatement fees - operator licenses .....	684,700
Scrap tire fund.....	72,800
Snowmobile registration fee revenue .....	18,100
Transportation administration collection fund.....	18,758,400
Vehicle theft prevention fees .....	242,800
State general fund/general purpose .....	\$ 176,100
<b>(4) REGULATORY SERVICES</b>	
Full-time equated classified positions .....	210.5
Operations—208.5 FTE positions .....	\$ 21,819,900
County clerk education and training .....	100,000
Motorcycle safety education administration—2.0 FTE positions .....	323,600
Motorcycle safety education grants.....	1,500,000
GROSS APPROPRIATION .....	\$ 23,743,500
Appropriated from:	
Special revenue funds:	
Auto repair facilities fees .....	4,129,600
Driver education provider and instructor fund.....	72,700
Driver fees .....	2,677,400
Expedient service fees.....	35,100
Motorcycle safety fund.....	1,823,600
Notary education and training fund.....	100,000
Notary fee fund .....	313,800
Parking ticket court fines.....	20,600
Personal identification card fees.....	104,700
Reinstatement fees - operator licenses .....	2,041,400
Transportation administration collection fund.....	10,881,700
Vehicle theft prevention fees .....	1,326,000
State general fund/general purpose .....	\$ 216,900
<b>(5) CUSTOMER DELIVERY SERVICES</b>	
Full-time equated classified positions .....	1,373.5
Branch operations—931.5 FTE positions.....	\$ 75,703,600
Central operations—415.0 FTE positions .....	43,684,500
Commemorative license plates—24.0 FTE positions.....	2,147,300
Specialty license plates—3.0 FTE positions .....	1,922,000
Credit and debit assessment service fees .....	1,000,000
Olympic center plate .....	75,700
Organ donor program .....	79,100
GROSS APPROPRIATION .....	\$ 124,612,200
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDOT, Michigan transportation fund .....	20,000,000
Federal revenues:	
Federal funds .....	1,460,000
Special revenue funds:	
Private funds.....	100
Abandoned vehicle fees.....	196,900
Auto repair facilities fees .....	92,500
Child support clearance fees .....	294,000
Credit and debit assessment service fees .....	1,000,000
Driver fees .....	23,788,700
Driver improvement course fund.....	1,200,000
Enhanced driver license and enhanced official state personal identification card fund.....	4,849,900
Expedient service fees.....	2,456,400
Marine safety fund .....	1,261,600

	For Fiscal Year Ending Sept. 30, 2012
Michigan state police auto theft fund.....	118,900
Mobile home commission fees.....	472,900
Off-road vehicle title fees.....	141,600
Parking ticket court fines.....	1,485,200
Personal identification card fees.....	2,057,400
Recreation passport fee revenue.....	1,037,800
Reinstatement fees - operator licenses.....	1,406,400
Snowmobile registration fee revenue.....	345,800
Transportation administration collection fund.....	60,478,900
Vehicle theft prevention fees.....	208,600
State general fund/general purpose.....	\$ 258,600
<b>(6) ELECTION REGULATION</b>	
Full-time equated classified positions.....	36.0
Election administration and services—36.0 FTE positions.....	\$ 5,140,600
Fees to local units.....	109,800
Help America Vote Act.....	350,000
<b>GROSS APPROPRIATION.....</b>	<b>\$ 5,600,400</b>
Appropriated from:	
Federal revenues:	
Federal Funds - HAVA HHS.....	350,000
State general fund/general purpose.....	\$ 5,250,400
<b>(7) DEPARTMENTWIDE APPROPRIATIONS</b>	
Building occupancy charges/rent.....	\$ 9,772,000
Worker's compensation.....	292,500
<b>GROSS APPROPRIATION.....</b>	<b>\$ 10,064,500</b>
Appropriated from:	
Special revenue funds:	
Auto repair facilities fees.....	135,300
Driver fees.....	738,200
Expedient service fees.....	26,000
Parking ticket court fines.....	447,800
Transportation administration collection fund.....	5,925,000
State general fund/general purpose.....	\$ 2,792,200
<b>(8) INFORMATION TECHNOLOGY</b>	
Information technology services and projects.....	\$ 20,442,000
<b>GROSS APPROPRIATION.....</b>	<b>\$ 20,442,000</b>
Appropriated from:	
Special revenue funds:	
Administrative order processing fee.....	11,100
Auto repair facilities fees.....	179,000
Child support clearance fees.....	16,200
Driver fees.....	741,700
Expedient service fees.....	1,022,700
Parking ticket court fines.....	82,500
Personal identification card fees.....	159,900
Reinstatement fees - operator licenses.....	558,500
Transportation administration collection fund.....	16,022,100
Vehicle theft prevention fees.....	170,500
State general fund/general purpose.....	\$ 1,477,800
<b>Sec. 107. DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET</b>	
<b>(1) APPROPRIATION SUMMARY</b>	
Full-time equated unclassified positions.....	6.0
Full-time equated classified positions.....	3,032.5
<b>GROSS APPROPRIATION.....</b>	<b>\$ 1,017,184,300</b>
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers.....	608,968,900
<b>ADJUSTED GROSS APPROPRIATION.....</b>	<b>\$ 408,215,400</b>

	For Fiscal Year Ending Sept. 30, 2012
Federal revenues:	
Total federal revenues.....	10,346,000
Special revenue funds:	
Total local revenues.....	1,456,600
Total private revenues.....	180,600
Total other state restricted revenues.....	85,374,400
State general fund/general purpose.....	\$ 310,857,800
<b>(2) EXECUTIVE DIRECTION</b>	
Full-time equated unclassified positions..... 6.0	
Full-time equated classified positions..... 11.0	
Unclassified positions—6.0 FTE positions.....	\$ 796,500
Executive operations—11.0 FTE positions.....	1,410,000
GROSS APPROPRIATION.....	\$ 2,206,500
Appropriated from:	
Interdepartmental grant revenues:	
IDG from building occupancy and parking charges.....	74,400
IDG from technology user fees.....	1,394,500
Special revenue funds:	
Special revenue, internal service, and pension trust funds.....	140,800
State general fund/general purpose.....	\$ 596,800
<b>(3) DEPARTMENT SERVICES</b>	
Full-time equated classified positions..... 778.5	
Administrative services—132.5 FTE positions.....	\$ 15,411,100
Budget and financial management—158.5 FTE positions.....	15,726,700
Office of the state employer—23.0 FTE positions.....	2,980,800
Design and construction services—40.0 FTE positions.....	5,772,800
Business support services—105.5 FTE positions.....	9,584,200
Building operation services—221.0 FTE positions.....	87,962,100
Building occupancy charges, rent, and utilities.....	5,129,400
Motor vehicle fleet—46.0 FTE positions.....	57,349,700
Information technology services and projects.....	26,482,900
Bureau of labor market information and strategies—52.0 FTE positions.....	6,676,900
GROSS APPROPRIATION.....	\$ 233,076,600
Appropriated from:	
Interdepartmental grant revenues:	
IDG from accounting service centers user charges.....	2,471,200
IDG from building occupancy and parking charges.....	90,446,400
IDG from MDCH.....	453,000
IDG from MDHS.....	187,800
IDG from MDLARA.....	100,000
IDG from MDOT, comprehensive transportation fund.....	41,900
IDG from MDOT, state aeronautics fund.....	38,100
IDG from MDOT, state trunkline fund.....	1,308,100
IDG from motor transport fund.....	57,349,700
IDG from technology user fees.....	7,960,500
IDG from user fees.....	5,833,200
Federal revenues:	
Federal funds.....	100
Federal revenues.....	7,542,600
Special revenue funds:	
Deferred compensation.....	2,600
Game and fish protection fund.....	408,500
Health management funds.....	1,969,700
MAIN user charges.....	5,143,000
Pension trust funds.....	6,726,900
Special revenue, internal service, and pension trust funds.....	13,529,200

	For Fiscal Year Ending Sept. 30, 2012
State building authority revenue.....	675,400
State lottery fund.....	225,000
State restricted indirect funds.....	1,857,800
State services fee fund.....	117,900
Waterways fund.....	106,000
State general fund/general purpose.....	\$ 28,582,000
<b>(4) TECHNOLOGY SERVICES</b>	
Full-time equated classified positions.....	1,559.5
Education services—31.0 FTE positions.....	\$ 3,262,600
Health and human services—659.5 FTE positions.....	255,628,900
Public protection—271.5 FTE positions.....	54,819,100
Resources services—156.5 FTE positions.....	18,305,400
Transportation services—95.5 FTE positions.....	27,737,500
General services—345.5 FTE positions.....	75,363,100
GROSS APPROPRIATION.....	\$ 435,116,600
Appropriated from:	
Interdepartmental grant revenues:	
IDG from technology user fees.....	435,116,600
State general fund/general purpose.....	\$ 0
<b>(5) SPECIAL PROGRAMS</b>	
Full-time equated classified positions.....	177.0
Building occupancy charges - property management services for executive/legislative building occupancy.....	\$ 1,188,200
Retirement services—166.0 FTE positions.....	18,402,900
Office of children’s ombudsman—11.0 FTE positions.....	1,028,900
Information technology innovation fund.....	2,500,000
GROSS APPROPRIATION.....	\$ 23,120,000
Appropriated from:	
Special revenue funds:	
Deferred compensation.....	1,542,400
Pension trust funds.....	16,860,500
State general fund/general purpose.....	\$ 4,717,100
<b>(6) STATE BUILDING AUTHORITY RENT</b>	
State building authority rent - state agencies.....	\$ 68,305,800
State building authority rent - department of corrections.....	47,379,900
State building authority rent - universities.....	117,225,300
State building authority rent - community colleges.....	23,959,600
GROSS APPROPRIATION.....	\$ 256,870,600
Appropriated from:	
State general fund/general purpose.....	\$ 256,870,600
<b>(7) CIVIL SERVICE COMMISSION</b>	
Full-time equated classified positions.....	506.5
Agency services—102.5 FTE positions.....	\$ 12,371,700
Executive direction—33.0 FTE positions.....	8,773,400
Employee benefits—31.0 FTE positions.....	6,078,100
Training.....	1,300,000
Human resources operations—340.0 FTE positions.....	32,275,600
Information technology services and projects.....	3,995,200
GROSS APPROPRIATION.....	\$ 64,794,000
Appropriated from:	
Interdepartmental grant revenues:	
IDG, training charges.....	1,300,000
IDG, 1% special funds.....	2,893,500
Federal revenues:	
Federal funds 1%.....	2,803,300

	For Fiscal Year Ending Sept. 30, 2012
Special revenue funds:	
Local funds 1% .....	1,456,600
Private funds 1% .....	180,600
State restricted funds 1% .....	21,241,300
State restricted indirect funds .....	5,956,600
State sponsored group insurance .....	2,650,000
State sponsored group insurance, flexible spending accounts, and COBRA .....	6,220,800
State general fund/general purpose .....	\$ 20,091,300
<b>(8) CAPITAL OUTLAY</b>	
Major special maintenance, remodeling and addition for state agencies .....	\$ 2,000,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 2,000,000</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG from building occupancy charges .....	2,000,000
State general fund/general purpose .....	\$ 0
<b>Sec. 108. DEPARTMENT OF TREASURY</b>	
<b>(1) APPROPRIATION SUMMARY</b>	
Full-time equated unclassified positions.....	10.0
Full-time equated classified positions .....	2,565.5
<b>GROSS APPROPRIATION</b> .....	<b>\$ 2,459,480,900</b>
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers .....	14,421,600
<b>ADJUSTED GROSS APPROPRIATION</b> .....	<b>\$ 2,445,059,300</b>
Federal revenues:	
Total federal revenues .....	744,214,000
Special revenue funds:	
Total local revenues .....	6,532,700
Total private revenues .....	380,000
Total other state restricted revenues .....	1,443,956,500
State general fund/general purpose .....	\$ 249,976,100
<b>(2) EXECUTIVE DIRECTION</b>	
Full-time equated unclassified positions.....	10.0
Full-time equated classified positions .....	5.0
Unclassified positions—10.0 FTE positions .....	\$ 923,000
Office of the director—5.0 FTE positions.....	1,013,700
<b>GROSS APPROPRIATION</b> .....	<b>\$ 1,936,700</b>
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 .....	196,200
State services fee fund.....	357,900
State general fund/general purpose .....	\$ 1,317,600
<b>(3) DEPARTMENTWIDE APPROPRIATIONS</b>	
Travel .....	\$ 1,209,500
Rent and building occupancy charges - property management services .....	5,357,600
Worker's compensation insurance premium .....	168,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 6,735,100</b>
Appropriated from:	
Special revenue funds:	
Delinquent tax collection revenue .....	3,843,800
State general fund/general purpose .....	\$ 2,891,300
<b>(4) LOCAL GOVERNMENT PROGRAMS</b>	
Full-time equated classified positions .....	93.0
Supervision of the general property tax law—59.0 FTE positions .....	\$ 12,730,300

	For Fiscal Year Ending Sept. 30, 2012
Property tax assessor training—4.0 FTE positions .....	457,100
Local finance—23.0 FTE positions .....	2,450,300
Business property tax appeal—7.0 FTE positions .....	402,400
GROSS APPROPRIATION .....	\$ 16,040,100
Appropriated from:	
Federal revenues:	
Special revenue funds:	
Local - assessor training fees .....	1,292,100
Local - audit charges .....	667,100
Local - equalization study charge-backs .....	40,000
Local - revenue from local government .....	100,000
Land reutilization fund .....	4,528,400
Municipal finance fees .....	535,200
Delinquent tax collection revenue .....	1,440,500
State general fund/general purpose .....	\$ 7,436,800
<b>(5) TAX PROGRAMS</b>	
Full-time equated classified positions .....	762.0
Customer contact—112.0 FTE positions .....	\$ 9,980,900
Tax compliance—345.0 FTE positions .....	38,456,900
Tax and economic policy—121.0 FTE positions .....	13,848,700
Tax processing—156.0 FTE positions .....	15,630,400
Home heating assistance .....	2,834,800
Bottle act implementation .....	250,000
Tobacco tax enforcement .....	3,000,000
Tax plan implementation—28.0 FTE positions .....	10,537,000
GROSS APPROPRIATION .....	\$ 94,538,700
Appropriated from:	
Interdepartmental grant revenues:	
IDG, data/collection services fees .....	50,900
IDG from MDOT, Michigan transportation fund .....	7,901,600
IDG from MDOT, state aeronautics fund .....	68,700
Federal revenues:	
HHS-SSA, low-income energy assistance .....	2,834,800
Special revenue funds:	
Bottle deposit fund .....	250,000
Delinquent tax collection revenue .....	65,102,000
Emergency 911 fund .....	150,000
Tobacco tax revenue .....	3,980,400
Waterways fund .....	80,500
State general fund/general purpose .....	\$ 14,119,800
<b>(6) BANKING AND MANAGEMENT SERVICES</b>	
Full-time equated classified positions .....	343.0
Departmental and budget services—48.0 FTE positions .....	\$ 4,218,300
Unclaimed property—26.0 FTE positions .....	4,356,600
Collections—209.0 FTE positions .....	24,492,100
Finance and accounting—21.0 FTE positions .....	1,997,500
Receipts processing—39.0 FTE positions .....	3,923,400
GROSS APPROPRIATION .....	\$ 38,987,900
Appropriated from:	
Interdepartmental grant revenues:	
IDG, levy/warrant cost assessment fees .....	2,000,000
IDG, state agency collection fees .....	2,426,800
IDG from MDHS, title IV-D .....	662,500
IDG data/collection service fees .....	229,600
IDG from accounting service center user charges .....	389,400

	For Fiscal Year Ending Sept. 30, 2012
Special revenue funds:	
Delinquent tax collection revenue .....	20,920,300
Escheats revenue.....	4,356,600
Justice system fund.....	696,100
Garnishment fees .....	2,342,200
State restricted indirect funds.....	258,500
Treasury fees .....	43,900
State general fund/general purpose .....	\$ 4,662,000
<b>(7) FINANCIAL PROGRAMS</b>	
Full-time equated classified positions .....	237.5
Investments—82.0 FTE positions.....	\$ 17,614,500
Common cash and debt management—22.5 FTE positions.....	1,365,700
Student financial assistance programs—46.5 FTE positions.....	3,564,000
Michigan finance authority - bond finance—84.5 FTE positions .....	36,943,200
Public private partnership investment—2.0 FTE positions .....	1,487,900
John R. Justice grant program.....	282,100
GROSS APPROPRIATION .....	\$ 61,257,400
Appropriated from:	
Interdepartmental grant revenues:	
IDG, fiscal agent service fees .....	177,100
Federal revenues:	
DED-OPSE, federal lenders allowance .....	10,908,900
DED-OPSE, higher education act of 1965, insured loans.....	24,203,900
Federal - John R. Justice grant.....	282,100
Special revenue funds:	
Defined contribution administrative fee revenue.....	100,000
Michigan finance authority bond and loan program revenue.....	3,068,100
Michigan merit award trust fund.....	996,400
Public private partnership investment fund .....	1,487,900
Retirement funds .....	16,430,200
School bond fees .....	688,100
Treasury fees .....	1,277,000
State general fund/general purpose .....	\$ 1,637,700
<b>(8) DEBT SERVICE</b>	
Water pollution control bond and interest redemption.....	\$ 2,125,500
Quality of life bond.....	75,278,500
Clean Michigan initiative .....	59,373,100
Great Lakes water quality bond .....	4,150,900
GROSS APPROPRIATION .....	\$ 140,928,000
Appropriated from:	
Special revenue funds:	
Refined petroleum fund.....	15,514,500
State general fund/general purpose .....	\$ 125,413,500
<b>(9) GRANTS</b>	
Convention facility development distribution.....	\$ 74,850,000
Presidential primary.....	10,000,000
Senior citizen cooperative housing tax exemption program.....	12,020,000
Emergency 911 payments.....	27,000,000
Health and safety fund grants.....	9,000,000
GROSS APPROPRIATION .....	\$ 132,870,000
Appropriated from:	
Special revenue funds:	
Emergency 911 fund.....	27,000,000
Convention facility development fund.....	74,850,000
Health and safety fund .....	9,000,000
State general fund/general purpose .....	\$ 22,020,000

For Fiscal Year  
Ending Sept. 30,  
2012

**(10) BUREAU OF STATE LOTTERY**

Full-time equated classified positions .....	179.0	
Lottery operations—179.0 FTE positions .....		\$ 21,657,900
Promotion and advertising.....		17,690,900
Lottery information technology services and projects .....		4,837,800
<b>GROSS APPROPRIATION</b> .....		<u>\$ 44,186,600</u>
Appropriated from:		
Special revenue funds:		
State lottery fund.....		44,186,600
State general fund/general purpose .....		\$ 0

**(11) CASINO GAMING**

Full-time equated classified positions .....	126.0	
Michigan gaming control board .....		\$ 50,000
Casino gaming control operations—116.0 FTE positions.....		22,418,800
Casino gaming information technology services and projects .....		1,647,700
Racing commission—10.0 FTE positions .....		2,193,300
<b>GROSS APPROPRIATION</b> .....		<u>\$ 26,309,800</u>
Appropriated from:		
Special revenue funds:		
Casino gambling agreements.....		719,300
Equine development fund.....		2,316,300
Laboratory fees.....		700,000
State services fee fund.....		22,574,200
State general fund/general purpose .....		\$ 0

**(12) PAYMENTS IN LIEU OF TAXES**

Commercial forest reserve.....		\$ 1,991,600
Purchased lands .....		3,292,200
Swamp and tax reverted lands.....		5,293,200
<b>GROSS APPROPRIATION</b> .....		<u>\$ 10,577,000</u>
Appropriated from:		
Special revenue funds:		
Game and fish protection fund.....		1,201,500
Michigan natural resources trust fund.....		350,400
Michigan state waterways fund.....		94,700
State general fund/general purpose .....		\$ 8,930,400

**(13) MICHIGAN STRATEGIC FUND**

Full-time equated classified positions .....	531.0	
Administration—22.0 FTE positions.....		\$ 2,786,200
Job creation services—139.0 FTE positions .....		17,205,200
Pure Michigan .....		25,000,000
Innovation and entrepreneurship .....		25,000,000
Business attraction and economic gardening.....		50,000,000
Community development block grants .....		47,000,000
Arts and cultural program .....		2,567,400
Michigan film office—6.0 FTE positions .....		766,900
GEAR-UP program grants.....		3,000,000
Carl D. Perkins grants .....		19,000,000
Adult basic education .....		20,000,000
Adult education—16.0 FTE positions.....		2,599,100
Bureau of energy systems .....		4,610,900
Postsecondary education—9.0 FTE positions .....		2,411,300
Employment services—246.0 FTE positions .....		49,586,000
Wage and hour division—1.0 FTE positions.....		115,000
Workforce development agency administrative services—25.0 FTE positions.....		2,059,400
Workforce program administration—61.0 FTE positions .....		12,904,800
Workforce training programs.....		296,478,600

	For Fiscal Year Ending Sept. 30, 2012
Welfare-to-work programs.....	93,158,800
Worker’s compensation.....	17,900
Workforce development agency rent and property management.....	1,483,500
Land bank fast track authority - bond finance—6.0 FTE positions.....	2,823,500
Information technology services and projects.....	2,951,400
GROSS APPROPRIATION.....	\$ 683,525,900
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDEQ, air quality fees.....	37,600
Federal revenues:	
DAG, employment and training.....	7,290,000
DED-OESE, GEAR-UP.....	3,000,000
DED-OSERS, rehabilitation services, vocational rehabilitation state grants.....	1,458,600
DED-OVAE, adult education.....	20,000,000
DED-OVAE, basic grants to states.....	19,000,000
DOE-OEERE, multiple grants.....	4,737,300
DOL, federal funds.....	125,868,000
DOL-ETA, workforce investment act.....	234,008,400
Federal funds.....	6,808,400
HHS, temporary assistance for needy families.....	64,669,000
HUD-CPD, community development block grants.....	49,602,800
US-EPA, revolving loan fund.....	1,000,000
NFAH-NEA, promotion of the arts, partnership agreements.....	1,050,000
Special revenue funds:	
Local revenues.....	4,433,500
Private - special project advances.....	250,000
Private - Michigan council for the arts fund.....	100,000
Private - oil overcharge.....	30,000
Contingent fund, penalty and interest account.....	2,725,400
Defaulted loan collection fees.....	100,000
Industry support fees.....	5,500
Land bank fast track fund.....	1,981,000
21st century jobs trust fund.....	75,000,000
Michigan film promotion fund.....	563,100
Public utility assessments.....	843,600
State general fund/general purpose.....	\$ 58,963,700
<b>(14) REVENUE SHARING</b>	
Constitutional state general revenue sharing grants.....	\$ 658,979,300
County revenue sharing payments.....	100,000,000
Economic vitality incentive program.....	200,000,000
GROSS APPROPRIATION.....	\$ 958,979,300
Appropriated from:	
Special revenue funds:	
Sales tax.....	958,979,300
State general fund/general purpose.....	\$ 0
<b>(15) MICHIGAN STRATEGIC FUND - MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY</b>	
Full-time equated classified positions.....	289.0
Payments on behalf of tenants.....	\$ 166,860,000
Housing and rental assistance—266.0 FTE positions.....	48,562,500
State historic preservation program—23.0 FTE positions.....	3,105,700
Lighthouse preservation program.....	307,500
Rent and administrative support.....	3,846,100
Michigan state housing development authority technology services and projects.....	3,291,300
GROSS APPROPRIATION.....	\$ 225,973,100
Appropriated from:	
Federal revenues:	
HUD, lower income housing assistance.....	166,860,000

	For Fiscal Year Ending Sept. 30, 2012
Special revenue funds:	
Michigan state housing development authority fees and charges .....	58,805,600
Michigan lighthouse preservation fund .....	307,500
State general fund/general purpose .....	\$ 0
<b>(16) INFORMATION TECHNOLOGY</b>	
Treasury operations information technology services and projects.....	\$ 16,635,300
<b>GROSS APPROPRIATION</b> .....	<b>\$ 16,635,300</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDOT, Michigan transportation fund .....	477,400
Federal revenues:	
DED-OPSE, federal lender allowance .....	566,800
Special revenue funds:	
Delinquent tax collection revenue .....	12,201,100
Retirement funds .....	690,600
Tobacco tax revenue .....	116,100
State general fund/general purpose .....	\$ 2,583,300

**PART 2  
PROVISIONS CONCERNING APPROPRIATIONS  
FOR FISCAL YEAR 2011-2012**

**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 2011-2012 is \$2,451,146,600.00 and state spending from state resources to be paid to local units of government for fiscal year 2011-2012 is \$1,129,558,400.00. 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 .....	1,251,000
Subtotal.....	\$ 1,360,800

**DEPARTMENT OF TREASURY**

Senior citizen cooperative housing tax exemption .....	\$ 12,020,000
Health and safety fund grants.....	9,000,000
Constitutional state general revenue sharing grants .....	658,979,300
Economic vitality incentive program.....	200,000,000
Convention facility development fund distribution .....	74,850,000
Emergency 9-1-1 payments .....	24,600,000
County revenue sharing payments.....	100,000,000
Airport parking distribution pursuant to section 909 .....	12,946,500
Presidential primary.....	10,000,000
Payments in lieu of taxes .....	10,577,000
Welfare-to-work programs.....	15,224,800
Subtotal.....	\$ 1,128,197,600
<b>TOTAL GENERAL GOVERNMENT</b> .....	<b>\$ 1,129,558,400</b>

(2) Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state sources for fiscal year 2011-2012 is estimated at \$26,336,775,800.00 in the 2011-2012 appropriations acts and total state spending from state sources paid to local units of government for fiscal year 2011-2012 is estimated at \$14,717,752,700.00. The state-local proportion is estimated at 55.9% of total state spending from state resources.

(3) If payments to local units of government and state spending from state sources for fiscal year 2011-2012 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 2011-2012 to the senate and house of representatives standing committees on appropriations within 30 days after the final book-closing for fiscal year 2011-2012.

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

Sec. 203. As used in this article:

- (a) "AFSCME" means American federation of state, county, and municipal employees.
- (b) "ATM" means automated teller machine.
- (c) "CDBG" means community development block grants.
- (d) "COBRA" means the consolidated omnibus budget reconciliation act of 1985, Public Law 99-272, 100 Stat. 82.
- (e) "CPI" means consumer price index.

- (f) “DAG” means the United States department of agriculture.
- (g) “DED” means the United States department of education.
- (h) “DED-OESE” means the DED office of elementary and secondary education.
- (i) “DED-OPSE” means the DED, office of postsecondary education.
- (j) “DED-OSERS” means the DED office of special education rehabilitation services.
- (k) “DED-OVAE” means the DED office of vocational and adult education.
- (l) “DOE-OEERE” means the United States department of energy, office of energy efficiency and renewable energy.
- (m) “DOI-NPS” means the United State department of interior, national park service.
- (n) “DOL-ETA” means the United States department of labor, employment and training administration.
- (o) “DOL-OSHA” means the United States department of labor, occupational safety and health administration.
- (p) “EEOC” means the United States equal employment opportunity commission.
- (q) “EPA” means the United States environmental protection agency.
- (r) “FTE” means full-time equated.
- (s) “Fund” means the Michigan strategic fund.
- (t) “GEAR-UP” means gaining early awareness and readiness for undergraduate programs.
- (u) “GF/GP” means general fund/general purpose.
- (v) “HAVA” means help America vote act.
- (w) “HHS” means the United States department of health and human services.
- (x) “HHS-OS” means the HHS office of the secretary.
- (y) “HHS-SSA” means the HHS social security administration.
- (z) “HUD” means the United States department of housing and urban development.
- (aa) “HUD-CPD” means the United States department of housing and urban development – community planning and development.
- (bb) “IDG” means interdepartmental grant.
- (cc) “IDT” means intradepartmental transfer.
- (dd) “JCOS” means the joint capital outlay subcommittee.
- (ee) “MAIN” means the Michigan administrative information network.
- (ff) “MCL” means the Michigan Compiled Laws.
- (gg) “MDCH” means the Michigan department of community health.
- (hh) “MDE” means the Michigan department of education.
- (ii) “MDELEG” means the Michigan department of energy, labor, and economic growth or its successor.
- (jj) “MDEQ” means the Michigan department of environmental quality.
- (kk) “MDHS” means the Michigan department of human services.
- (ll) “MDMVA” means the Michigan department of military and veterans affairs.
- (mm) “MDOC” means the Michigan department of corrections.
- (nn) “MDOT” means the Michigan department of transportation.
- (oo) “MDSP” means the Michigan department of state police.
- (pp) “MDTMB” means the Michigan department of technology, management, and budget.
- (qq) “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.
- (rr) “MFA” means the Michigan finance authority.
- (ss) “MPE” means the Michigan public employees.
- (tt) “MSC” means managerial, supervisory, and confidential.
- (uu) “MSHDA” means Michigan state housing development authority.
- (vv) “NERE” means nonexclusively represented employees.
- (ww) “NFAH-NEA” means the national foundation of the arts and the humanities – national endowment for the arts.
- (xx) “PA” means public act.
- (yy) “PACC” means the prosecuting attorneys coordinating council.
- (zz) “SEIU” means service employees international union.

Sec. 206. (1) The departments and agencies receiving appropriations in this article shall maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following:

- (a) Fiscal year-to-date expenditures by category.
- (b) Fiscal year-to-date expenditures by appropriation unit.
- (c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.
- (d) The number of active department employees by job classification.

(e) Job specifications and wage rates.

(2) Departments and agencies may develop and operate their own websites to provide this information or may reference the state’s central transparency website as the source for this information.

Sec. 207. Amounts appropriated in part 1 for information technology may be designated as work project accounts and carried forward to support technology projects under the direction of the department of technology, management, and budget. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 208. The departments and agencies receiving appropriations in part 1 shall use the Internet to fulfill the reporting requirements of this article. 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 for the fiscal year ending September 30, 2012, from general fund/general purpose revenue for deposit into the countercyclical budget and economic stabilization fund the sum of \$255,800,000.00. The calculation required by section 352 of the management and budget act, 1984 PA 431, MCL 18.1352, is determined as follows:

	2010	2011
Michigan personal income (millions).....	\$351,830	\$369,070
less: transfer payments.....	81,535	81,943
Subtotal .....	<u>\$270,295</u>	<u>\$287,127</u>
Divided by: Detroit CPI for 12 months ending June 30.....	2.045	2.062
Equals: real adjusted Michigan personal income.....	\$132,157	\$139,273
Percentage change .....		5.4%
Percentage change greater than 2% .....		3.4%
Multiplied by: estimated GF/GP revenue in FY 2010-2011 (millions) .....		7,524.1
Equals: countercyclical budget and economic stabilization fund payin calculation for the fiscal year ending September 30, 2012 (millions).....		\$255.8

Sec. 212. The departments and agencies receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. Federal and state guidelines for short-term and long-term retention of records shall be followed. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 213. Funds appropriated in part 1 shall not be used by this state, a department, an agency, or an authority of this state to purchase an ownership interest in a casino enterprise or a gambling operation as those terms are defined in the Michigan gaming control and revenue act, 1996 IL 1, MCL 432.201 to 432.226.

Sec. 214. From the funds appropriated in part 1 for information technology, departments and agencies shall pay user fees to the department of technology, management, and budget 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 technology, management, and budget.

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 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 exceptions to allow the travel. Any exceptions granted by the state budget director shall be reported on a quarterly basis to the senate and house of representatives standing committees on appropriations.

Sec. 217. General fund appropriations in this article shall not be expended for items in cases where federal funding is available for the same expenditures.

Sec. 220. Funds appropriated in this article shall not be used to administer a committee or to solicit or obtain contributions for a committee. As used in this section, "committee" means that term as defined in section 3 of the Michigan campaign finance act, 1976 PA 388, MCL 169.203.

Sec. 221. (1) Each department shall report no later than April 1 on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year to the senate and house of representatives standing committees on appropriations subcommittees on general government, the joint committee on administrative rules, and the senate and house fiscal agencies.

(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. Within 14 days after the release of the executive budget recommendation, the departments and agencies receiving appropriations in this article shall provide the state budget director, the chairs of the senate and house of representatives standing committees on appropriations, the senate and house of representatives standing committees on appropriations subcommittees on general government, and the senate and house fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2011 and September 30, 2012.

Sec. 228. Not later than November 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 of representatives standing committees on appropriations, and the senate and house fiscal agencies.

Sec. 229. If the office of the auditor general has identified an initiative or made a recommendation that is related to savings and efficiencies in an audit report for an executive branch department or agency, the department or agency shall report within 6 months of the release of the audit on their efforts and progress made toward achieving the savings and efficiencies identified in the audit report. The report shall be submitted to the chairs of the senate and house of representatives standing committees on appropriations, the chairs of the senate and house of representatives standing committees with jurisdiction over matters relating to the department that is audited, and the senate and house fiscal agencies.

#### **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 article 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 article 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 article 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 article 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 \$497,900.00 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. (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 article 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 \$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 article under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 402. (1) In addition to the appropriations contained in part 1, the department of civil rights may receive and expend funds from local or private sources for all of the following purposes:

- (a) Developing and presenting training for employers on equal employment opportunity law and procedures.
- (b) The publication and sale of civil rights related informational material.
- (c) The provision of copy material made available under freedom of information requests.
- (d) Other copy fees, subpoena fees, and witness fees.
- (e) Developing, presenting, and participating in mediation processes for certain civil rights cases.
- (f) Workshops, seminars, and recognition or award programs consistent with the programmatic mission of the individual unit sponsoring or coordinating the programs.

(g) Staffing costs for all activities included in this subsection.

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

Sec. 403. The department of civil rights may contract with local units of government to review equal employment opportunity compliance of potential contractors and may charge for and expend amounts received from local units of government for the purpose of developing and providing these contractual services.

**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. If the funding is available, \$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, 2016.

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, 2016.

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.

#### **LEGISLATIVE AUDITOR GENERAL**

Sec. 620. Pursuant to section 53 of article IV of the state constitution of 1963, the auditor general shall conduct audits of the judicial branch. The audits may include the supreme court and its administrative units, the court of appeals, and trial courts.

Sec. 621. (1) The auditor general shall take all reasonable steps to ensure that certified minority- and women-owned and operated accounting firms, and accounting firms owned and operated by persons with disabilities participate in the audits of the books, accounts, and financial affairs of each principal executive department, branch, institution, agency, and office of this state.

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

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

Sec. 622. From the funds appropriated in part 1 to the legislative auditor general, the auditor general's salary and the salaries of the remaining 2.0 FTE unclassified positions shall be set by the speaker of the house of representatives, the senate majority leader, the house of representatives minority leader, and the senate minority leader.

Sec. 623. Any audits, reviews, or investigations requested of the auditor general by the legislature or by legislative leadership, legislative committees, or individual legislators shall include an estimate of the additional costs involved and, when those costs exceed \$50,000.00, should provide supplemental funding. The auditor general shall determine whether to perform those activities in keeping with Audit Directive No. 29, which describes the office of the auditor general's policy on responding to legislative requests.

Sec. 624. Not later than December 31, 2011, the auditor general, in conjunction with the office of the state budget, shall submit a report regarding the feasibility of converting to a statewide single audit. The report shall be submitted to the senate and the house of representatives appropriation subcommittees on general government and the senate and house fiscal agencies. The report shall include an estimate of the cost savings or increase that would result from converting to a statewide single audit, an analysis of required statutory changes, the impact on legislative oversight, organizational changes necessary to provide centralized coordination, billing and funding structure changes, corrective action for known internal control weaknesses and prior single audit findings, and a recommendation regarding implementation of a statewide single audit.

Sec. 625. (1) In addition to amounts appropriated in part 1 for auditor general operations, there is appropriated for the fiscal year ending September 30, 2012 an amount not to exceed \$905,000.00 from the unexpended and unencumbered balance of fiscal year 2010-2011 appropriations for the office of the auditor general.

(2) The funds appropriated in subsection (1) shall be made immediately available in fiscal year 2011-2012 and shall only be expended for the payment of the net economic cost increases of the legislative auditor general for fiscal year 2011-2012 as computed by the state budget office.

(3) Funds appropriated in subsection (1) that exceed the net economic cost increases of the legislative auditor general for fiscal year 2011-2012 as computed by the state budget office shall lapse to the general fund.

(4) Any unexpended and unencumbered balances at the end of fiscal year 2010-2011 that resulted from the legislative auditor general not completing mandated financial audits during fiscal year 2010-2011 shall not be appropriated in subsection (1).

#### **DEPARTMENT OF STATE**

Sec. 701. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$2,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this article 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 article 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 article 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 article under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 702. 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. 703. From the funds appropriated in part 1, the department of state shall sell copies of records including, but not limited to, records of motor vehicles, off-road vehicles, snowmobiles, watercraft, mobile homes, personal identification cardholders, drivers, and boat operators and shall charge \$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. 704. From the funds appropriated in part 1, the secretary of state may enter into agreements with the department of corrections for the manufacture of vehicle registration plates 15 months before the registration year in which the registration plates will be used.

Sec. 705. (1) The department of state may accept gifts, donations, contributions, and grants of money and other property from any private or public source to underwrite, in whole or in part, the cost of a departmental publication that is prepared and disseminated under the Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923. A private or public funding source may receive written recognition in the publication and may furnish a traffic safety message, subject to departmental approval, for inclusion in the publication. The department may reject a gift, donation, contribution, or grant. The department may furnish copies of a publication underwritten, in whole or in part, by a private source to the underwriter at no charge.

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

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

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

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

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

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

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

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

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

Sec. 707. Funds collected by the department of state under section 211 of the Michigan vehicle code, 1949 PA 300, MCL 257.211, are appropriated for all expenses necessary to provide for the costs of the publication. Funds are allotted for expenditure when they are received by the department of treasury and shall not lapse to the general fund at the end of the fiscal year.

Sec. 708. From the funds appropriated in part 1, the department of state shall use available balances at the end of the state fiscal year to provide payment to the department of state police in the amount of \$332,000.00 for the services provided by the traffic accident records program as first appropriated in 1990 PA 196 and 1990 PA 208.

Sec. 709. From the funds appropriated in part 1, the department of state may restrict funds from miscellaneous revenue to cover cash shortages created from normal branch office operations. This amount shall not exceed \$50,000.00 of the total funds available in miscellaneous revenue.

Sec. 710. (1) Commemorative and specialty license plate fee revenue collected by the department of state and deposited into the transportation administration collection fund 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. 711. (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. 712. The department of state may produce and sell copies of a training video designed to inform registered automotive repair facilities of their obligations under Michigan law. The price shall not exceed the cost of production and distribution. The money received from the sale of training videos shall revert to the department of state and be placed in the auto repair facility account.

Sec. 713. (1) The department of state, in collaboration with the gift of life transplantation society or its successor federally designated organ procurement organization, may develop and administer a public information campaign concerning the Michigan organ donor program.

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

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

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

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

(6) In addition to the appropriations in part 1, the department of state may receive and expend funds from the organ and tissue donation education fund for administrative expenses.

Sec. 714. 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. 715. (1) Any service assessment collected by the department of state from the user of a credit or debit card under section 3 of 1995 PA 144, MCL 11.23, may be used by the department for necessary expenses related to that service and may be remitted to a credit or debit card company, bank, or other financial institution.

(2) The service assessment imposed by the department of state for credit and debit card services may be based either on a percentage of each individual credit or debit card transaction, or on a flat rate per transaction, or both, scaled to the amount of the transaction. However, the department shall not charge any amount for a service assessment which exceeds the costs billable to the department for service assessments.

(3) If there is a balance of service assessments received from credit and debit card services remaining on September 30, the balance may be carried forward to the following fiscal year and appropriated for the same purpose.

(4) As used in this section, "service assessment" means and includes costs associated with service fees imposed by credit and debit card companies and processing fees imposed by banks and other financial institutions.

Sec. 716b. The department of state shall provide a report that calculates the total amount of funds expended for the business application modernization project to date from the inception of the program. The report shall contain information on the original start and completion dates for the project, the original cost to complete the project, and a listing of all revisions to project completion dates and costs. The report shall include the total amount of funds paid to the state by the contract provider for penalties. The report shall be submitted to the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the state budget director by January 1.

Sec. 717. (1) The department of state may accept nonmonetary gifts, donations, or contributions of property from any private or public source to support, in whole or in part, the operation of a departmental function relating to licensing, regulation, or safety. The department may recognize a private or public contributor for making the contribution. The department may reject a gift, donation, or contribution.

(2) The department of state shall not accept a gift, donation, or contribution under subsection (1) if receipt of the gift, donation, or contribution is conditioned upon a commitment of future state funding.

(3) On March 1 of each year, the department of state shall file a report with the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the state budget director. The report shall list any gift, donation, or contribution received by the department under subsection (1) for the prior calendar year.

Sec. 718. From the funds appropriated in part 1 to the department of state, branch operations, the department shall maintain a full service secretary of state branch office in Buena Vista Township.

Sec. 719. 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. 721. From the funds appropriated in part 1, the department of state may collect ATM commission fees from companies that have ATMs located in secretary of state branch offices. The commission received from the use of these ATMs shall be credited to the transportation administration collection fund created under section 810b of the Michigan vehicle code, 1949 PA 300, MCL 257.810b.

#### **DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET**

Sec. 801. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$4,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this article under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$8,000,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this article under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$150,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this article 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 article under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 802. Proceeds in excess of necessary costs incurred in the conduct of transfers or auctions of state surplus, salvage, or scrap property made pursuant to section 267 of the management and budget act, 1984 PA 431, MCL 18.1267, are appropriated to the department of technology, management, and budget to offset costs incurred in the acquisition and distribution of federal surplus property. The department of technology, management, and budget shall provide consolidated internet auction services through the state's contractors for all local units of government.

Sec. 803. (1) The department of technology, management, and budget may receive and expend funds in addition to those authorized by part 1 for maintenance and operation services provided specifically to other principal executive departments or state agencies, the legislative branch, the judicial branch, or private tenants, or provided in connection with facilities transferred to the operational jurisdiction of the department of technology, management, and budget.

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

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

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

(5) The department of technology, management, and budget may not expend funds for the purchase of new office furniture for principal executive departments and state agencies, the legislative branch, or the judicial branch without first examining the possibility of using existing inventory that can be reused or refurbished. The department of technology,

management, and budget may utilize its existing refurbished open space office furniture, lateral files, design and installation services statewide contract to work with a vendor that specializes in inventory management and product reutilization and that is not a seller of new furniture to the state of Michigan to supplement any additional office furniture needs.

Sec. 804. (1) The source of financing in part 1 for statewide appropriations shall be funded by assessments against longevity and insurance appropriations throughout state government in a manner prescribed by the department of technology, management, and budget. Funds shall be used as specified in joint labor/management agreements or through the coordinated compensation hearings process. Any deposits made under this subsection and any unencumbered funds are restricted revenues, may be carried over into the succeeding fiscal years, and are appropriated.

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

Sec. 805. To the extent a specific appropriation is required for a detailed source of financing included in part 1 for the department of technology, management, and budget appropriations financed from special revenue and internal service and pension trust funds, or MAIN user charges, the specific amounts are appropriated within the special revenue internal service and pension trust funds in portions not to exceed the aggregate amount appropriated in part 1.

Sec. 806. In addition to the funds appropriated in part 1 to the department of technology, management, and budget, the department may receive and expend funds from other principal executive departments and state agencies to implement administrative leave bank transfer provisions as may be specified in joint labor/management agreements. The amounts may also be transferred to other principal executive departments and state agencies under the joint agreement and any amounts transferred under the joint agreement are authorized for receipt and expenditure by the receiving principal executive department or state agency. Any amounts received by the department of technology, management, and budget under this section and intended, under the joint labor/management agreements, to be available for use beyond the close of the fiscal year and any unencumbered funds may be carried over into the succeeding fiscal year.

Sec. 807. The source of financing in part 1 for the Michigan administrative information network shall be funded by proportionate charges assessed against the respective state funds benefiting from this project in the amounts determined by the department.

Sec. 808. (1) Deposits against the interdepartmental grant from building occupancy and parking charges appropriated in part 1 shall be collected, in part, from state agencies, the legislative branch, and the judicial branch based on estimated costs associated with maintenance and operation of buildings managed by the department of technology, management, and budget. To the extent excess revenues are collected due to estimates of building occupancy charges exceeding actual costs, the excess revenues may be carried forward into succeeding fiscal years for the purpose of returning funds to state agencies.

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

Sec. 809. The department of technology, management, and budget shall notify the chairpersons of the senate and house of representatives standing committees on appropriations and the chairpersons of the senate and house of representatives standing committees on appropriations subcommittees on general government on any revisions that increase or decrease current contracts by more than \$500,000.00 for computer software development, hardware acquisition, or quality assurance at least 14 days before the department of technology, management, and budget finalizes the revisions.

Sec. 810. The department of technology, management, and budget shall maintain an Internet website that contains notice of all invitations for bids and requests for proposals over \$50,000.00 issued by the department or by any state agency operating under delegated authority. The department shall not accept an invitation for bid or request for proposal in less than 14 days after the notice is made available on the Internet website, except in situations where it would be in the best interest of the state and documented by the department. In addition to the requirements of this section, the department may advertise the invitations for bids and requests for proposals in any manner the department determines appropriate, in order to give the greatest number of individuals and businesses the opportunity to make bids or requests for proposals.

Sec. 811. The department of technology, management, and budget may receive and expend funds from the Vietnam veterans memorial monument fund as provided in the Michigan Vietnam veterans memorial act, 1988 PA 234, MCL 35.1051 to 35.1057. Funds are appropriated and allocated when received and may be expended upon receipt.

Sec. 812. The Michigan veterans' memorial park commission may receive and expend money from any source, public or private, including, but not limited to, gifts, grants, donations of money, and government appropriations, for the purposes described in Executive Order No. 2001-10. Funds are appropriated and allocated when received and may be expended upon receipt. Any deposits made under this section and unencumbered funds are restricted revenues and may be carried over into succeeding fiscal years.

Sec. 813. (1) Funds in part 1 for motor vehicle fleet are appropriated to the department of technology, management, and budget for administration and for the acquisition, lease, operation, maintenance, repair, replacement, and disposal of state motor vehicles.

(2) The appropriation in part 1 for motor vehicle fleet shall be funded by revenue from rates charged to principal executive departments and agencies for utilizing vehicle travel services provided by the department. Revenue in excess of the amount appropriated in part 1 from the motor transport fund and any unencumbered funds are restricted revenues and may be carried over into the succeeding fiscal year.

(3) Pursuant to the department of technology, management, and budget's authority under sections 213 and 215 of the management and budget act, 1984 PA 431, MCL 18.1213 and 18.1215, the department shall maintain a plan regarding the operation of the motor vehicle fleet. The plan shall include the number of vehicles assigned to, or authorized for use by, state departments and agencies, efforts to reduce 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.

(4) The department of technology, 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.

(5) In order to reduce costs and maintain quality, it is the intent of the legislature that, excluding the fleet of motor vehicles for the department of state police, when economically feasible, the department of technology, management, and budget will prioritize the utilization of remanufactured parts as the primary means of maintenance and repair for the state of Michigan's fleet of motor vehicles.

Sec. 817. The department of technology, management, and budget may require that any vendor or subcontractor providing call or contact center services to the state of Michigan disclose to inbound callers the location from which the call or contact center services are being provided.

Sec. 818. In addition to the funds appropriated in part 1, the department of technology, management, and budget may receive and expend money from the Michigan law enforcement officers memorial monument fund as provided in the Michigan law enforcement officers memorial act, 2004 PA 177, MCL 28.781 to 28.787.

Sec. 819. In addition to the funds appropriated in part 1, the department of technology, management, and budget may receive and expend money from the Ronald Wilson Reagan memorial monument fund as provided in the Ronald Wilson Reagan memorial monument fund commission act, 2004 PA 489, MCL 399.261 to 399.266.

Sec. 820. The department shall make available to the public a list of all parcels of real property owned by the state that are available for purchase. The list shall be posted on the Internet through the department's website.

Sec. 822. The department of technology, management, and budget shall compile a report by January 1 pertaining to the salaries of unclassified employees, as well as gubernatorial appointees, within all state departments and agencies. The report shall enumerate each unclassified employee and gubernatorial appointee and his or her annual salary individually. The report shall be distributed to the chairs of the senate and house of representatives standing committees on appropriations subcommittees on general government, as well as the senate and house fiscal agencies.

Sec. 822a. The department shall submit a report regarding the feasibility of privatizing the administration of the state lottery. The report shall include an estimate of the cost savings or increase that would result from privatizing the administration of the state lottery, an analysis of required statutory changes, and any other issues that need to be addressed. The report shall be submitted to the senate and house of representatives appropriations subcommittees on general government, the senate and house fiscal agencies, and the state budget office. The report shall be submitted not later than April 1.

### **INFORMATION TECHNOLOGY**

Sec. 823. (1) The department of technology, management, and budget may sell and accept paid advertising for placement on any state website under its jurisdiction. The department shall review and approve the content of each advertisement. The department may refuse to accept advertising from any person or organization or require modification to advertisements based upon criteria determined by the department. Revenue received under this subsection shall be used for operating costs of the department and for future technology enhancements to state of Michigan e-government initiatives. Funds received under this subsection shall be limited to \$250,000.00. Any funds in excess of \$250,000.00 shall be deposited in the state general fund.

(2) The department of technology, management, and budget may accept gifts, donations, contributions, bequests, and grants of money from any public or private source to assist with the underwriting or sponsorship of state webpages or services offered on those webpages. A private or public funding source may receive recognition in the webpage. The department of technology, management, and budget may reject any gift, donation, contribution, bequest, or grant.

(3) Funds accepted by the department of technology, management, and budget under subsection (1) are appropriated and allotted when received and may be expended upon approval of the state budget director. The state budget office shall notify the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies within 10 days after the approval is given.

(4) By April 1, the department of technology, management, and budget 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. 824. The department of technology, management, and budget may enter into agreements to supply spatial information and technical services to other principal executive departments, state agencies, local units of government, and other organizations. The department of technology, management, and budget may receive and expend funds in addition to those authorized in part 1 for providing information and technical services, publications, maps, and other products. The department of technology, management, and budget may expend amounts received for salaries, supplies, and equipment necessary to provide informational products and technical services. Prior to December 1 of each year, the department shall provide a report to the senate and house of representatives standing committees on appropriations subcommittees on general government, detailing the sources of funding and expenditures made under this section.

Sec. 825. The legislature shall have access to all historical and current data contained within MAIN pertaining to state departments. State departments shall have access to all historical and current data contained within MAIN.

Sec. 826. When used in this article, "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, including, but not limited to, wireless networking.
- (f) Information technology project management.
- (g) Information technology planning and budget management.
- (h) Telecommunication services, security, infrastructure, and support.

Sec. 827. (1) Funds appropriated in part 1 for the Michigan public safety communications system shall be expended upon approval of an expenditure plan by the state budget director.

(2) The department of technology, management, and budget shall assess all subscribers of the Michigan public safety communications system reasonable access and maintenance fees.

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

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

Sec. 828. The department of technology, management, and budget shall submit a report for the immediately preceding fiscal year ending September 30 to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies by March 1. The report shall include the following:

(a) The total amount of funding appropriated for information technology services and projects, by funding source, for all principal executive departments and agencies.

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

Sec. 829. The department of technology, management, and budget shall provide a report that analyzes and makes recommendations on the life-cycle of information technology hardware and software. The report shall be submitted to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies by March 1.

Sec. 830. By December 31, the department shall provide a report that lists all information technology-related change orders and follow-on contracts, greater than \$50,000.00, whether they are bid, exercise options, or no-bid, and the amount of each change order or contract extension contract entered into by the department to the senate and house of representatives standing committees on appropriations subcommittees on general government, the senate and house fiscal agencies, and the state budget director.

Sec. 832. 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. 833. (1) The state budget director, upon notification to the senate and house of representatives standing committees on appropriations, may adjust spending authorization and user fees in the department of technology, management, and budget budget in order to ensure that the appropriations for information technology in the department budget equal the appropriations for information technology in the budgets for all executive branch agencies.

(2) If during the course of the fiscal year a transfer or supplemental to or from the information technology line item within an agency budget is made under section 393 of the management and budget act, 1984 PA 431, MCL 18.1393, there is appropriated an equal amount of user fees in the department of technology, management, and budget budget to accommodate an increase or decrease in spending authorization.

Sec. 834. (1) Revenue collected from licenses issued under the antenna site management project shall be deposited into the antenna site management revolving fund created for this purpose in the department of technology, management, and budget. The department may receive and expend money from the fund for costs associated with the antenna site management project, including the cost of a third-party site manager. Any excess revenue remaining in the fund at the close of the fiscal year shall be proportionately transferred to the appropriate state restricted funds as designated in statute or by constitution.

(2) An antenna shall not be placed on any site pursuant to this section without complying with the respective local zoning codes and local unit of government processes.

Sec. 835. In addition to the funds appropriated in part 1, the funds collected by the department for supplying census-related information and technical services, publications, statistical studies, population projections and estimates, and other demographic products 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.

#### **STATE BUILDING AUTHORITY**

Sec. 840. (1) Subject to section 242 of the management and budget act, 1984 PA 431, MCL 18.1242, and upon the approval of the state building authority, the department may expend from the general fund of the state during the fiscal year an amount to meet the cash flow requirements of those state building authority projects solely for lease to a state agency identified in both part 1 and this section, and for which state building authority bonds or notes have not been issued, and for the sole acquisition by the state building authority of equipment and furnishings for lease to a state agency as permitted by 1964 PA 183, MCL 830.411 to 830.425, for which the issuance of bonds or notes is authorized by a legislative concurrent resolution that is effective for the fiscal year ending September 30, 2012. 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. 841. (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. 842. (1) The state building authority rent appropriations in part 1 may also be expended for the payment of required premiums for insurance on facilities owned by the state building authority or payment of costs that may be incurred as the result of any deductible provisions in such insurance policies.

(2) If the amount appropriated in part 1 for state building authority rent is not sufficient to pay the rent obligations and insurance premiums and deductibles identified in subsection (1) for state building authority projects, there is appropriated from the general fund of the state the amount necessary to pay such obligations.

Sec. 843. The state building authority 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. 850. (1) In accordance with section 5 of article XI of the state constitution of 1963, all restricted funds shall be assessed a sum not less than 1% of the total aggregate payroll paid from those funds for financing the civil service commission on the basis of actual 1% restricted sources total aggregate payroll of the classified service for the fiscal year 2011. This includes, but is not limited to, restricted funds appropriated in part 1 of any appropriations act. Unexpended 1% appropriated funds shall be returned to each 1% fund source at the end of the fiscal year.

(2) The appropriations in part 1 are estimates of actual charges based on payroll appropriations. With the approval of the state budget director, the commission is authorized to adjust financing sources for civil service charges based on actual payroll expenditures, provided that such adjustments do not increase the total appropriation for the civil service commission.

(3) The financing from restricted sources shall be credited to the civil service commission by the end of the second fiscal quarter.

Sec. 851. Except where specifically appropriated for this purpose, financing from restricted sources shall be credited to the civil service commission. For restricted sources of funding within the general fund that have the legislative authority for carryover, if current spending authorization or revenues are insufficient to accept the charge, the shortage shall be taken from carryforward balances of that funding source. Restricted revenue sources that do not have carryforward authority shall be utilized to satisfy commission operating deducts first and civil service obligations second. General fund dollars are appropriated for any shortfall, pursuant to approval by the state budget director.

Sec. 852. The appropriation in part 1 to the civil service commission, for state-sponsored group insurance, flexible spending accounts, and COBRA, represents amounts, in part, included within the various appropriations throughout state government for the current fiscal year to fund the flexible spending account program included within the civil service commission. Deposits against state-sponsored group insurance, flexible spending accounts, and COBRA for the flexible spending account program shall be made from assessments levied during the current fiscal year in a manner prescribed by the civil service commission. Unspent employee contributions to the flexible spending accounts may be used to offset administrative costs for the flexible spending account program, with any remaining balance of unspent employee contributions to be lapsed to the general fund.

#### **CAPITAL OUTLAY**

Sec. 860. As used in sections 861 through 865:

(a) "Board" means the state administrative board.

(b) "Community college" does not include a state agency or university.

(c) "Department" means the department of technology, management, and budget.

(d) "Director" means the director of the department of technology, management, and budget.

(e) "Fiscal agencies" means the senate fiscal agency and the house fiscal agency.

(f) "State agency" means an agency of state government. State agency does not include a community college or university.

(g) "State building authority" means the authority created under 1964 PA 183, MCL 830.411 to 830.425.

(h) "University" means a 4-year university supported by the state. University does not include a community college or a state agency.

Sec. 861. Each capital outlay project authorized in this article or any previous capital outlay act shall comply with the procedures required by the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 862. (1) The department shall provide the JCOS, state budget director, and the senate and house fiscal agencies with reports as considered necessary relative to the status of each planning or construction project financed by the state building authority, by this article, 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. 863. (1) The director of the department of technology, management, and budget shall allocate lump-sum appropriations made in this article 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. 864. The appropriations in part 1 for capital outlay shall be carried forward at the end of the fiscal year consistent with the provisions of section 248 of the management and budget act, 1984 PA 431, MCL 18.1248.

Sec. 865. (1) A site preparation economic development fund is created in the department of technology, 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).

#### **CAPITAL OUTLAY - UNIVERSITIES AND COMMUNITY COLLEGES**

Sec. 870. 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. 871. (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. 872. A state agency, community college, or university shall take steps necessary to make available federal and other money indicated in this article, to make available federal or other money that may become available for the purposes for which appropriations are made in this article, 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. Any federal matching revenues received to support the construction of the project shall be applied to the total authorized project cost, with the state and community college or university financing shares proportionately adjusted.

Sec. 873. (1) This section applies only to projects for community colleges.

(2) State support is directed towards the remodeling and additions, special maintenance, or construction of certain community college buildings. The community college shall obtain or provide for site acquisition and initial main utility installation to operate the facility. Funding shall be composed of local and state shares and not more than 50% of a capital outlay project, not including a lump-sum special maintenance project or remodeling and addition project, for a community college shall be appropriated from state and federal funds, unless otherwise appropriated by the legislature.

(3) An expenditure under this article is authorized when the release of the appropriation is approved by the board upon the recommendation of the director. The director may recommend to the board the release of any appropriation in part 1 only after the director is assured that the legal entity operating the community college to which the appropriation is made has complied with this article and has matched the amounts appropriated as required by this article. A release of funds in part 1 shall not exceed 50% of the total cost of planning and construction of any project, not including lump-sum remodeling and additions and special maintenance, unless otherwise appropriated by the legislature. Further planning and construction of a project authorized by this article or applicable sections of the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, shall be in accordance with the purpose and scope as defined and delineated in the approved program statements and planning documents. This article is applicable to all projects for which planning appropriations were made in previous acts.

(4) The community college shall take the steps necessary to secure available federal construction and equipment money for projects funded for construction in this article if an application was not previously made. If there is a reasonable expectation that a prior year unfunded application may receive federal money in a subsequent year, the college shall take whatever action necessary to keep the application active.

Sec. 874. If university and community college matching revenues are received in an amount less than the appropriations for capital projects contained in this article, the state funds shall be reduced in proportion to the amount of matching revenue received.

Sec. 875. (1) The director may require that community colleges and universities that have an authorized project listed in part 1 submit documentation regarding the project match and governing board approval of the authorized project not more than 60 days after the beginning of the fiscal year.

(2) If the documentation required by the director under subsection (1) is not submitted, or does not adequately authenticate the availability of the project match or board approval of the authorized project, the authorization may terminate. The authorization terminates 30 days after the director notifies the JCOS of the intent to terminate the project unless the JCOS convenes to extend the authorization.

#### **DEPARTMENT OF TREASURY OPERATIONS**

Sec. 901. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$1,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this article 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 article 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 article 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 article under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 902. (1) Amounts needed to pay for interest, fees, principal, mandatory and optional redemptions, arbitrage rebates as required by federal law, and costs associated with the payment, registration, trustee services, credit enhancements, and issuing costs in excess of the amount appropriated to the department of treasury in part 1 for debt service on notes and bonds that are issued by the state under sections 14, 15, and 16 of article IX of the state constitution of 1963 as implemented by 1967 PA 266, MCL 17.451 to 17.455, are appropriated.

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

(3) In addition to the amount appropriated to the department of treasury for debt service in part 1, there is appropriated all repayments received by the state on loans made from the school bond loan fund not required to be deposited in the school loan revolving fund by or pursuant to section 4 of 1961 PA 112, MCL 388.984, to the extent determined by the state treasurer, for the payment of debt service, including, without limitation, optional and mandatory redemptions, on bonds, notes or commercial paper issued by the state pursuant to 1961 PA 112, MCL 388.981 to 388.985.

Sec. 902a. The department of treasury shall notify the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the state budget office not more than 30 days after a refunding or restructuring bond issue is sold. The notification shall compare the annual debt service prior to the refinancing or restructuring, the annual debt service after the refinancing or restructuring, the change in the principal and interest over the duration of the debt, and the projected change in the present value of the debt service due to the refinancing and restructuring.

Sec. 903. (1) From the funds appropriated in part 1, the department of treasury may contract with private collection agencies and law firms to collect taxes and other accounts due this state. In addition to the amounts appropriated in part 1 to the department of treasury, there are appropriated amounts necessary to fund collection costs and fees not to exceed 25% of the collections or 2.5% plus operating costs, whichever amount is prescribed by each contract. The appropriation to fund collection costs and fees for the collection of taxes or other accounts due this state are from the fund or account to which the revenues being collected are recorded or dedicated. However, if the taxes collected are constitutionally dedicated for a specific purpose, the appropriation of collection costs and fees are from the general purpose account of the general fund.

(2) From the funds appropriated in part 1, the department of treasury may contract with private collections agencies and law firms to collect defaulted student loans and other accounts due the Michigan guaranty agency. In addition to the amounts appropriated in part 1 to the department of treasury, there are appropriated amounts necessary to fund collection costs and fees not to exceed 24.34% of the collection or a lesser amount as prescribed by the contract. The appropriation to fund collection costs and fees for the auditing and collection of defaulted student loans due the Michigan guaranty agency is from the fund or account to which the revenues being collected are recorded or dedicated.

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

Sec. 904. (1) The department of treasury, through its bureau of investments, may charge an investment service fee against the applicable retirement funds. The fees may be expended for necessary salaries, wages, contractual services, supplies, materials, equipment, travel, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement funds. Service fees shall not exceed the aggregate amount appropriated in part 1. The department of treasury shall maintain accounting records in sufficient detail to enable the retirement funds to be reimbursed periodically for fee revenue that is determined by the department of treasury to be surplus.

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

Sec. 904a. (1) There is appropriated an amount sufficient to recognize and pay expenditures for financial services provided by financial institutions as provided under section 1 of 1861 PA 111, MCL 21.181.

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

Sec. 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 1976 IL 1, MCL 445.573c, is appropriated.

Sec. 911. (1) There is appropriated an amount sufficient to recognize and pay refundable income tax credits as provided by the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

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

Sec. 912. A plaintiff in a garnishment action involving this state shall pay to the state treasurer 1 of the following:

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

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

Sec. 913. (1) The department of treasury may contract with private firms to appraise and, if necessary, appeal the assessments of senior citizen cooperative housing units. Payment for this service shall be from savings resulting from the appraisal or appeal process.

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

Sec. 914. The department of treasury may provide a \$200.00 annual prize from the Ehlers internship award account in the gifts, bequests, and deposit fund to the runner-up of the Rosenthal prize for interns. The Ehlers internship award account is interest bearing.

Sec. 915. Pursuant to section 61 of the Michigan campaign finance act, 1976 PA 388, MCL 169.261, there is appropriated from the general fund to the state campaign fund an amount equal to the amounts designated for tax year 2010. Except as otherwise provided in this section, the amount appropriated shall not revert to the general fund and shall remain in the state campaign fund. Any amounts remaining in the state campaign fund in excess of \$10,000,000.00 on December 31 shall revert to the general fund.

Sec. 916. The department of treasury may make available to interested entities otherwise unavailable customized unclaimed property listings of nonconfidential information in its possession. The charge for this information is as follows: 1 to 100,000 records at 2.5 cents per record and 100,001 or more records at .5 cents per record. The revenue received from this service shall be deposited to the appropriate revenue account or fund. The department shall submit an annual report on or before June 1 to the state budget director and the senate and house of representatives standing committees on appropriations that states the amount of revenue received from the sale of information.

Sec. 917. (1) There is appropriated for write-offs and advances an amount equal to total write-offs and advances for departmental programs, but not to exceed current year authorizations that would otherwise lapse to the general fund.

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

Sec. 918. In addition to funds appropriated in part 1, the department of treasury may receive and expend funds for conducting tax orientation workshops and seminars. Funds received may not exceed costs incurred in conducting the workshops and seminars.

Sec. 919. (1) From funds appropriated in part 1, the department of treasury may contract with private auditing firms to audit for and collect unclaimed property due this state in accordance with the uniform unclaimed property act, 1995 PA 29, MCL 567.221 to 567.265. In addition to the amounts appropriated in part 1 to the department of treasury, there

are appropriated amounts necessary to fund auditing and collection costs and fees not to exceed 12% of the collections, or a lesser amount as prescribed by the contract. The appropriation to fund collection costs and fees for the auditing and collection of unclaimed property due this state is from the fund or account to which the revenues being collected are recorded or dedicated.

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

Sec. 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. The cost of collection may be determined by proration of costs in fiscal year 2011-2012 only. Not later than April 1, 2012, the department of treasury shall provide an analysis of the actual costs of tax administration in order to justify continuation of the proration approach.

Sec. 924. (1) In addition to the funds appropriated in part 1, the department of treasury may receive and expend principal residence audit fund revenue for administration of principal residence audits under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155.

(2) The department of treasury shall submit a report for the immediately preceding fiscal year to the state budget director and the senate and house fiscal agencies not later than December 31 stating the amount of exemptions denied and the revenue received under the program.

Sec. 925. (1) A public-private partnership investment fund is created in the department of treasury. Subject to subsections (2) and (3), public-private partnership investments shall include, but are not limited to, all of the following:

- (a) Capital asset improvements including buildings, land, or structures.
- (b) Energy resource exploration, extraction, generation, and sales.
- (c) Financial and investment incentive opportunities.
- (d) Infrastructure construction, maintenance, and operation.
- (e) Public-private sector joint ventures that provide economic benefit to an area or to the state.

(2) Public-private investments shall not include projects, consultant expenses, staff effort, or any other activity related to the development, financing, construction, operation, or implementation of the Detroit River International Crossing or any successor project unless the project is approved by the legislature and signed into law.

(3) The state treasurer and the state budget director shall determine whether or not a specific public-private partnership investment opportunity qualifies for funding under subsection (1).

(4) Investment development revenue, including a portion of the proceeds from the sale of any public-private partnership investment designated in subsection (1), shall be deposited into the fund created in subsection (1) and shall be available for administration, development, financing, marketing, and operating expenditures associated with public-private partnerships, unless otherwise provided by law. Public-private partnership investments authorized in subsection (1) are authorized for public or private operation or sale consistent with state law. Expenditures from the fund are authorized for investment purposes as designated in subsection (1) to enhance the marketable value of each investment. The unencumbered balance remaining in the fund at the end of the fiscal year may be carried forward for appropriation in future years.

(5) An annual report shall be transmitted to the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the state budget office not later than December 31 of each year. This report shall detail both of the following:

- (a) The revenue and expenditure activity in the fund for the preceding fiscal year.
- (b) Public-private partnership investments as identified under subsection (1).

(6) The department of treasury shall monitor the revenue deposited in the public-private partnership investment fund created in (1). If the revenue in the fund is insufficient to pay the amount appropriated in part 1 for public-private partnership investment, then treasury shall propose a legislative transfer to fund the line from the appropriations in part 1.

Sec. 925a. The funds appropriated in part 1 shall not be used to support any staff effort, projects, consultant expenses, or any other activity related to the development, financing, construction, operation, or implementation of the Detroit River International Crossing or any successor project unless the project is approved by the legislature and signed into law.

Sec. 926. Unexpended appropriations of the John R. Justice grant program are designated as work project appropriations and shall not lapse at the end of the fiscal year and shall continue to be available for expenditure until the project has been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

- (a) The purpose of the project is to provide student loan forgiveness to qualified public defenders and prosecutors.
- (b) The project will be accomplished by utilizing state employees or contracts with private vendors, or both.
- (c) The total estimated cost of the project is \$282,100.00.
- (d) The tentative completion date is September 30, 2013.

Sec. 927. The department of treasury shall submit annual progress reports to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies, regarding personal property tax audits. The report shall include the number of audits, revenue generated, and number of complaints received by the department related to the audits.

Sec. 928. The department of treasury may provide receipt, warrant and cash processing, data, collection, investment, fiscal agent, levy and warrant cost assessment, writ of garnishment, and other user services on a contractual basis for other principal executive departments and state agencies. Funds for the services provided are appropriated and shall be expended for salaries and wages, fees, supplies, and equipment necessary to provide the services. Any unobligated balance of the funds received shall revert to the general fund of this state as of September 30.

Sec. 930. (1) The department of treasury shall provide accounts receivable collections services to other principal executive departments and state agencies under 1927 PA 375, MCL 14.131 to 14.134. The department of treasury shall deduct a fee equal to the cost of collections from all receipts except unrestricted general fund collections. Fees shall be credited to a restricted revenue account and appropriated to the department of treasury to pay for the cost of collections. The department of treasury shall maintain accounting records in sufficient detail to enable the respective accounts to be reimbursed periodically for fees deducted that are determined by the department of treasury to be surplus to the actual cost of collections.

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

Sec. 931. (1) The appropriation in part 1 to the department of treasury for treasury fees shall be assessed against all restricted funds that receive common cash earnings or other investment income. Treasury fees include all costs, including administrative overhead, relating to the investment of each restricted fund. The fee assessed against each restricted fund will be based on the size of the restricted fund (the absolute value of the average daily cash balance plus the market value of investments in the prior fiscal year) and the level of effort necessary to maintain the restricted fund as required by each department. The department of treasury shall provide a report to the state budget director, the senate and house of representatives standing committees on appropriations subcommittees on general government, and the senate and house fiscal agencies by November 30 of each year identifying the fees assessed against each restricted fund and the methodology used for assessment.

(2) In addition to the funds appropriated in part 1, the department of treasury may receive and expend investment fees relating to new restricted funding sources that participate in common cash earnings or other investment income during the current fiscal year. When a new restricted fund is created starting on or after October 1, that restricted fund shall be assessed a fee using the same criteria identified in subsection (1).

Sec. 932. Revenue received under the Michigan education trust act, 1986 PA 316, MCL 390.1421 to 390.1442, may be expended by the board of directors of the Michigan education trust for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund.

Sec. 934. (1) The department of treasury may expend revenues received under the hospital finance authority act, 1969 PA 38, MCL 331.31 to 331.84, the shared credit rating act, 1985 PA 227, MCL 141.1051 to 141.1076, the higher education facilities authority act, 1969 PA 295, MCL 390.921 to 390.934, the Michigan public educational facilities authority, Executive Reorganization Order No. 2002-3, MCL 12.192, the Michigan tobacco settlement finance authority act, 2005 PA 226, MCL 129.261 to 129.279, the land bank fast track act, 2003 PA 258, MCL 124.751 to 124.774, part 505 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.50501 to 324.50522, the state housing development authority act of 1966, 1966 PA 346, MCL 125.1401 to 125.1499c, and the Michigan finance authority, Executive Reorganization Order No. 2010-2, MCL 12.194, for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, grants to the civil service commission and state employees' retirement fund, and other expenses as allowed under those acts.

(2) The department of treasury shall report by January 31, 2012 to the senate and house appropriations subcommittees, the senate and house fiscal agencies, and the state budget director on the amount and purpose of expenditures made under subsection (1) from funds received in addition to those appropriated in part 1. The report also shall include a listing of reimbursement of revenue, if any. The report shall cover the 2010-2011 fiscal year.

Sec. 943. (1) The appropriation in part 1 for tobacco tax enforcement shall be used for, but not limited to, the following:

- (a) Costs associated with a new stamp indicia.
  - (b) Reimbursement to licensed cigarette stamping agents for costs associated with the new stamp, to include machines acceptable to licensed cigarette stamping agents and to the department of treasury.
  - (c) Scanners.
- (2) The department of treasury shall work cooperatively with the Michigan state police to improve tobacco tax enforcement.

(3) The department of treasury shall submit a report on the proposed use of the funds appropriated in part 1 for tobacco tax enforcement. The report shall be submitted by November 1 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. 944. If the department hires a pension plan consultant using any of the funds appropriated in part 1, the department shall annually forward any report provided to the department by that consultant to the senate and house of representatives standing committees on appropriations subcommittees on general government, the senate and house fiscal agencies, and the state budget director.

Sec. 945. The assessment and certification division of the department of treasury shall conduct a review of local unit assessment administration practices, procedures, and records, also known as the 14-point review, in at least 1 assessment jurisdiction per county.

#### **REVENUE SHARING**

Sec. 950. The funds appropriated in part 1 for constitutional revenue sharing shall be distributed by the department to cities, villages, and townships, as required under section 10 of article IX of the state constitution of 1963. Revenue collected in accordance with section 10 of article IX of the state constitution of 1963 in excess of the amount appropriated in part 1 for constitutional revenue sharing is appropriated for distribution to cities, villages, and townships, on a population basis as required under section 10 of article IX of the state constitution of 1963.

Sec. 951. (1) From the funds appropriated in part 1 and in section 1201(2) to the economic vitality incentive program, \$5,000,000.00 is to be used for assistance grants to cities, villages, townships, and counties to offset the costs associated with mergers, interlocal agreements, and cooperative efforts for those cities, villages, townships, and counties that elect to combine government operations. Grant funding shall be available for mergers, interlocal agreements, and cooperative efforts that occur on or after October 1, 2011. The department of treasury shall develop an application process and method of grant distribution.

(2) From the funds appropriated in part 1 and in section 1201(2) to the economic vitality incentive program, \$210,000,000.00 is to be used for grants to cities, villages, and townships such that, subject to fulfilling the requirements under subsection (3) (a), (b), or (c), each city, village, or township that received a payment under section 950(2), 2009 PA 128, greater than \$4,500.00 will be eligible to receive a maximum of 67.837363% of its total payment received under section 950(2), 2009 PA 128, rounded to the nearest dollar. For the purposes of this subsection, any city or village that according to the 2010 federal decennial census is determined to have population in more than 1 county will be treated as a single entity when determining the payment received under section 950(2), 2009 PA 128.

(3) Cities, villages, and townships eligible to receive a potential payment from the allocation under subsection (2) may qualify to receive economic vitality incentive program payments under 1 or more of the following 3 categories:

(a) Category 1, accountability and transparency, requires each eligible city, village, or township to certify that by October 1, 2011, it has produced, and has made readily available to the public, a citizen's guide and a performance dashboard of its local finances, including a recognition of its unfunded liabilities. Each city, village, and township applying for a payment under this category shall submit a copy of the citizen's guide and a copy of the performance dashboard to the department of treasury by October 1, 2011.

(b) Category 2, consolidation of services, requires each eligible city, village, or township to certify that by January 1, 2012, it has a plan with 1 or more proposals to increase its existing level of cooperation, collaboration, and consolidation, either within the jurisdiction or with other jurisdictions. A plan shall include a listing of any previous services consolidated with the cost savings realized from each consolidation and an estimate of the potential savings for any new service consolidations being planned. A plan shall be made readily available to the public. Each city, village, and township applying for a payment under this subdivision shall submit a copy of the cooperation, collaboration, and consolidation plan to the department of treasury by January 1, 2012.

(c) Category 3, employee compensation, requires each eligible city, village, or township to certify that by May 1, 2012, it has developed and publicized an employee compensation plan that the city, village, or township intends to implement with any new, modified, or extended contract or employment agreements for employees not covered under contract or employment agreement. The employee compensation plan that each city, village, or township plans to achieve shall be made available for public viewing in the city, village, or township clerk's office or posted on a publicly accessible Internet site and must be submitted to the department of treasury by May 1, 2012. At a minimum, the employee compensation plan shall include the following:

(i) New hires who are eligible for retirement plans are placed on retirement plans that cap annual employer contributions at 10% of base salary for employees who are eligible for social security benefits. For employees who are not eligible for social security benefits, the annual employer contribution is capped at 16.2% of base salary.

(ii) For defined benefit pension plans, a maximum multiplier of 1.5% for all employees who are eligible for social security benefits, except, where postemployment health care is not provided, the maximum multiplier shall be 2.25%. For all employees who are not eligible for social security benefits, a maximum multiplier of 2.25%, except, where postemployment health care is not provided, the maximum multiplier shall be 3.0%.

(iii) For defined benefit pension plans, final average compensation for all employees is calculated using a minimum of 3 years of compensation and shall not include more than a total of 240 hours of paid leave. Overtime hours shall not be used in computing the final average compensation for an employee.

(iv) Health care premium costs for new hires shall include a minimum employee share of 20%; or, an employer's share of the local health care plan costs shall be cost competitive with the new state preferred provider organization health plan, on a per-employee basis.

(4) Economic vitality incentive program payments are subject to the following conditions:

(a) In order for a city, village, or township to qualify for a category under subsection (3)(a), (b), or (c), the city, village, or township shall meet every criteria for that category including a certification to the department that it has met the required criteria for that category and submission of the required citizen's guide and performance dashboard; cooperation, collaboration, and consolidation plan; or the employee compensation plan as required by subsection (3)(a), (b), or (c), respectively. A department of treasury review of the citizen's guide, dashboard, or plan is not required in order for a city, village, or township to receive a payment under subsection (2). The department shall develop a certification process and method for cities, villages, and townships to follow.

(b) For each category that a city, village, or township qualifies for in subsection (3), the city, village, or township shall receive 1/3 of its potential economic vitality incentive program payment amount calculated in subsection (2).

(c) Payments under this section shall be issued to cities, villages, and townships for each category in subsection (3) until the specified due date for the category. After the specified due date for the category, payments shall be made to a city, village, or township only if that city, village, or township has complied with subdivision (a).

(d) If a city, village, or township does not provide the required certification or fails to submit the required citizen's guide and performance dashboard; cooperation, collaboration, and consolidation plan; and the employee compensation plan by the first day of a payment month, the city, village, or township shall forfeit the payment in that payment month for the uncertified category in subsection (3).

(e) Any local unit that falsifies certification documents shall forfeit any future economic vitality incentive program payments and shall repay this state all economic vitality incentive program payments it has received.

(f) Payments under this section shall be distributed on the last business day of October, December, February, April, June, and August.

(g) Payments distributed under this section may be withheld pursuant to sections 17a and 21 of the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.917a and 141.921.

(5) The unexpended funds appropriated in this section for the economic vitality incentive program are designated as work project appropriations and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall continue to be available for expenditure for projects under subsection (1) until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the projects is to provide incentive-based grants to recipients under subsection (1).

(b) The projects will be accomplished by grants to qualified governmental units.

(c) The total estimated cost of all projects is \$215,000,000.00.

(d) The tentative completion date is September 30, 2016.

Sec. 955. (1) The funds appropriated in part 1 and section 1201(2) for county revenue sharing shall be distributed by the department to eligible counties pursuant to the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921.

(2) The department of treasury shall annually certify to the state budget director the amount each county is authorized to expend from its revenue sharing reserve fund.

#### **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. 963. The bureau of state lottery shall inform all lottery retailers that the cash side of department of human services bridge cards cannot be used to purchase lottery tickets.

#### **CASINO GAMING**

Sec. 971. From the revenue collected by the Michigan gaming control board regarding the total annual assessment of each casino licensee, \$2,000,000.00 is appropriated and shall be deposited in the compulsive gaming prevention fund as described in section 12a(5) of the Michigan gaming control and revenue act, 1996 IL 1, MCL 432.212a.

Sec. 973. (1) Funds appropriated in part 1 for local government programs may be used to provide assistance to a local revenue sharing board referenced in an agreement authorized by the Indian gaming regulatory act, Public Law 100-497.

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

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

(4) A local revenue sharing board described in subsection (1) shall comply with all applicable provisions of any agreement authorized by the Indian gaming regulatory act, Public Law 100-497, in which the local revenue sharing board is referenced, including, but not limited to, the disbursal of tribal casino payments received under applicable provisions of the tribal-state class III gaming compact in which those funds are received.

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

(6) The 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. 976. The executive director of the Michigan gaming control board may pay rewards of not more than \$5,000.00 to a person who provides information that results in the arrest and conviction on a felony or misdemeanor charge for a crime that involves the horse racing industry. A reward paid pursuant to this section shall be paid out of the appropriation in part 1 for the racing commission.

Sec. 977. All appropriations from the Michigan agriculture equine industry development fund, except for the racing commission and laboratory analysis program appropriations, shall be reduced proportionately if revenues to the Michigan agriculture equine industry development fund decline during the fiscal year ending September 30, 2012 to a level lower than the amount appropriated in part 1.

Sec. 978. The Michigan gaming control board shall use actual expenditure data in determining the actual regulatory costs of conducting racing dates and shall provide that data to the senate and house appropriations subcommittees on agriculture and general government and the senate and house fiscal agencies. The Michigan gaming control board shall not be reimbursed for more than the actual regulatory cost of conducting race dates. If a certified horsemen's organization funds more than the actual regulatory cost, the balance shall remain in the agriculture equine industry development fund to be used to fund subsequent race dates conducted by race meeting licensees with which the certified horsemen's organization has contracts. If a certified horsemen's organization funds less than the actual regulatory costs of the additional horse racing dates, the Michigan gaming control board shall reduce the number of future race dates conducted by race meeting licensees with which the certified horsemen's organization has contracts. Prior to the reduction in the number of authorized race dates due to budget deficits, the executive director of the Michigan gaming control board shall provide notice to the certified horsemen's organizations with an opportunity to respond with alternatives. In determining actual costs, the Michigan gaming control board shall take into account that each specific breed may require different regulatory mechanisms.

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

Sec. 980. MSHDA shall annually present a report to the state budget office and the subcommittees on the status of the authority's housing production goals under all financing programs established or administered by the authority. The report shall give special attention to efforts to raise affordable multifamily housing production goals.

Sec. 981. MSHDA shall report to the subcommittees, the state budget director, and the fiscal agencies by December 1 on the status of the loans entered into by the Michigan broadband development authority.

Sec. 983. 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. 984. In addition to the funds appropriated in part 1, the funds collected by state historic preservation programs for document reproduction and services and application fees are appropriated for all expenses necessary to provide the required services. These funds are available for expenditure when they are received and may be carried forward into the succeeding fiscal year.

#### **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 article 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 article 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 article under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 1005. In addition to the appropriations in part 1, Travel Michigan may receive and expend private revenue related to the use of "Pure Michigan" and all other copyrighted slogans and images. This revenue may come from the direct licensing of the name and image or from the royalty payments from various merchandise sales. Revenue collected is appropriated for the marketing of the state as a travel destination. The funds are available for expenditure when they are received by the department of treasury.

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) 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 (i) 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. 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 article.

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 article, 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. 1021. The unexpended portion of funds appropriated in 2007 PA 127 for the jobs for Michigan investment program 21st century jobs fund is appropriated for the same purposes as originally appropriated and is available until September 30, 2016. The project shall be completed through the use of staff, awards, and contracts and shall not exceed \$5,500,000.00.

Sec. 1023. The fund shall coordinate tourism promotion with the tourism industry. The fund shall submit a report by July 1 to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies on the geographical locations and recreational activities used in Michigan tourism promotional material.

Sec. 1024. From the funds appropriated in part 1 and in section 1201(1) for business attraction and economic gardening, not less than \$20,000,000.00 shall be granted by the Michigan strategic fund board for brownfield redevelopment incentives and historic preservation incentives.

Sec. 1031. The Michigan strategic fund shall report to the senate and house of representatives appropriations subcommittees on general government, the senate and house fiscal agencies, and the state budget office by April 15, 2012 on the spending plan for the line items for innovation and entrepreneurship and business attraction and economic gardening.

Sec. 1032. (1) The Michigan film office shall report to the subcommittees and the fiscal agencies on the status of the film incentives at the same time as it submits the annual report required under section 455 of the Michigan business tax act, 2007 PA 36, MCL 208.1455. The department of treasury and the 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. 1034. (1) A portion of the funds appropriated in part 1 for innovation and entrepreneurship shall be used to fund business incubators and accelerators. The Michigan strategic fund shall award a grant to 1 high-performance business incubator or accelerator in each of the following governmental units:

(a) Houghton County.

(b) Kent County.

(c) Macomb County.

(d) Oakland County.

(e) Washtenaw County.

(f) A city with a population greater than 650,000.

(g) A Midland County satellite site of an incubator located in Isabella County.

(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 have been operational on October 1, 2010 and operating continuously since that date.

(4) Awards shall not be less than \$500,000.00 per selected business incubator or accelerator. No recipient shall receive more than \$2,000,000.00 under this section. No unit of local government listed in subsection (1) shall receive more than 1 award.

(5) Applicants shall submit a comprehensive business plan to the Michigan strategic fund that demonstrates the sustainability of the organization.

(6) Awards shall be announced by December 31, 2011.

(7) Each recipient business incubator or accelerator shall develop a dashboard of indicators to measure the effectiveness of the business incubator and accelerator programs. Indicators shall include the direct jobs created, new companies launched as a direct result of business incubator or accelerator involvement, businesses expanded as a direct result of business incubator or accelerator involvement, direct investment in client companies, private equity financing obtained by client companies, grant funding obtained by client companies, and other measures developed by the recipient business incubators and accelerators in conjunction with the Michigan economic development corporation. Dashboard indicators shall be reported for the prior fiscal year and cumulatively, if available. Each recipient shall submit a copy of their dashboard indicators to the Michigan strategic fund by March 1. The Michigan strategic fund shall transmit the local reports to the senate and house of representatives appropriations subcommittees on general government, the senate and house fiscal agencies, and the state budget office by March 15.

Sec. 1035. (1) From the appropriation in part 1, the Michigan council for arts and cultural affairs shall administer an arts and cultural grant program that maintains an equitable geographic distribution of funding and utilizes past arts and cultural grant programs as a guideline for administering this program. The council shall do all of the following:

(a) On or before October 1, the fund shall publish proposed application criteria, instructions, and forms for use by eligible applicants. The fund shall provide at least a 2-week period for public comment before finalizing the application criteria, instructions, and forms.

(b) A nonrefundable application fee may be assessed for each application. Application fees shall be deposited in the council for the arts fund and are appropriated for expenses necessary to administer the programs. These funds are available for expenditure when they are received and may be carried forward to the following fiscal year.

(c) Grants are to be made to public and private arts and cultural entities.

(d) Within 1 business day after the award announcements, the council shall provide to each member of the legislature and the fiscal agencies a list of all grant recipients and the total award given to each recipient, sorted by county.

(2) Up to \$100,000.00 from the appropriation in part 1 for arts and cultural program may be used for the administration of this grant program.

#### **MICHIGAN STRATEGIC FUND – CAREER EDUCATION**

Sec. 1050. The fund shall publish the “activities classification structure data book” for Michigan community colleges on or before March 1.

Sec. 1051. The fund shall compile information received from community colleges on North American Indian tuition waivers granted pursuant to 1976 PA 174, MCL 390.1251 to 390.1253, and shall submit this compilation to the house and senate appropriations subcommittees on community colleges, the fiscal agencies, and the state budget director by February 15.

Sec. 1052. The fund shall compile information received from community colleges on the number and types of associate degrees and other certificates awarded during the previous fiscal year and shall submit this compilation to the house and senate appropriations subcommittees on community colleges, the fiscal agencies, and the state budget director by January 15.

Sec. 1053. From the funds appropriated in part 1, the fund shall allocate an amount not to exceed \$680,100.00 for the Detroit precollege engineering program and the Grand Rapids area precollege engineering program, which were appropriated funds under 2005 PA 156.

Sec. 1054. From the funds appropriated in part 1 for workforce programs subgrantees, the fund may allocate funding for grants to nonprofit organizations that offer programs to workforce investment act-eligible youth focusing on entrepreneurship, work-readiness skills, job shadowing, and financial literacy. Organizations eligible for funding under this section must have the capacity to provide similar programs in urban areas, as determined by the United States bureau of the census according to the most recent federal decennial census. Additionally, programs eligible for funding under this section must include the participation of local business partners. The fund shall develop other appropriate eligibility requirements to ensure compliance with applicable federal rules and regulations.

#### **MICHIGAN STRATEGIC FUND – WORKFORCE DEVELOPMENT**

Sec. 1060. The fund shall administer the jobs, education, and training program in accordance with the requirements of section 407(d) of title IV of the social security act, 42 USC 607, the state social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, and all other applicable laws and regulations.

Sec. 1061. 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. 1062. The fund shall make available, in person or by telephone, 1 disabled veterans outreach program specialist or local veterans employment representative to Michigan works! service centers, as resources permit, during hours of operation, and shall continue to make the appropriate placement of veterans and disabled veterans a priority.

Sec. 1063. (1) In addition to the funds appropriated in part 1, any unencumbered and unrestricted federal workforce investment act or trade adjustment assistance funds available from prior fiscal years are appropriated for the purposes originally intended.

(2) The fund shall report by 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. 1064. Of the funds appropriated in part 1 for workforce training programs, up to \$200,000.00 shall be allocated for grants to 2 work force development programs, meeting the following criteria:

(a) Up to \$100,000.00 shall be allocated to 1 nonprofit organization to expand an existing innovative, employer-led, public/private workforce development program. Grant funds may be used for program operating expenses such as staffing, rent, equipment, and other expenses. To be eligible for funding under this subdivision, a program must meet the following criteria:

(i) Provide program participants with early intervention services that promote employment stabilization and alleviate barriers to job attainment, retention, or advancement, including assistance with transportation, language barriers, childcare, housing, and facilitating access to services available through public agencies and community-based organizations.

(ii) Provide program participants with training in basic job skills, basic life skills, and career exploration.

(iii) Provide program participants with opportunities for advancement within the network of partnering employers by facilitating incumbent worker training programs.

(iv) Demonstrate a quantifiable return on investment for participating employers, as evidenced by costs savings achieved through pooled training/workforce development activities, and increases in employee retention, attendance, satisfaction, and productivity.

(v) Have a regional impact across more than 3 counties.

(b) Up to \$100,000.00 shall be allocated to 1 nonprofit organization to expand an existing workforce development program operated collaboratively with local businesses and educational institutions to link unemployed and dislocated workers with new market industries and to spur the development of small businesses. To be eligible for funding under this subdivision, a program must meet the following criteria:

(i) Provide low-wage, unemployed, and dislocated workers assistance in developing career pathways that provide education and career options for program participants to meet the workforce needs of new markets and in-demand occupations.

(ii) Provide educational programs and seminars that provide an introduction to the values and basic entrepreneurial skills necessary to successfully start a new business.

(iii) Provide programs that provide business incubation and support services, including entrepreneurial education and access to capital.

(iv) Provide program participants with job placement assistance, including on-the-job training, apprenticeships, and internships.

Sec. 1065. Local Michigan works! agencies shall 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. 1066. 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, Mt. Morris Charter Township, and Detroit.

Sec. 1068. (1) Of the funds appropriated in part 1 for the workforce training programs, the fund shall provide a report by December 15 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, 2011 through September 30, 2012.

**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 2011-2012

	Fund	Beginning Unreserved Fund Balance	Estimated Revenue	Ending Balance
<b>OPERATING FUNDS</b>				
General fund/general purpose .....	0110	313.6	8,802.0	473.4
General fund/special purpose .....		972.1	20,529.7	321.1
Special Revenue Funds:				
Countercyclical budget and economic stabilization.....	0111	2.2	0.0	2.2
Game and fish protection .....	0112	3.9	63.9	1.8

Michigan employment security act administration.....	0113	11.8	8.4	15.0
State aeronautics .....	0114	19.4	119.8	31.5
Michigan veterans' benefit trust .....	0115	0.0	5.2	0.0
State trunkline .....	0116	5.7	1,905.8	(20.5)
Michigan state waterways.....	0117	1.4	27.4	0.1
Blue Water Bridge.....	0118	19.3	21.3	20.6
Michigan transportation.....	0119	0.0	1,853.4	0.0
Comprehensive transportation .....	0120	0.1	315.4	(66.0)
School aid.....	0122	0.0	12,711.3	0.0
Game and fish protection trust.....	0124	6.0	8.7	6.0
State park improvement .....	0125	6.0	48.6	14.1
Forest development .....	0126	3.8	29.2	0.0
Michigan civilian conservation corps endowment.....	0128	0.0	0.0	0.0
Michigan natural resources trust.....	0129	35.8	0.7	24.7
Michigan state parks endowment.....	0130	4.9	43.8	20.6
Safety education and training.....	0131	6.1	8.7	6.4
Bottle deposit .....	0136	0.0	11.7	0.0
State construction code .....	0138	2.6	7.3	0.0
Children's trust.....	0139	0.9	2.9	0.7
State casino gaming .....	0140	0.0	34.3	(2.0)
Michigan nongame fish and wildlife .....	0143	0.1	0.3	0.0
Michigan merit award trust.....	0154	0.0	136.0	0.0
Outdoor recreation legacy .....	0162	0.4	2.9	0.7
Off-road vehicle account.....	0163	0.2	3.6	0.1
Snowmobile account.....	0164	0.7	12.1	0.7
Silicosis dust disease and logging.....	0870	2.1	1.7	2.1
Utility consumer representation.....	0893	3.6	1.1	3.6
<b>TOTALS.....</b>		<b>\$1,422.7</b>	<b>\$46,717.2</b>	<b>\$857.0</b>

**ONE-TIME BASIS ONLY**

Sec. 1201. (1) For the state fiscal year ending September 30, 2012, there is appropriated from general fund/general purpose revenue, on a 1-time basis only, \$136,250,000.00 for the following purposes:

DTMB - asbestos abatement, former state police headquarters.....	\$	1,250,000
DTMB – other postemployment benefits .....		60,000,000
Michigan strategic fund - film incentive funding.....		25,000,000
Michigan strategic fund - business attraction and economic gardening.....		50,000,000

(2) For the state fiscal year ending September 30, 2012, there is appropriated from sales tax revenue, on a 1-time basis only, \$30,000,000.00 for the following purposes:

Treasury – county revenue sharing.....	\$	15,000,000
Treasury – economic vitality incentive program.....		15,000,000

PART 2A  
PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS  
FOR FISCAL YEAR 2012-2013

**GENERAL SECTIONS**

Sec. 1301. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, 2013 for the line items listed in part 1. The fiscal year 2012-2013 appropriations are anticipated to be the same as those for fiscal year 2011-2012, except that the line items will be adjusted for changes in caseload and related costs, federal fund match rates, economic factors, and available revenue. These adjustments will be determined after the January 2012 consensus revenue estimating conference.

ARTICLE X  
DEPARTMENT OF HUMAN SERVICES  
PART 1  
LINE-ITEM APPROPRIATIONS  
FOR FISCAL YEAR 2011-2012

Sec. 101. Subject to the conditions set forth in this article, the amounts listed in this part are appropriated for the department of human services for the fiscal year ending September 30, 2012, 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 .....	11,576.5
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	For Fiscal Year Ending Sept. 30, 2012
Unclassified positions .....	6.0
Total full-time equated positions .....	11,582.5
GROSS APPROPRIATION .....	\$ 6,831,704,900
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers .....	1,243,100
ADJUSTED GROSS APPROPRIATION .....	\$ 6,830,461,800
Federal revenues:	
Federal-other ARRA revenues.....	549,632,400
Total federal revenues.....	5,077,418,800
Special revenue funds:	
Total private revenues.....	15,911,100
Total local revenues.....	27,948,500
Total other state restricted revenues.....	88,616,500
State general fund/general purpose .....	\$ 1,070,934,500
<b>Sec. 102. EXECUTIVE OPERATIONS</b>	
Total full-time equated positions .....	667.7
Full-time equated unclassified positions.....	6.0
Full-time equated classified positions .....	661.7
Unclassified salaries—6.0 FTE positions.....	\$ 647,900
Salaries and wages—273.7 FTE positions .....	16,364,200
Contractual services, supplies, and materials .....	10,192,700
Demonstration projects—9.0 FTE positions .....	13,950,900
Inspector general salaries and wages—136.0 FTE positions .....	7,531,500
Electronic benefit transfer EBT.....	13,009,000
Michigan community service commission—15.0 FTE positions .....	12,161,600
AFC, children’s welfare and day care licensure—228.0 FTE positions .....	25,598,300
State office of administrative hearings and rules .....	5,931,600
GROSS APPROPRIATION .....	\$ 105,387,700
Appropriated from:	
Federal revenues:	
Total other federal revenues .....	69,190,800
Special revenue funds:	
Total private revenues.....	8,207,700
Total local revenues.....	175,000
Total other state restricted revenue.....	25,000
State general fund/general purpose .....	\$ 27,789,200
<b>Sec. 103. CHILD SUPPORT ENFORCEMENT</b>	
Full-time equated classified positions .....	192.7
Child support enforcement operations—186.7 FTE positions .....	\$ 22,470,200
Legal support contracts .....	138,753,600
Child support incentive payments .....	32,409,600
State disbursement unit—6.0 FTE positions .....	12,766,100
GROSS APPROPRIATION .....	\$ 206,399,500
Appropriated from:	
Federal revenues:	
Total federal revenues.....	181,100,100
Special revenue funds:	
Total local revenues.....	340,000
Total other state restricted revenues .....	770,000
State general fund/general purpose .....	\$ 24,189,400
<b>Sec. 104. COMMUNITY ACTION AND ECONOMIC OPPORTUNITY</b>	
Full-time equated classified positions .....	16.0
Bureau of community action and economic opportunity—16.0 FTE positions .....	\$ 1,866,400
Community services block grant.....	25,840,000
Weatherization assistance .....	28,340,000
GROSS APPROPRIATION .....	\$ 56,046,400

For Fiscal Year  
Ending Sept. 30,  
2012

Appropriated from:	
Federal revenues:	
Total federal revenues.....	56,046,400
State general fund/general purpose .....	\$ 0
<b>Sec. 105. ADULT AND FAMILY SERVICES</b>	
Full-time equated classified positions .....	43.7
Executive direction and support—4.0 FTE positions .....	\$ 456,400
Guardian contract .....	600,000
Adult services policy and administration—6.0 FTE positions .....	701,600
Office of program policy—33.7 FTE positions.....	5,550,900
Employment and training support services .....	6,407,100
Wage employment verification reporting .....	848,700
Urban and rural empowerment/enterprise zones .....	100
Nutrition education.....	30,000,000
Background check program.....	1,000,000
Elder law of Michigan MiCAFE contract.....	100,000
GROSS APPROPRIATION .....	\$ 45,664,800
Appropriated from:	
Federal revenues:	
Total other federal revenues .....	39,713,300
State general fund/general purpose .....	\$ 5,951,500
<b>Sec. 106. CHILDREN'S SERVICES</b>	
Full-time equated classified positions .....	146.8
Salaries and wages—59.2 FTE positions .....	\$ 3,765,600
Contractual services, supplies, and materials .....	1,276,500
Interstate compact.....	231,600
Children's benefit fund donations .....	21,000
Families first.....	17,950,700
Strong families/safe children—3.0 FTE positions.....	15,072,300
Child protection and permanency—37.5 FTE positions .....	16,264,100
Family reunification program .....	3,977,100
Family preservation and prevention services administration—14.5 FTE positions .....	1,228,200
Children's trust fund administration—12.0 FTE positions.....	1,057,200
Children's trust fund grants .....	2,825,100
ECIC, early childhood investment corporation .....	12,723,000
Attorney general contract .....	3,923,200
Prosecuting attorney contracts.....	2,561,700
Child protection—5.0 FTE positions.....	862,700
Domestic violence prevention and treatment—14.6 FTE positions .....	14,660,900
Rape prevention and services—0.5 FTE positions.....	3,300,000
Child advocacy centers—0.5 FTE positions .....	1,000,000
GROSS APPROPRIATION .....	\$ 102,700,900
Appropriated from:	
Federal revenues:	
Total other federal revenues .....	90,938,200
Special revenue funds:	
Private - children's benefit fund donations.....	21,000
Compulsive gambling prevention fund.....	1,040,000
Children's trust fund.....	2,823,700
Sexual assault victims' prevention and treatment .....	1,000,000
Child advocacy centers fund .....	1,000,000
State general fund/general purpose .....	\$ 5,878,000
<b>Sec. 107. CHILD WELFARE SERVICES</b>	
Full-time equated classified positions .....	3,599.0
Children's services administration—64.0 FTE positions .....	\$ 4,715,500

	For Fiscal Year Ending Sept. 30, 2012
Title IV-E compliance and accountability office—5.0 FTE positions.....	432,600
Child welfare institute—40.0 FTE positions.....	5,696,500
Child protective services workers—1,481.0 FTE positions .....	79,228,300
Direct care workers—1,058.0 FTE positions .....	55,111,400
Education planners—14.0 FTE positions .....	736,300
Permanency planning specialists—55.0 FTE positions.....	3,171,000
Child welfare first line supervisors—519.0 FTE positions .....	35,950,600
Administrative support workers—241.0 FTE positions .....	10,438,900
Second line supervisors and technical staff—45.0 FTE positions .....	3,230,100
Permanency planning specialists—62.0 FTE positions.....	3,638,300
Child welfare field staff contractual services, supplies, and materials .....	5,432,200
Settlement monitor .....	1,625,800
Needs assessment .....	4,000,000
Foster care payments.....	186,112,400
Foster care - children with serious emotional disturbance waiver .....	1,769,000
Guardianship assistance program .....	2,170,000
Child care fund.....	205,255,500
Child care fund administration—5.8 FTE positions.....	808,600
Adoption subsidies .....	225,783,500
Adoption support services—7.2 FTE positions.....	33,604,300
Youth in transition—2.0 FTE positions.....	12,264,500
GROSS APPROPRIATION.....	\$ 881,175,300
Appropriated from:	
Federal revenues:	
Total federal revenues.....	493,207,700
Special revenue funds:	
Private - collections .....	1,900,000
Local funds - county chargeback .....	13,388,800
State general fund/general purpose .....	\$ 372,678,800
<b>Sec. 108. JUVENILE JUSTICE SERVICES</b>	
Full-time equated classified positions .....	198.7
W.J. Maxey training school—72.0 FTE positions.....	\$ 11,185,500
Bay pines center—44.0 FTE positions.....	4,900,000
Shawono center—44.0 FTE positions .....	4,900,000
County juvenile officers .....	3,904,300
Community support services—2.0 FTE positions.....	1,600,100
Juvenile justice, administration and maintenance—31.7 FTE positions .....	4,236,200
W.J. Maxey memorial fund .....	45,000
Juvenile accountability block grant—1.0 FTE positions.....	1,296,000
Committee on juvenile justice administration—4.0 FTE positions.....	425,300
Committee on juvenile justice grants .....	5,000,000
GROSS APPROPRIATION.....	\$ 37,492,400
Appropriated from:	
Federal revenues:	
Total federal revenues.....	7,248,800
Special revenue funds:	
Total private revenues.....	45,000
Local funds - state share education funds.....	1,197,500
Local funds - county chargeback .....	9,861,500
State general fund/general purpose .....	\$ 19,139,600
<b>Sec. 109. LOCAL OFFICE STAFF AND OPERATIONS</b>	
Full-time equated classified positions .....	5,937.5
Field staff, salaries and wages—5,695.5 FTE positions .....	\$ 294,203,500
Contractual services, supplies, and materials.....	11,771,300
Medical/psychiatric evaluations.....	9,467,600
Donated funds positions—208.0 FTE positions.....	17,445,600

	For Fiscal Year Ending Sept. 30, 2012
Training and program support—24.0 FTE positions.....	3,429,400
Wayne County gifts and bequests .....	100,000
Volunteer services and reimbursement .....	1,036,100
SSI advocates—10.0 FTE positions .....	966,700
GROSS APPROPRIATION .....	\$ 338,420,200
Appropriated from:	
Interdepartmental grant revenues:	
IDG from department of corrections .....	100,000
Federal revenues:	
Total other federal revenues .....	211,101,200
Special revenue funds:	
Local funds .....	2,985,700
Private funds - donated funds .....	5,637,400
Private funds - Wayne County gifts .....	100,000
Supplemental security income recoveries.....	746,100
State general fund/general purpose .....	\$ 117,749,800
<b>Sec. 110. DISABILITY DETERMINATION SERVICES</b>	
Full-time equated classified positions .....	747.4
Disability determination operations—721.9 FTE positions .....	\$ 110,723,100
Medical consultation program—21.4 FTE positions.....	2,840,600
Retirement disability determination—4.1 FTE positions .....	847,100
GROSS APPROPRIATION .....	\$ 114,410,800
Appropriated from:	
Interdepartmental grant revenues:	
IDG from DMB - office of retirement systems.....	1,143,100
ADJUSTED GROSS APPROPRIATION .....	\$ 113,267,700
Appropriated from:	
Federal revenues:	
Total federal revenues.....	110,491,400
State general fund/general purpose .....	\$ 2,776,300
<b>Sec. 111. CENTRAL SUPPORT ACCOUNTS</b>	
Rent .....	\$ 47,047,400
Occupancy charge.....	8,228,800
Travel.....	7,216,400
Equipment.....	227,300
Worker's compensation.....	3,363,800
Advisory commissions.....	17,900
Payroll taxes and fringe benefits .....	361,295,600
GROSS APPROPRIATION .....	\$ 427,397,200
Appropriated from:	
Federal revenues:	
Total other federal revenues .....	275,273,300
State general fund/general purpose .....	\$ 152,123,900
<b>Sec. 112. PUBLIC ASSISTANCE</b>	
Full-time equated classified positions .....	33.0
Family independence program .....	\$ 340,948,600
State disability assistance payments.....	27,927,800
Food assistance program benefits.....	3,036,402,200
Food assistance program benefits (ARRA) .....	549,632,400
State supplementation.....	60,489,000
State supplementation administration.....	2,681,100
Low-income home energy assistance program.....	116,451,600
Food bank funding.....	1,345,000
Homeless programs .....	11,646,700

	For Fiscal Year Ending Sept. 30, 2012
Multicultural integration funding .....	1,515,500
Chaldean community foundation.....	100,000
Indigent burial .....	1,000,000
Emergency services local office allocations.....	21,615,500
Licensed and registered child development and care.....	99,312,900
Enrolled child development and care .....	59,842,800
Day care technology and oversight—26.0 FTE positions.....	2,618,400
Refugee assistance program—7.0 FTE positions.....	27,910,700
<b>GROSS APPROPRIATION</b> .....	<b>\$ 4,361,440,200</b>
Appropriated from:	
Federal revenues:	
Federal supplemental nutrition assistance revenues (ARRA) .....	549,632,400
Total other federal revenues .....	3,437,813,600
Special revenue funds:	
Child support collections.....	29,145,800
Supplemental security income recoveries.....	14,955,900
Public assistance recoupment revenue.....	7,010,000
Michigan merit award trust fund.....	30,100,000
State general fund/general purpose .....	\$ 292,782,500
<b>Sec. 113. INFORMATION TECHNOLOGY</b>	
Information technology services and projects.....	\$ 109,591,500
Child support automation .....	45,578,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 155,169,500</b>
Appropriated from:	
Federal revenues:	
Total federal revenues.....	105,294,000
State general fund/general purpose .....	\$ 49,875,500

PART 2  
PROVISIONS CONCERNING APPROPRIATIONS  
FOR FISCAL YEAR 2011-2012

**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 2011-2012 is \$1,159,551,000.00 and state spending from state resources to be paid to local units of government for fiscal year 2011-2012 is \$107,003,300.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

**DEPARTMENT OF HUMAN SERVICES**

Child care fund.....	\$ 97,235,600
County juvenile officers .....	3,603,900
State disability assistance payments.....	2,286,600
Legal support contracts .....	3,141,000
Child support enforcement operations.....	583,200
Family independence program .....	153,000
<b>TOTAL</b> .....	<b>\$ 107,003,300</b>

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

Sec. 203. As used in this article:

- (a) “AFC” means adult foster care.
- (b) “ARRA” means the American recovery and reinvestment act of 2009, Public Law 111-5.
- (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 the fiscal year ending September 30, 2012.
- (e) “Department” means the department of human services.
- (f) “Director” means the director of the department of human services.
- (g) “FTE” means full-time equated.
- (h) “IDG” means interdepartmental grant.

(i) "JET" means jobs, education, and training program.

(j) "Previous fiscal year" means the fiscal year ending September 30, 2011.

(k) "SSI" means supplemental security income.

(l) "Temporary assistance for needy families" or "TANF" or "title IV-A" means part A of title IV of the social security act, 42 USC 601 to 619.

(m) "Title IV-D" means part D of title IV of the social security act, 42 USC 651 to 669b.

(n) "Title IV-E" means part E of title IV of the social security act, 42 USC 670 to 679c.

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

Sec. 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 article. 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 should be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality. In addition, preference should be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 211. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those 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.

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

Sec. 214. On a bimonthly basis, the department shall report on the number of FTEs in pay status by type of staff.

Sec. 215. If a legislative objective of this article 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. 217. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2012 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.

Sec. 219. (1) The department shall maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following:

- (a) Fiscal year-to-date expenditures by category.
  - (b) Fiscal year-to-date expenditures by appropriation unit.
  - (c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.
  - (d) The number of active department employees by job classification.
  - (e) Job specifications and wage rates.
- (2) The department may develop and operate its own website to provide this information or may reference the state's central transparency website as the source for this information.

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. 230 (1) The department shall convene a work group of all interested parties to evaluate the feasibility of combining the bureau of child and adult licensing with the contract compliance unit into 1 unit.

(2) By April 1, 2012, the department shall 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 on the findings of the work group established in subsection (1).

Sec. 231. If TANF contingency funds for the current fiscal year become available, the department shall utilize all TANF contingency funds the state receives to increase the family independence program earned income disregard or for reform measures that will fundamentally improve public assistance programs by emphasizing work. An annual report on the expenditures and programs paid by these TANF contingency funds shall be provided to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices no later than November 1, 2012.

Sec. 250. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of technology, management, and budget. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 251. The department and agencies receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. Federal and state guidelines for short-term and long-term retention of records shall be followed. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

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

Sec. 264. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 265. Within 14 days after the release of the executive budget recommendation, the department shall provide the state budget director, the senate and house appropriations chairs, the senate and house appropriations subcommittees on the department budget, respectively, and the senate and house fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2011 and September 30, 2012.

Sec. 273. (1) 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.

(2) 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.

(3) 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. (1) The department, in collaboration with the state budget office, shall submit to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the house and senate policy offices on the day the governor submits to the legislature the budget for the ensuing fiscal year a report on spending and revenue projections for each of the capped federal funds listed below. The report shall contain actual spending and revenue in the previous fiscal year, spending and revenue projections for the current fiscal year as enacted, and spending and revenue projections within the executive budget proposal for the fiscal year beginning October 1, 2012 for each individual line item for the department budget. The report shall also include federal funds transferred to other departments. The capped federal funds shall include, but not be limited to, all of the following:

- (a) TANF.
- (b) Child care and development funds.
- (c) Title XX social services block grant.
- (d) Title IV-B part I child welfare services block grant.
- (e) Title IV-B part II promoting safe and stable families funds.

(2) By February 15 of the current fiscal year, the department shall prepare an annual report of its efforts to identify additional TANF maintenance of effort sources from all of the following, but not limited to:

- (a) Other departments.
- (b) Local units of government.
- (c) Private sources.

Sec. 279. (1) All contracts relating to human services shall be performance-based contracts that employ a client-centered results-oriented process that is based on measurable performance indicators and desired outcomes and includes the annual assessment of the quality of services provided.

(2) During the annual budget presentation, the department shall provide the senate and house appropriations subcommittees on the department budget and the senate and house fiscal agencies and policy offices a report detailing measurable performance indicators, desired outcomes, and an assessment of the quality of services provided by the department during the previous fiscal year.

Sec. 284. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$200,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this article 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 article 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 article 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 article under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 292. By November 1, 2011, the department shall submit a report to the house and senate appropriations subcommittees on the human services budget and the house and senate fiscal agencies on the number of eligible child care providers by type receiving payment for child care services from the department on October 1, 2011.

Sec. 293. The department may use money from the money appropriated in part 1 to strengthen marriage and family relations through the practice of marriage and family therapy for individuals, families, couples, or groups. The goal of the therapy shall be strengthening families by helping them avoid, eliminate, relieve, manage, or resolve marital or family conflict or discord.

Sec. 294. Money appropriated in part 1 for the statewide automated child welfare information system is contingent upon the approval of an advanced planning document from the administration for children and families. If the necessary matching funds are identified and legislatively transferred to the information and technology services and projects line item for this purpose, any corresponding federal revenue required shall be appropriated at a 50% federal match rate. This appropriation may be designated as a work project under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a, and carried forward to support completion of this project.

Sec. 296. Not later than November 15, 2012, 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. 298. The department shall work toward a new supervisor-to-staff ratio in all department divisions and subdivisions, excluding the supervisor-to-staff ratios required by the children's rights settlement agreement, of 1 supervisor to 12 staff members.

#### **EXECUTIVE OPERATIONS**

Sec. 307. (1) From the money appropriated in part 1 for demonstration projects, \$550,000.00 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. 311. The department shall administer licensing and regulation of licensees with the highest priority given to licensing activities that present the highest risk to vulnerable children or adults receiving services of licensees.

#### **ADULT AND FAMILY SERVICES**

Sec. 415. (1) If money becomes available in part 1, the department may contract with independent contractors from various counties, including, but not limited to, faith-based and nonprofit organizations. Preference shall be given to independent contractors that provide at least 10% in matching funds, through any combination of local, state, or federal funds or in-kind or other donations. However, an independent contractor that cannot secure matching funds shall not be excluded from consideration for the fatherhood program.

(2) The department may choose providers that will work with counties to help eligible fathers under TANF guidelines to acquire skills that will enable them to increase their responsible behavior toward their children and the mothers of their children. An increase of financial support for their children should be a very high priority as well as emotional support.

(3) A fatherhood initiative program established under this section shall minimally include at least 3 of the following components: promoting responsible, caring, and effective parenting through counseling; mentoring and parental education; enhancing the abilities and commitment of unemployed or low-income fathers to provide material support for their families and to avoid or leave welfare programs by assisting them to take advantage of job search programs, job training, and education to improve their work habits and work skills; improving fathers' ability to effectively manage family business affairs by means such as education, counseling, and mentoring in household matters; infant care; effective communication and respect; anger management; children's financial support; and drug-free lifestyle.

(4) The department is authorized to make allocations of TANF funds, of not more than 20% per county, under this section only to agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements.

(5) Upon receipt of the promotion of responsible fatherhood funds from the United States department of health and human services, the department shall use the program criteria set forth in subsection (3) to implement the program with the federal funds.

Sec. 416. (1) If money becomes available in part 1, the department may contract with independent contractors from various counties, including, but not limited to, faith-based and nonprofit organizations. Preference shall be given to independent contractors that provide at least 10% in matching funds, through any combination of local, state, or federal

funds or in-kind or other donations. However, an independent contractor that cannot secure matching funds shall not be excluded from consideration for a marriage initiative program.

(2) The department may choose providers to work with counties that will work to support and strengthen marriages of those eligible under the TANF guidelines. The areas of work may include, but are not limited to, marital counseling, domestic violence counseling, family counseling, effective communication, and anger management as well as parenting skills to improve the family structure.

(3) A marriage initiative program established under this section may include, but is not limited to, 1 or more of the following: public advertising campaigns on the value of marriage and the skills needed to increase marital stability and health; education in high schools on the value of marriage, relationship skills, and budgeting; premarital, marital, family, and domestic violence counseling; effective communication; marriage mentoring programs which use married couples as role models and mentors in at-risk communities; anger management; and parenting skills to improve the family structure.

(4) The department is authorized to make allocations of TANF funds, of not more than 20% per county, under this section only to agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements.

(5) Upon receipt of the healthy marriage promotion grant from the United States department of health and human services, the department shall use the program criteria set forth in subsection (3) to implement the program with the federal funds.

Sec. 423. From the money appropriated in part 1 for elder law of Michigan MiCAFE contract, the department shall allocate not less than \$100,000.00 to the elder law of Michigan MiCAFE 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.

Sec. 425. The department shall implement administrative efforts, either through policy change or proposed legislation, to reduce waste, fraud, and abuse within the employment support services program, including, but not limited to, revisions to current policy on car repair and car purchase payments.

### **CHILDREN'S SERVICES**

Sec. 501. A goal is established that not more than 35% of all children in foster care at any given time during the current fiscal year will have been in foster care for 24 months or more. During the annual budget presentation, the department shall provide a report describing the steps that will be taken to achieve the specific goal established in this section.

Sec. 505. By March 1, 2012, the department and Wayne County shall provide to the senate and house appropriations committees on the department budget and the senate and house fiscal agencies and policy offices a report for youth served in the previous fiscal year and in the first quarter of the current fiscal year outlining the number of youth served within each juvenile justice system, the type of setting for each youth, performance outcomes, and financial costs or savings.

Sec. 507. The department's ability to satisfy appropriation deducts in part 1 for foster care private collections shall not be limited to collections and accruals pertaining to services provided only in the current fiscal year but may include revenues collected during the current fiscal year for services provided in prior fiscal years.

Sec. 508. (1) In addition to the amount appropriated in part 1 for children's trust fund grants, money granted or money received as gifts or donations to the children's trust fund created by 1982 PA 249, MCL 21.171 to 21.172, is appropriated for expenditure.

(2) The department and the child abuse neglect and prevention board shall collaborate to ensure that administrative delays are avoided and the local grant recipients and direct service providers receive money in an expeditious manner. The department and board shall seek to have the children's trust fund grants distributed no later than October 31 of the current fiscal year.

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 deputy director for children's services. The department shall notify the appropriate state agency in that state including the name of the out-of-state provider who accepted the placement.

(3) The department shall submit 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.

(iv) The number of cases that resulted in the separation of the child from the parent or guardian and the period of time of that separation, up to and including termination of parental rights.

(v) For the reported complaints of abuse or neglect by teachers, school administrators, and school counselors, the number of cases classified under category I or category II and the number of cases classified under category III, category IV, or category V.

(vi) For the reported complaints of abuse or neglect by teachers, school administrators, and school counselors, the number of cases that resulted in separation of the child from the parent or guardian and the period of time of that separation, up to and including termination of parental rights.

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

(c) The information contained in the report required under section 8d(5) of the child protection law, 1975 PA 238, MCL 722.628d, on cases classified under category III.

(d) The department policy, or changes to the department policy, regarding children who have been exposed to the production or manufacture of methamphetamines.

Sec. 523. (1) By March 15 of the current fiscal year, the department shall report on family preservation programs for which money is appropriated in part 1 to the senate and house appropriations subcommittees on the department budget. The report shall contain all of the following for each program:

(a) The average cost per recipient served.

(b) Measurable performance indicators.

(c) Desired outcomes or results and goals that can be measured on an annual basis, or desired results for a defined number of years.

(d) Monitored results.

(e) Innovations that may include savings or reductions in administrative costs.

(2) If money becomes available in part 1 for youth in transition and domestic violence prevention and treatment, the department is authorized to make allocations of TANF funds only to agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements.

Sec. 532. (1) The department, in collaboration with representatives of private child and family agencies, shall revise and improve the annual licensing review process and the annual contract compliance review process for child placing agencies and child caring institutions. The improvement goals shall be safety and care for children. Improvements to the review process shall be directed toward alleviating administrative burdens so that agency resources may be focused on children. The revision shall include identification of duplicative staff activities and information sought from child placing agencies and child caring institutions in the annual review process. The department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget director on or before January 15 of the current fiscal year on the findings of the annual licensing review.

(2) The department shall conduct licensing reviews no more than once every 2 years for child placing agencies and child caring institutions that are nationally accredited and have no outstanding violations.

Sec. 533. (1) The department shall make payments to child placing facilities for 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.

(3) The department shall provide a report on the activities under this section by October 1, 2012.

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. 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 be reduced by 50% of the difference between the general independent living administrative rate and the specialized independent living rate paid in the fiscal year ending September 30, 2009.

Sec. 556. (1) The department shall submit a quarterly report by February 1, May 1, August 1, and November 1 of each fiscal year 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.

(2) From the money appropriated in part 1 for adoption subsidies, \$4,250,000.00 in state general fund/general purpose revenues shall not be expended until the department provides proposed legislation to the senate and house standing committees with primary jurisdiction over matters relating to human services, the senate and house appropriations subcommittees on the department budget, senate and house fiscal agencies, and senate and house policy offices that would allow adoptive parents up to 1 year after an adoption has been finalized to submit a request to revise the determination of care supplement for an adopted child who has previously existing special needs or request a new determination.

(3) The department shall provide an annual report to the subcommittees of the senate and house appropriation committees on the department budget with the number of complaints filed by adoptive parents who were not notified that their adopted child had special needs.

Sec. 570. From the money appropriated in part 1 for the guardianship assistance program, the department shall provide assistance under this program to children who are eligible under section 3 of the guardianship assistance act, 2008 PA 260, MCL 722.873.

Sec. 574. (1) From the money appropriated in part 1 for foster care payments, \$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. 578. The department and child placing agencies shall utilize a standardized assessment tool to ensure greater cooperation between the department and the department of community health and 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 the best placement and the best mental health services to be provided for 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. 583. By February 1 of the current fiscal year, the department, in conjunction with the legislature, shall carry out a work group to determine what caused individuals participating as foster parents during the previous fiscal year to drop out of the program. 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 work group findings as well as the number of individuals participating as foster parents during the previous fiscal year who dropped out of the program.

Sec. 585. (1) 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.

(2) By November 1, 2012, the department shall post on the department's website a list of all relevant departmental training materials available to private child placing agencies that are allowed to conduct their own training in accordance with this section. The department shall also provide to private child placing agencies that are allowed to conduct their own training any updated training materials as they become available.

Sec. 588. (1) Concurrent with public release, the department shall transmit all reports from the court-appointed settlement monitor, including, but not limited to, the needs assessment and period outcome reporting, to the state budget office, the senate and house appropriations subcommittees on the department budget, and the senate and house fiscal agencies, without revision.

(2) The department shall report monthly to the state budget office, the senate and house appropriations subcommittees on the department budget, and the senate and house fiscal agencies, on the number of children enrolled in the guardianship assistance and foster care - children with serious emotional disturbance waiver programs.

Sec. 589. From the money appropriated in part 1 to facilitate the transfer of foster care cases currently under department supervision from department supervision to private child placing agency supervision, the department shall not transfer any foster care cases that require a county contribution to the private agency administrative rate.

#### **PUBLIC ASSISTANCE**

Sec. 601. Whenever a client agrees to the release of his or her name and address to the local housing authority, the department shall request from the local housing authority information regarding whether the housing unit for which vrending has been requested meets applicable local housing codes. Vrending shall be terminated for those units that the local authority indicates in writing do not meet local housing codes until such time as the local authority indicates in writing that local housing codes have been met.

Sec. 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.

(4) Payments under this section shall be made directly to service providers and not to the individuals who are receiving the assistance.

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

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

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

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

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

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

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

(g) A caretaker of a disabled person who meets the requirements specified in subdivision (a), (b), (e), or (f).

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

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

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

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

(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. (1) The department's ability to satisfy appropriation deductions in part 1 for state disability assistance/supplemental security income recoveries and public assistance recoupment revenues shall not be limited to recoveries and accruals pertaining to state disability assistance, or family independence assistance grant payments provided only in the current fiscal year, but may include revenues collected during the current year that are prior year related and not a part of the department's accrued entries.

(2) The department may use supplemental security income recoveries to satisfy the deduct in any line in which the revenues are appropriated, regardless of the source from which the revenue is recovered.

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

Sec. 609. The state supplementation level under the supplemental security income program for the personal care/adult foster care and home for the aged categories shall not be reduced during the current fiscal year. The legislature shall be notified not less than 30 days before any proposed reduction in the state supplementation level.

Sec. 610. (1) In developing good cause criteria for the state emergency relief program, the department shall grant exemptions if the emergency resulted from unexpected expenses related to maintaining or securing employment.

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

(3) State emergency relief payments shall not be made to individuals who have been found guilty of fraud in regard to obtaining public assistance.

(4) State emergency relief payments shall not be made available to persons who are out-of-state residents or illegal immigrants.

(5) State emergency relief payments for rent assistance shall be distributed directly to landlords and shall not be added to Michigan bridge cards.

Sec. 613. The department shall provide reimbursements for the final disposition of indigent persons if the deceased's remains have not been claimed by a person having the right to control the disposition of the body regardless of whether

there is no person with that right, the person cannot be located, or the person fails or refuses to exercise that right. The maximum allowable reimbursement for the final disposition shall be \$800.00. In addition, reimbursement for a cremation permit fee of up to \$75.00 and for mileage at the standard rate will also be made available for an eligible cremation. The reimbursements under this section shall be used for disposal by cremation unless the deceased's expressed religious preference prohibits cremation.

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. 619. (1) Subject to subsection (2), the department shall exempt from the denial of title IV-A assistance and food assistance benefits under 21 USC 862a any individual who has been convicted of a felony that included the possession, use, or distribution of a controlled substance, after August 22, 1996, provided that the individual is not in violation of his or her probation or parole requirements. Benefits shall be provided to such individuals as follows:

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

(2) Subject to federal approval, an individual is not entitled to the exemption in this section if the individual was convicted in 2 or more separate cases of a felony that included the possession, use, or distribution of a controlled substance after August 22, 1996.

Sec. 620. The department shall establish a work group to explore if privatization of Medicaid eligibility determination would lead to increased efficiencies and budgetary savings. The work group shall include, but not be limited to, the department and members of the legislature.

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. 644. The department shall prioritize the money appropriated in part 1 for homeless programs to support regional homeless shelters that offer wraparound services in cases where shelters have a lower cost per night than an alternative emergency shelter.

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

Sec. 669. The department shall allocate up to \$2,880,000.00 for the annual clothing allowance. The allowance shall be granted to all eligible children in a family independence program group that does not include an adult.

Sec. 670. By March 1 of the current fiscal year, the department shall submit a report to the house and senate subcommittees on the department budget and house and senate fiscal agencies and policy offices regarding child development and care program activities in the previous fiscal year. The report shall include the following:

(a) The amount of child care payments made by the parents for child care charges, by provider type, not paid by the department's child development and care subsidy.

(b) The number of enrolled child care providers with a reported annual household income of \$15,000.00 or less.

(c) The number of enrolled child care providers with a reported annual household income of more than \$15,000.00 but not more than \$25,000.00.

(d) The number of enrolled child care providers with a reported annual household income of more than \$25,000.00 but not more than \$35,000.00.

(e) The number of enrolled child care providers with a reported annual household income of more than \$35,000.00.

Sec. 672. (1) The department's office of inspector general shall report to the senate and house of representatives appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices by May 1 of the current fiscal year on department efforts to reduce inappropriate use of Michigan bridge cards. The department shall provide information on the number of recipients of services who used their electronic benefit transfer card inappropriately and the current status of each case.

(2) As used in this section, "inappropriate use" means not used to meet a family's ongoing basic needs, including food, clothing, shelter, utilities, household goods, personal care items, and general incidentals.

Sec. 673. (1) The department shall immediately send notification to a client participating in the state child development and care program and his or her child care provider if the client's eligibility is reduced or eliminated.

(2) If the department fails to notify a provider as required by subsection (1), the department shall continue to pay for services by the provider to the day of the notice.

(3) By March 1 of the current fiscal year, the department shall submit a report to the senate and house appropriations subcommittees for the department budget and the senate and house fiscal agencies and policy offices on any additional expenditures paid to child care providers as a result of the requirements in subsection (2).

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 quarterly 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 and an estimate of the current percentage of FIP cases that meet federal work participation requirements. 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. 680. (1) It is the intent of the legislature that the department achieve \$10,000,000.00 in savings through the child development and care program by revising the maximum number of reimbursable hours per recipient.

(2) It is the intent of the legislature that the department achieve \$5,000,000.00 in savings through the child development and care program by improving the error rates for income verification and income eligibility.

Sec. 686. (1) The department shall ensure that program policy requires caseworkers to confirm that individuals presenting personal identification issued by another state seeking assistance through the family independence program, food assistance program, state disability assistance program, or medical assistance program are not receiving benefits from any other state.

(2) The department shall require caseworkers to confirm the address provided by any individual seeking family independence program benefits or state disability assistance benefits.

(3) The department shall prohibit individuals with property assets assessed at a value higher than \$500,000.00 from accessing assistance through department-administered programs, unless such a prohibition would violate federal rules and guidelines.

(4) The department shall require caseworkers to obtain an up-to-date telephone number during the eligibility determination or redetermination process for individuals seeking medical assistance benefits. On a monthly basis, the department shall provide the department of community health an updated list of telephone numbers for medical assistance recipients.

Sec. 696. From the money appropriated in part 1, the department shall allocate \$100,000.00 to the Chaldean community foundation. This money shall be utilized to provide translation services, health care services, youth tutoring and mentoring programs, and refugee resettlement services.

### **JUVENILE JUSTICE SERVICES**

Sec. 706. Counties shall be subject to 50% chargeback for the use of alternative regional detention services, if those detention services do not fall under the basic provision of section 117e of the social welfare act, 1939 PA 280, MCL 400.117e, or if a county operates those detention services programs primarily with professional rather than volunteer staff.

Sec. 707. In order to be reimbursed for child care fund expenditures, counties are required to submit department-developed reports to enable the department to document potential federally claimable expenditures. This requirement is in accordance with the reporting requirements specified in section 117a(7) of the social welfare act, 1939 PA 280, MCL 400.117a.

Sec. 708. (1) As a condition of receiving money appropriated in part 1 for the child care fund line item, by December 15 of the current fiscal year, counties shall have an approved service spending plan for the current fiscal year. Counties must submit the service spending plan to the department by October 1 of the current fiscal year for approval. The department shall approve within 30 calendar days after receipt a properly completed service plan that complies with the requirements of the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b.

(2) The department shall provide a report on the number of counties that fail to submit a service spending plan by October 1 of the current fiscal year. The report shall be submitted to the house and senate appropriations subcommittees

on the department budget, the house and senate fiscal agencies, and the house and senate policy offices by December 15 of the current fiscal year.

Sec. 710. The department, the county of Wayne, and the third circuit court may rewrite the memorandum of understanding (MOU) that permits the county of Wayne to manage its juvenile justice system so that the MOU takes into account all interested parties, including, but not limited to, the legislature.

Sec. 717. (1) The department shall contract using private revenues with the Michigan public health institute 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. 724. The department shall establish a work group to study the feasibility of contracting out the juvenile justice secure treatment beds for males and females operated by the department's bureau of juvenile justice to private nonprofit child caring institutions that are nationally accredited and licensed in this state. The work group shall include, but not be limited to, the department, members of the house and senate appropriations subcommittees on the department budget, and representatives of 2 statewide organizations whose members consist of private nonprofit child caring institutions.

#### **LOCAL OFFICE SERVICES**

Sec. 750. The department shall maintain out-stationed eligibility specialists in community-based organizations, community mental health agencies, nursing homes, and hospitals unless a community-based organization, community mental health agency, nursing home, or hospital requests that the program be discontinued at its facility.

Sec. 753. By January 1, 2012, 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.

**CHILD SUPPORT ENFORCEMENT**

Sec. 901. (1) The appropriations in part 1 assume a total federal child support incentive payment of \$26,500,000.00.

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

(3) From the federal money received for child support incentive payments, \$14,500,000.00 shall be paid to the counties based on each county's performance level for each of the federal performance measures as established in 45 CFR 305.2.

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

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

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

Sec. 909. (1) If statewide retained child support collections exceed \$38,300,000.00, 75% of the amount in excess of \$38,300,000.00 is appropriated to legal support contracts. This excess appropriation may be distributed to eligible counties to supplement and not supplant county title IV-D funding.

(2) Each county whose retained child support collections in the current fiscal year exceed its fiscal year 2004-2005 retained child support collections, excluding tax offset and financial institution data match collections in both the current year and fiscal year 2004-2005, shall receive its proportional share of the 75% excess.

Sec. 910. (1) If title IV-D-related child support collections are escheated, the state budget director is authorized to adjust the sources of financing for the funds appropriated in part 1 for legal support contracts to reduce federal authorization by 66% of the escheated amount and increase general fund/general purpose authorization by the same amount. This budget adjustment is required to offset the loss of federal revenue due to the escheated amount being counted as title IV-D program income in accordance with federal regulations at 45 CFR 304.50.

(2) The department shall notify the chairs of the house and senate appropriations subcommittees on the department budget and the house and senate fiscal agencies within 15 days of the authorization adjustment in subsection (1).

**COMMUNITY ACTION AND ECONOMIC OPPORTUNITY**

Sec. 1103. (1) The department shall establish a work group to develop a more efficient way to administer state emergency relief, low income home energy assistance program, and weatherization. The work group shall include, but not be limited to, the department and members of the legislature.

(2) By April 1, 2012, the department shall 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 on the findings of the work group established in subsection (1).

Sec. 1105. The department shall report to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, the house and senate policy offices, and the state budget office by February 1 of the current fiscal year on the number of homes, the approximate value of each home, and the square footage of each home weatherized through the appropriations in section 104 during the preceding quarter of the calendar year.

PART 2A  
 PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS  
 FOR FISCAL YEAR 2012-2013

**GENERAL SECTIONS**

Sec. 1201. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, 2013 for the line items listed in part 1. The fiscal year 2012-2013 appropriations are anticipated to be the same as those for fiscal year 2011-2012, except that the line items will be adjusted for changes in caseload and related costs, federal fund match rates, economic factors, and available revenue. These adjustments will be determined after the January 2012 consensus revenue estimating conference.

ARTICLE XI  
 JUDICIARY  
 PART 1  
 LINE-ITEM APPROPRIATIONS  
 FOR FISCAL YEAR 2011-2012

Sec. 101. Subject to the conditions set forth in this article, the amounts listed in this part are appropriated for the judicial branch for the fiscal year ending September 30, 2012, 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 .....		\$ 256,973,200

	For Fiscal Year Ending Sept. 30, 2012
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers .....	3,573,500
ADJUSTED GROSS APPROPRIATION .....	\$ 253,399,700
Federal revenues:	
Total federal revenues.....	5,539,500
Special revenue funds:	
Total local revenues.....	6,342,700
Total private revenues.....	842,500
Total other state restricted revenues .....	88,140,700
State general fund/general purpose .....	\$ 152,534,300
<b>Sec. 102. SUPREME COURT</b>	
Full-time equated exempted positions .....	243.0
Supreme court administration—97.0 FTE positions .....	\$ 11,184,900
Judicial institute—13.0 FTE positions .....	1,979,000
State court administrative office—60.0 FTE positions .....	10,548,900
Judicial information systems—22.0 FTE positions.....	3,174,700
Direct trial court automation support—36.0 FTE positions.....	6,342,700
Foster care review board—12.0 FTE positions .....	1,289,800
Community dispute resolution—3.0 FTE positions .....	2,335,500
Other federal grants.....	275,100
Drug treatment courts.....	7,133,000
Community court pilot project.....	20,000
GROSS APPROPRIATION .....	\$ 44,283,600
Appropriated from:	
Interdepartmental grant revenues:	
IDG from department of state police .....	1,800,000
IDG from department of corrections.....	1,050,000
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.....	550,000
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.....	6,342,700
Private.....	169,000
Private - interest on lawyers trust accounts.....	232,700
Private - state justice institute .....	370,800
Community dispute resolution fund .....	2,335,500
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 .....	\$ 22,669,800
<b>Sec. 103. COURT OF APPEALS</b>	
Full-time equated exempted positions .....	190.0
Court of appeals operations—190.0 FTE positions .....	\$ 19,143,800
GROSS APPROPRIATION .....	\$ 19,143,800

For Fiscal Year  
Ending Sept. 30,  
2012

Appropriated from:	
Special revenue funds:	
Court filing/motion fees .....	1,458,500
Miscellaneous revenue.....	77,800
State general fund/general purpose .....	\$ 17,607,500
<b>Sec. 104. BRANCHWIDE APPROPRIATIONS</b>	
Full-time equated exempted positions .....	4.0
Branchwide appropriations—4.0 FTE positions.....	\$ 8,338,700
GROSS APPROPRIATION .....	\$ 8,338,700
Appropriated from:	
State general fund/general purpose .....	\$ 8,338,700
<b>Sec. 105. JUSTICES' AND JUDGES' COMPENSATION</b>	
Full-time judges positions .....	607.0
Supreme court justices' salaries—7.0 justices .....	\$ 1,152,300
Court of appeals judges' salaries—26.0 judges .....	3,937,400
District court judges' state base salaries—252.0 judges .....	23,321,900
District court judicial salary standardization.....	11,522,500
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—219.0 judges .....	20,628,800
Circuit court judicial salary standardization.....	10,013,600
Judges' retirement system defined contributions .....	3,894,300
OASI, social security.....	5,511,000
GROSS APPROPRIATION .....	\$ 94,279,400
Appropriated from:	
Special revenue funds:	
Court fee fund .....	7,090,200
State general fund/general purpose .....	\$ 87,189,200
<b>Sec. 106. JUDICIAL AGENCIES</b>	
Full-time equated exempted positions .....	7.0
Judicial tenure commission—7.0 FTE positions.....	\$ 961,500
GROSS APPROPRIATION .....	\$ 961,500
Appropriated from:	
State general fund/general purpose .....	\$ 961,500
<b>Sec. 107. INDIGENT DEFENSE - CRIMINAL</b>	
Full-time equated exempted positions .....	47.0
Appellate public defender program—39.0 FTE positions.....	\$ 5,322,800
Appellate assigned counsel administration—8.0 FTE positions .....	906,300
GROSS APPROPRIATION .....	\$ 6,229,100
Appropriated from:	
Interdepartmental grant revenues:	
IDG from state police - Michigan justice training fund.....	423,500
Federal revenues:	
Other federal grant revenues .....	250,000
Special revenue funds:	
Private - interest on lawyers trust accounts.....	70,000
Miscellaneous revenue.....	113,100
State general fund/general purpose .....	\$ 5,372,500
<b>Sec. 108. INDIGENT CIVIL LEGAL ASSISTANCE</b>	
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

For Fiscal Year  
Ending Sept. 30,  
2012

**Sec. 109. TRIAL COURT OPERATIONS**

Court equity fund reimbursements .....	\$ 60,835,100
Judicial technology improvement fund .....	4,815,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 65,650,100</b>

Appropriated from:

Special revenue funds:

Court equity fund .....	50,440,000
Judicial technology improvement fund .....	4,815,000
State general fund/general purpose .....	\$ 10,395,100

**Sec. 110. GRANTS AND REIMBURSEMENTS TO LOCAL GOVERNMENT**

Drug case-flow program .....	\$ 250,000
Drunk driving case-flow program .....	3,300,000
Juror compensation reimbursement .....	6,600,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 10,150,000</b>

Appropriated from:

Special revenue funds:

Drug fund .....	250,000
Drunk driving fund .....	3,300,000
Juror compensation fund .....	6,600,000
State general fund/general purpose .....	\$ 0

**PART 2**

**PROVISIONS CONCERNING APPROPRIATIONS**

**FOR FISCAL YEAR 2011-2012**

**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 2011-2012 is \$240,675,000.00 and state spending from state resources to be paid to local units of government for fiscal year 2011-2012 is \$119,875,600.00. 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 .....	6,833,000

**TRIAL COURT OPERATIONS**

Court equity fund reimbursements .....	\$ 60,835,100
Judicial technology improvement fund .....	4,815,000

**JUSTICES' AND JUDGES' COMPENSATION**

District court judicial salary standardization .....	\$ 11,522,500
Probate court judges' state base salaries .....	9,627,900
Probate court judicial salary standardization .....	4,669,700
Circuit court judicial salary standardization .....	10,013,600
Grant to OASI contribution fund, employers share, social security .....	896,900

**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
<b>TOTAL</b> .....	<b>\$ 119,875,600</b>

Sec. 202. (1) The appropriations authorized under this article 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 article:

(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 article shall be completed with the approval of, and at the direction of, the supreme court, except as otherwise provided in this article. The judicial branch shall use the Internet to fulfill the reporting requirements of this article. 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. The judicial branch receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. Federal and state guidelines for short-term and long-term retention of records shall be followed. The judicial branch may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 214. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available. Preference shall be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality. In addition, preference shall be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 215. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2012 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. 219. Not later than November 15, 2012, 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. 221. From the funds appropriated in part 1, the judicial branch shall develop, post, and maintain, on a user-friendly and publicly accessible Internet site, all expenditures made by the judicial branch within a fiscal year. The posting shall include the purpose for which each expenditure is made. The judicial branch shall not provide financial information on its website under this section if doing so would violate a federal or state law, rule, regulation, or guideline that establishes privacy or security standards applicable to that financial information.

Sec. 222. Within 14 days after the release of the executive budget recommendation, the judicial branch shall provide the state budget director, the senate and house appropriations chairs, the senate and house appropriations subcommittees on the judiciary, respectively, and the senate and house fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2011 and September 30, 2012.

#### **JUDICIAL BRANCH**

Sec. 301. Pursuant to the appropriations in part 1, the direct trial court automation support program of the state court administrative office shall recover direct and overhead costs from trial courts by charging for services rendered. The fee shall cover the actual costs incurred to the direct trial court automation support program in providing the service, including development of future versions of case management systems.

Sec. 302. Funds appropriated within the judicial branch shall not be expended by any component within the judicial branch without the approval of the supreme court.

Sec. 303. Of the amount appropriated in part 1 for the judicial branch, \$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. 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, 2012, 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 state police to be used for expansion of drug treatment courts, to assist in avoiding prison bed space growth for nonviolent offenders in collaboration with the department of corrections.

(5) If United States department of transportation, national highway traffic safety administration federal funding is awarded to the judiciary for the support of drug treatment courts in an amount that exceeds the amount appropriated in part 1, the judiciary may receive and expend the funds in an amount not exceeding \$450,000.00 above the amount appropriated in part 1 for the support of drug treatment courts.

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. 317. Funds appropriated in part 1 shall not be used for the permanent assignment of state-owned vehicles to justices or judges or any other judicial branch employee. This section does not preclude the use of state-owned motor pool vehicles for state business in accordance with approved guidelines.

Sec. 318. The funds appropriated in part 1 for the community court pilot project shall be used for the purposes of administering a pilot program of neighborhood-focused community courts. The state court administrative office shall work collaboratively with the designated courts when establishing the community courts.

Sec. 320. (1) From the funds appropriated in part 1 for drug treatment courts, \$1,000,000.00 shall be administered by the state court administrative office to distribute to qualifying counties to support a swift-and-sure sanctions pilot program. A qualifying county shall apply to the state court administrative office for a portion of the funds appropriated in part 1.

(2) A qualifying county that receives funding under this section shall provide a report on the pilot program to the state budget director, the senate and house appropriations subcommittees on the judiciary, and the senate and house fiscal agencies. The report shall include all of the following:

- (a) The number of offenders who participate in the pilot program.
  - (b) The criminal history of offenders who participate in the pilot program.
  - (c) The recidivism rate of offenders who participate in the pilot program, including the rate of return to jail, prison, or both.
  - (d) A detailed description of the establishment and parameters of the pilot program.
- (3) As used in this section:
- (a) "Pilot program" means a swift-and-sure sanctions pilot program.
  - (b) "Qualifying county" means a county that has both of the following:
    - (i) A drug treatment court.
    - (ii) A unified trial court system.

Sec. 321. It is the intent of the legislature that the judicial branch support a statewide legal self-help Internet website and local nonprofit self-help centers that use the statewide website to provide assistance to individuals representing themselves in civil legal proceedings.

Sec. 322. (1) If Byrne formula grant funding is awarded to the state appellate defender office for criminal defense review and training on evidence-based sentencing in problem-solving courts, the state appellate defender office may receive and expend Byrne formula grant funds in an amount not exceeding \$525,000.00 as an interdepartmental grant from the department of state police.

(2) If Byrne formula grant funding is awarded to the state appellate defender office for criminal defense review and representation of defendants in cases that involve potentially unreliable evidence processed by the now-closed Detroit police crime laboratory, the state appellate defender office may receive and expend Byrne formula grant funds in an amount not exceeding \$225,000.00 as an interdepartmental grant from the department of state police.

PART 2A  
 PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS  
 FOR FISCAL YEAR 2012-2013

**GENERAL SECTIONS**

Sec. 1201. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, 2013 for the line items listed in part 1. The fiscal year 2012-2013 appropriations are anticipated to be the same as those for fiscal year 2011-2012, except that the line items will be adjusted for changes in caseload and related costs, federal fund match rates, economic factors, and available revenue. These adjustments will be determined after the January 2012 consensus revenue estimating conference.

ARTICLE XII  
 DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
 PART 1  
 LINE-ITEM APPROPRIATIONS  
 FOR FISCAL YEAR 2011-2012

Sec. 101. The amounts listed in this part are appropriated for the department of licensing and regulatory affairs, subject to the conditions set forth in this article, for the fiscal year ending September 30, 2012, from the funds identified in this part. The following is a summary of the appropriations in this part:

**DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS**

**APPROPRIATION SUMMARY**

Full-time equated unclassified positions.....	57.5	
Full-time equated classified positions .....	4,320.8	
<b>GROSS APPROPRIATION .....</b>		<b>\$ 811,570,400</b>
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....	13,373,500	
<b>ADJUSTED GROSS APPROPRIATION .....</b>		<b>\$ 798,196,900</b>

	For Fiscal Year Ending Sept. 30, 2012
Federal revenues:	
Total federal revenues.....	365,728,300
Special revenue funds:	
Total local revenues.....	7,859,900
Total private revenues.....	4,727,800
Total other state restricted revenues.....	388,808,100
State general fund/general purpose.....	\$ 31,072,800
<b>Sec. 102. DEPARTMENTAL ADMINISTRATION</b>	
Full-time equated unclassified positions.....	57.5
Full-time equated classified positions.....	129.0
Unclassified salaries—57.5 FTE positions.....	\$ 4,531,900
Executive director programs—33.0 FTE positions.....	5,083,200
Property management.....	11,768,400
Rent.....	12,032,200
Worker’s compensation.....	758,400
Special project advances.....	200,000
Administrative services—96.0 FTE positions.....	9,925,800
<b>GROSS APPROPRIATION.....</b>	<b>\$ 44,299,900</b>
Appropriated from:	
Interdepartmental grant revenues:	
Federal revenues:	
DOE-OEERE, multiple grants.....	3,000
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants.....	4,163,400
DOL-ETA, unemployment insurance.....	11,774,000
DOL, federal funds.....	30,800
DOL, multiple grants for safety and health.....	767,000
Federal revenues.....	437,100
Title XVIII Medicare.....	300,100
Title XIX Medicaid.....	21,000
Title XIX Medicaid, facility certification fees.....	193,900
Special revenue funds:	
Private - special project advances.....	200,000
Local revenues.....	130,900
Bank fees.....	356,300
Boiler fee revenue.....	244,400
Construction code fund.....	1,127,200
Consumer finance fees.....	74,900
Contingent fund, penalty and interest account.....	39,200
Corporation fees.....	4,168,800
Credit union fees.....	366,100
Deferred presentment service transaction fees.....	24,900
Elevator fees.....	251,500
Fees and collections/asbestos.....	100,000
Fire service fees.....	755,400
Health professions regulatory fund.....	1,559,400
Health systems fees.....	404,000
Insurance licensing and regulation fees.....	1,738,500
Insurance bureau fund.....	514,100
Licensing and regulation fees.....	1,005,700
Liquor purchase revolving fund.....	4,791,100
MBLSLA fund.....	84,800
Mobile home code fund.....	252,600
Motor carrier fees.....	203,600
Private occupational school license fees.....	14,000

	For Fiscal Year Ending Sept. 30, 2012
Public utility assessments.....	2,310,400
Radiological health fees.....	90,000
Safety education and training fund.....	719,800
Second injury fund.....	249,900
Securities fees.....	2,441,000
Self-insurers security fund.....	89,500
Silicosis and dust disease fund.....	111,100
Tax tribunal fund.....	181,400
Video franchise assessments.....	4,000
Workers' compensation administrative revolving fund.....	100,000
State general fund/general purpose.....	\$ 1,905,100
<b>Sec. 103. OFFICE OF FINANCIAL AND INSURANCE REGULATION</b>	
Full-time equated classified positions.....	377.0
Administration—35.0 FTE positions.....	\$ 7,392,600
Financial evaluation—232.0 FTE positions.....	34,613,400
Regulatory compliance and consumer assistance—110.0 FTE positions.....	18,465,500
GROSS APPROPRIATION.....	\$ 60,471,500
Appropriated from:	
Federal revenues:	
Federal revenues.....	2,000,000
Special revenue funds:	
Bank fees.....	8,236,900
Captive insurance regulatory and supervision fund.....	256,800
Consumer finance fees.....	4,362,800
Credit union fees.....	6,382,400
Deferred presentment service transaction fees.....	2,705,800
Insurance bureau fund.....	20,584,400
Insurance continuing education fees.....	1,023,600
Insurance licensing and regulation fees.....	4,800,400
MBLSLA fund.....	4,300,600
Multiple employer welfare arrangement.....	72,600
Securities fees.....	4,745,200
Securities investor education and training fund.....	1,000,000
State general fund/general purpose.....	\$ 0
<b>Sec. 104. PUBLIC SERVICE COMMISSION AND ENERGY SYSTEMS</b>	
Full-time equated classified positions.....	195.0
Public service commission—190.0 FTE positions.....	\$ 27,158,500
METRO authority—5.0 FTE positions.....	355,900
GROSS APPROPRIATION.....	\$ 27,514,400
Appropriated from:	
Federal revenues:	
DOE-OEERE, multiple grants.....	9,000
DOT, gas pipeline safety.....	677,800
Special revenue funds:	
Children's protection registry fund.....	272,600
Motor carrier fees.....	2,094,700
Public utility assessments.....	23,620,300
Restructuring mechanism assessments.....	440,000
Video franchise assessments.....	400,000
State general fund/general purpose.....	\$ 0
<b>Sec. 105. LIQUOR CONTROL COMMISSION</b>	
Full-time equated classified positions.....	152.0
Management support services—28.0 FTE positions.....	\$ 3,812,200
Liquor licensing and enforcement—124.0 FTE positions.....	13,801,300
GROSS APPROPRIATION.....	\$ 17,613,500

For Fiscal Year  
Ending Sept. 30,  
2012

Appropriated from:	
Special revenue funds:	
Direct shipper enforcement revolving fund.....	120,000
Liquor license revenue .....	7,136,200
Liquor purchase revolving fund .....	10,357,300
State general fund/general purpose .....	\$ 0
<b>Sec. 106. OCCUPATIONAL REGULATION</b>	
Full-time equated classified positions .....	835.3
Boiler inspection program—25.0 FTE positions.....	\$ 2,931,000
Bureau of fire services—57.0 FTE positions .....	5,603,700
Code enforcement—120.0 FTE positions .....	14,022,200
Commercial services—175.0 FTE positions .....	19,812,600
Elevator inspection program—30.0 FTE positions .....	3,162,400
Bureau of health professions—160.0 FTE positions.....	26,945,900
Bureau of health systems—199.6 FTE positions .....	21,630,100
Health policy and regulation—8.8 FTE positions .....	2,646,500
Radiological health administration—21.4 FTE positions.....	3,179,700
Background check program—5.5 FTE positions .....	2,545,900
Manufactured housing and land resources program—22.0 FTE positions .....	2,733,700
Property development group—11.0 FTE positions .....	1,707,600
GROSS APPROPRIATION .....	\$ 106,921,300
Appropriated from:	
Interdepartmental grant revenues:	
IDG from department of community health, inspection contract.....	100,000
IDG from department of human services, background checks .....	1,000,000
Federal revenues:	
Clinical lab improvement .....	360,000
CMS transformation grant.....	3,000,000
DOT .....	60,000
FEMA .....	28,000
Mammography quality standards.....	710,400
Prescription drug monitoring.....	100,000
Title XVIII Medicare.....	9,287,900
Title XIX Medicaid .....	950,800
Title XIX Medicaid, facility certification fees .....	6,217,500
Special revenue funds:	
Private - civil monetary penalties .....	200,000
Accountancy enforcement fund .....	420,000
Boiler fee revenue .....	3,363,600
Builder enforcement fund.....	427,000
Construction code fund .....	13,186,600
Corporation fees .....	6,342,700
Elevator fees .....	3,565,400
Fire alarm fees.....	114,000
Fire safety standard and enforcement fund .....	40,000
Fire service fees .....	1,953,300
Health professions regulatory fund .....	22,972,000
Health systems fees .....	1,417,200
Licensing and regulation fees.....	11,302,800
Liquor purchase revolving fund .....	2,636,500
Mobile home code fund.....	2,733,700
Nurse professional fund.....	1,744,200
Pain management fees .....	1,728,600
Private occupational school license fees .....	832,200

	For Fiscal Year Ending Sept. 30, 2012
Property development fees .....	298,900
Radiological health fees .....	2,469,300
Real estate appraiser continuing education fund.....	47,000
Real estate education fund .....	320,300
Real estate enforcement fund .....	364,600
Survey and remonumentation fund.....	776,700
Security business fund.....	321,100
Unarmed combat fund .....	66,900
State general fund/general purpose .....	\$ 5,462,100
<b>Sec. 107. MICHIGAN OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION</b>	
Full-time equated classified positions .....	229.0
Occupational safety and health—229.0 FTE positions .....	\$ 28,561,900
<b>GROSS APPROPRIATION</b> .....	<b>\$ 28,561,900</b>
Appropriated from:	
Federal revenues:	
DOL, multiple grants for safety and health .....	13,365,600
Special revenue funds:	
Corporation fees .....	3,780,300
Fees and collections/asbestos .....	919,900
Safety education and training fund .....	8,477,300
Securities fees.....	2,018,800
State general fund/general purpose .....	\$ 0
<b>Sec. 108. EMPLOYMENT SERVICES</b>	
Full-time equated classified positions .....	2,171.1
Worker’s compensation administration—96.6 FTE positions .....	\$ 8,918,200
Wage and hour division—33.0 FTE positions.....	3,136,700
Insurance funds administration—28.0 FTE positions .....	4,982,700
Supplemental benefit fund.....	820,000
Unemployment programs—1,302.7 FTE positions .....	136,315,200
Advocacy assistance program.....	1,500,000
Special audit and collections program—34.0 FTE positions .....	3,091,200
Training program for agency staff—2.1 FTE positions .....	1,827,700
Expanded fraud control program—33.2 FTE positions .....	3,561,300
Commission for the blind—107.0 FTE positions.....	26,728,500
Michigan rehabilitation services—513.5 FTE positions .....	71,720,500
Employment and labor relations—21.0 FTE positions .....	3,745,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 266,347,000</b>
Appropriated from:	
Federal revenues:	
DED-OPSE, multiple grants.....	1,222,900
DED-OSERS, centers for independent living .....	58,200
DED-OSERS, rehabilitation long-term training.....	316,900
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants.....	56,417,700
DED-OSERS, state grants for technical related assistance .....	65,300
DOL, employment and training administration.....	1,219,100
DOL-ETA, unemployment insurance .....	142,576,300
Federal revenues .....	20,265,900
HHS-SSA, supplemental security income .....	3,783,000
Special revenue funds:	
Private - gifts, bequests, and donations .....	816,000
Private revenues .....	111,800
Local revenues.....	529,000
Corporation fees .....	2,862,400
Contingent fund, regular penalty and interest .....	1,500,000
Michigan commission for the blind business enterprise program fund .....	553,600

	For Fiscal Year Ending Sept. 30, 2012
Rehabilitation service fees.....	1,352,300
Second injury fund.....	2,733,800
Securities fees.....	5,267,800
Self-insurers security fund.....	1,268,400
Silicosis and dust disease fund.....	1,032,000
Special fraud control fund.....	1,000,000
Workers' compensation administrative revolving fund.....	2,755,600
State general fund/general purpose.....	\$ 18,639,000
<b>Sec. 109. MICHIGAN ADMINISTRATIVE HEARING SYSTEM</b>	
Full-time equated classified positions.....	232.4
Michigan administrative hearing system—205.4 FTE positions.....	\$ 30,230,300
Office of regulatory reinvention—2.0 FTE positions.....	350,000
Michigan compensation appellate commission—25.0 FTE positions.....	3,033,600
GROSS APPROPRIATION.....	\$ 33,613,900
Appropriated from:	
Interdepartmental grant revenues:	
IDG - administrative hearings.....	12,273,500
Federal revenues:	
DOL-ETA, unemployment insurance.....	2,882,100
Federal revenue - administrative hearings and rules.....	7,596,900
Special revenue funds:	
Construction code fund.....	29,000
Corporation fees.....	1,121,500
Fire service fees.....	29,000
Insurance bureau fund.....	29,000
Insurance licensing and regulation fees.....	29,000
Licensing and regulation fees.....	29,000
Liquor license revenue.....	29,000
Motor carrier fees.....	29,000
Public utility assessments.....	29,000
Safety education and training fund.....	29,000
Securities fees.....	1,125,200
State restricted revenue - administrative hearings and rules.....	4,963,000
Tax tribunal fund.....	3,149,000
Workers' compensation administrative revolving fund.....	180,500
State general fund/general purpose.....	\$ 61,200
<b>Sec. 110. INFORMATION TECHNOLOGY</b>	
Information technology services and projects.....	\$ 43,132,900
Liquor control commission IT upgrades.....	100
GROSS APPROPRIATION.....	\$ 43,133,000
Appropriated from:	
Federal revenues:	
DOL-ETA, unemployment insurance.....	21,797,800
DOL, multiple grants for safety and health.....	273,700
Federal revenues.....	3,365,300
Special revenue funds:	
Bank fees.....	219,500
Boiler fee revenue.....	280,500
Construction code fund.....	1,076,700
Consumer finance fees.....	95,100
Corporation fees.....	4,833,400
Credit union fees.....	192,100
Deferred presentment service transaction fees.....	85,700
Elevator fees.....	271,300
Fees and collections/asbestos.....	11,000

	For Fiscal Year Ending Sept. 30, 2012
Fire service fees .....	503,500
Health professions regulatory fund .....	873,900
Health systems fees .....	186,400
Insurance continuing education fees .....	11,700
Insurance bureau fund .....	545,500
Insurance licensing and regulation fees.....	315,000
Licensing and regulation fees.....	1,430,900
Liquor purchase revolving fund .....	2,771,000
MBLSLA fund.....	104,100
Mobile home code fund.....	152,800
Motor carrier fees.....	148,900
Pain management fees .....	160,000
Public utility assessments.....	1,166,600
Radiological health fees .....	140,000
Safety education and training fund .....	624,700
Second injury fund .....	143,600
Securities fees.....	944,100
Self-insurers security fund.....	71,500
Silicosis and dust disease fund.....	61,500
Tax tribunal fund.....	210,000
State general fund/general purpose .....	\$ 65,200
<b>Sec. 111. DEPARTMENT GRANTS</b>	
Personal assistance services .....	\$ 459,500
Vocational rehabilitation customer support .....	56,908,400
Independent living .....	4,908,600
Fire protection grants .....	9,273,900
Low-income energy efficiency assistance .....	95,000,000
Liquor law enforcement grants.....	6,600,000
Remonumentation grants .....	5,300,000
Private grant programs .....	3,000,000
Subregional libraries state aid .....	451,800
Utility consumer representation.....	950,000
Youth low-vision program.....	241,800
GROSS APPROPRIATION .....	\$ 183,094,000
Appropriated from:	
Federal revenues:	
DED-OSERS, centers for independent living .....	450,200
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants.....	37,056,700
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
HHS-SSA, supplemental security income.....	5,868,400
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.....	200,000
Contingent fund, penalty and interest account.....	1,000,000
Low-income energy efficiency fund.....	95,000,000
Fire protection fund.....	8,500,000
Liquor purchase revolving fund .....	773,900
Liquor license revenue .....	6,600,000
Survey and remonumentation fund.....	5,300,000
Utility consumer representation fund .....	950,000
State general fund/general purpose .....	\$ 4,940,200

PART 2  
PROVISIONS CONCERNING APPROPRIATIONS  
FOR FISCAL YEAR 2011-2012

**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 2011-2012 is \$419,880,900.00 and state spending from state resources to be paid to local units of government for fiscal year 2011-2012 is \$22,988,700.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

**DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS**

Fire protection grants .....	\$ 9,273,900
Liquor law enforcement .....	6,600,000
Remonumentation grants .....	5,300,000
Firefighters training council .....	1,363,000
Subregional libraries state aid .....	451,800
Total department of licensing and regulatory affairs.....	\$ 22,988,700

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

Sec. 203. As used in this article:

- (a) "DED" means the United States department of education.
- (b) "DED-OPSE" means the DED office of postsecondary education.
- (c) "DED-OSERS" means the DED office of special education rehabilitation services.
- (d) "Department" means the department of licensing and regulatory affairs.
- (e) "Director" means the director of the department.
- (f) "DOE-OEERE" means the United States department of energy, office of energy efficiency and renewable energy.
- (g) "DOL" means the United States department of labor.
- (h) "DOL-ETA" means the DOL employment and training administration.
- (i) "DOT" means the United States department of transportation.
- (j) "FEMA" means federal emergency management agency.
- (k) "Fire safety standard and enforcement fund" means fire safety standard and firefighter protection act enforcement fund created in section 9 of the fire safety standard and firefighter protection act, 2009 PA 56, MCL 29.499.
- (l) "Fiscal agencies" means Michigan house fiscal agency and Michigan senate fiscal agency.
- (m) "FTE" means full-time equated.
- (n) "HHS" means the United States department of health and human services.
- (o) "HHS-SSA" means HHS social security administration.
- (p) "IDG" means interdepartmental grant.
- (q) "MAHS" means Michigan administrative hearing system.
- (r) "MARVIN" means Michigan's automated response voice interactive network.
- (s) "METRO" means metropolitan extension telecommunications rights-of-way oversight.
- (t) "MIOSHA" means Michigan occupational safety and health administration.
- (u) "Pain management fees" means the pain management education and controlled substances electronic monitoring and antidiversion fund.
- (v) "Subcommittees" means all members of the subcommittees of the house and senate appropriations committees with jurisdiction over the budget for the department.

Sec. 208. Unless otherwise specified, the department shall use the Internet to fulfill the reporting requirements of this article. 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. (1) Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of technology, management, and budget. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

(2) The funds appropriated in part 1 for liquor control commission information technology are designated as work project appropriations and shall not lapse at the end of the fiscal year. Any unencumbered and unexpended funds shall continue to be available for expenditure until the project has been completed. The total cost of the work project is estimated at \$1,000,000.00 and the tentative completion date is September 30, 2013.

Sec. 212. The department and agencies receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. Federal and state guidelines for short-term and long-term retention of records shall be followed. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 214. From the funds appropriated in part 1 for information technology, departments and agencies shall pay user fees to the department of technology, management, and budget for technology-related services and projects. The user fees shall be subject to provisions of an interagency agreement between the departments and agencies and the department of technology, management, and budget.

Sec. 215. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 216. Not later than November 15, 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 of representatives standing committees on appropriations, and the senate and house fiscal agencies.

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.

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

(3) Not later than January 1, 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. 220. The department may carry into the succeeding fiscal year unexpended federal pass-through funds to local institutions and governments that do not require additional state matching funds. Federal pass-through funds to local institutions and governments that are received in amounts in addition to those included in part 1 and that do not require additional state matching funds are appropriated for the purposes intended. Within 14 days after the receipt of federal pass-through funds, the department shall notify the house and senate chairpersons of the subcommittees, the fiscal agencies, and the state budget director of pass-through funds appropriated under this section.

Sec. 221. Funds appropriated in 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 \$45,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this article 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 \$31,000,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this article 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 \$8,000,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this article 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 article under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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. 227. (1) The department shall sell documents at a price not to exceed the cost of production and distribution. Money received from the sale of these documents shall revert to the department. In addition to the funds appropriated in part 1, these funds are available for expenditure when they are received by the department of treasury 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 (2002), 2008 PA 551, MCL 451.2101 to 451.2703.

(e) Labor law books.

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

(g) Construction code manuals.

(h) Copies of transcripts from administrative law hearings.

(2) In addition to the funds appropriated in part 1, funds collected by the department under sections 55, 57, 58, and 59 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.255, 24.257, 24.258, and 24.259, and section 203 of the legislative council act, 1986 PA 268, MCL 4.1203, are appropriated for all expenses necessary to provide for the cost of publication and distribution. 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. 228. Unless prohibited by law, the department may accept credit card or other electronic means of payment for licenses, fees, or permits.

Sec. 231. (1) The department shall maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following:

(a) Fiscal year-to-date expenditures by category.

(b) Fiscal year-to-date expenditures by appropriation unit.

(c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.

(d) The number of active department employees by job classification.

(e) Job specifications and wage rates.

(2) The department may develop and operate its own website to provide this information or may reference the state's central transparency website as the source for this information.

Sec. 232. The department shall not develop or produce any television productions.

Sec. 234. Within 14 days after the release of the executive budget recommendation, the department shall provide the state budget director, the senate and house appropriations chairs, the subcommittees, and the fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2011 and September 30, 2012.

## **REGULATORY**

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

(2) Cities, villages, and townships with state-owned facilities shall report to the department no later than November 15 on a form developed by the department in order to be eligible to receive funds appropriated in part 1 for fire protection grants. The report shall indicate all of the following:

- (a) The ability to respond to state facilities in their service area.
- (b) The cost for being prepared and able to respond to fire service situations during the most recent fiscal year.

(3) The department shall prepare a summary of the local submissions and provide it to the subcommittees, fiscal agencies, and the state budget director by March 31.

Sec. 301a. (1) 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, covering the state fiscal year ending September 30, 2011.

(2) The department shall provide a standard template for use by local units of government when submitting a report to the department.

(3) The department shall prepare a summary of the local submissions and provide it to the house and senate chairpersons of the subcommittees, the fiscal agencies, and the state budget director by March 31.

Sec. 302. 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:

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

Sec. 302a. In addition to the funds appropriated in part 1, the funds credited to the cigarette fire safety standard and firefighter protection act fund created in section 13 of the fire safety standard and firefighter protection act, 2009 PA 56, MCL 29.503, shall be appropriated to be expended for the purposes provided for in the fire safety standard and firefighter protection act, 2009 PA 56, MCL 29.491 to 29.513. These funds are appropriated for expenditure when they are received.

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.

Sec. 304. 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. 320. If the revenue collected by the department from licensing and regulation fees collected by the bureau 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. 330. Funds earned or authorized by the DOL in excess of the gross appropriation in part 1 for the unemployment insurance agency from the DOL are appropriated and may be expended for staffing and related expenses incurred in the operation of its programs. These funds may be spent after the department notifies the state budget director and the subcommittees of the purpose and amount of each grant award.

Sec. 332. The unemployment insurance agency shall provide the subcommittees, fiscal agencies, and state budget office with quarterly status reports on the development of the agency's integrated system project. The quarterly status reports shall include, but not be limited to, a summary of the expenditures for the project, project budget information, a summary of the tasks completed and milestones reached to date, the percentage of the total project completed to date, and a summary of the tasks anticipated to be completed in the subsequent quarter.

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.

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. The department shall not promulgate or adopt a rule more stringent than the applicable federal standard unless specifically authorized by statute.

Sec. 342. From the funds appropriated in part 1 for Michigan occupational safety and health consultation education and training (CET) grants, not less than \$80,000.00 shall be allocated to nonprofit organizations representing the mining industry in Michigan.

Sec. 361. (1) The public service commission shall report by November 1 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.

(2) The funds collected from public utilities for low-income energy efficiency fund grants as provided under orders issued by the public service commission pursuant to 1939 PA 3, MCL 460.1 to 460.11, that are unexpended at the end of the fiscal year may carry forward to the subsequent fiscal year.

Sec. 368. No later than March 1, 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 previous fiscal year. To the extent possible, the data required shall be reported for each individual occupation, trade, or industry regulated.

Sec. 380. Funds remaining in the homeowner construction lien recovery fund are appropriated to the department for payment of court-ordered homeowner construction lien recovery fund judgments entered prior to August 23, 2010. Pursuant to available funds, the payment of final judgments shall be made in the order in which the final judgments were entered and began accruing interest.

Sec. 390. The Michigan tax tribunal and the Michigan administrative hearing system shall submit a report on the number of cases heard and the number of cases decided by MAHS hearings officers, contractual hearings officers, and tribunal members during the fiscal year. The report shall also include information on case filings and dispositions, the number of active and pending cases before the small claims division and the entire tribunal, and the agencies' plan to eliminate the backlog of cases. The report shall be submitted to the subcommittees, fiscal agencies, and state budget office not later than November 1, 2012.

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

#### **MICHIGAN REHABILITATION SERVICES AND MICHIGAN COMMISSION FOR THE BLIND**

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. All funds appropriated in part 1 for independent living shall be used for the support of centers for independent living in compliance with federal rules and regulations for such centers, by existing centers 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 department. Funds must be used in a manner consistent with the state plan for independent living.

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 and the Michigan rehabilitation services shall work collaboratively with service organizations and government entities to identify qualified match dollars to maximize use of available federal vocational rehabilitation funds.

Sec. 613. (1) The funds appropriated in part 1 for a regional or subregional library shall not be released until a budget for that regional or subregional library has been approved by the department for expenditures for library services directly serving the blind and persons with disabilities.

(2) In order to receive subregional state aid as appropriated in part 1, a regional or subregional library's fiscal agency shall agree to maintain local funding support at the same level in the current fiscal year as in the fiscal agency's preceding fiscal year. If a reduction in expenditures equally affects all agencies in a local unit of government that is the regional or subregional library's fiscal agency, that reduction shall not be interpreted as a reduction in local support and shall not

disqualify a regional or subregional library from receiving state aid under part 1. If a reduction in income affects a library cooperative or district library that is a regional or subregional library's fiscal agency or a reduction in expenditures for the regional or subregional library's fiscal agency, a reduction in expenditures for the regional or subregional library shall not be interpreted as a reduction in local support and shall not disqualify a regional or subregional library from receiving state aid under part 1.

Sec. 615. The department may provide and enter into agreements to provide general services, training, meetings, information, special equipment, software, facility use, and technical consulting services to other principal executive departments, state agencies, local units of government, the judicial branch of government, other organizations, and patrons of department facilities. The department may charge fees for these services that are reasonably related to the cost of providing the services. In addition to the funds appropriated in part 1, funds collected by the department for these services are appropriated for all expenses necessary. The funds appropriated under this section are allotted for expenditure when they are received by the department of treasury.

### **HEALTH REGULATION**

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

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 shall provide the results of the study to the subcommittees, fiscal agencies, and state budget director by May 1.

Sec. 726. (1) The department shall submit a report by April 1 to the subcommittees, fiscal agencies, and state budget director 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.

(3) The department shall submit a report by January 1 to the standing committees on appropriations of the senate and house of representatives, the fiscal agencies, and the state budget director that includes all of the following information for the prior fiscal year regarding the medical marihuana program under the Michigan medical marihuana act, 2008 IL 1, MCL 333.26421 to 333.26430:

- (a) The number of initial applications received.
- (b) The number of initial applications approved and the number of initial applications denied.
- (c) The average amount of time, from receipt to approval or denial, to process an initial application.
- (d) The number of renewal applications received.
- (e) The number of renewal applications approved and the number of renewal applications denied.
- (f) The average amount of time, from receipt to approval or denial, to process a renewal application.
- (g) The percentage of initial applications not approved or denied within the time requirements established in section 6 of the Michigan medical marihuana act, 2008 IL 1, MCL 333.26426.
- (h) The percentage of renewal applications not approved or denied within the time requirements established in section 6 of the Michigan medical marihuana act, 2008 IL 1, MCL 333.26426.
- (i) The percentage of registry cards for approved initial applications not issued within the time requirements established in section 6 of the Michigan medical marihuana act, 2008 IL 1, MCL 333.26426.
- (j) The percentage of registry cards for approved renewal applications not issued within the time requirements established in section 6 of the Michigan medical marihuana act, 2008 IL 1, MCL 333.26426.

Sec. 727. By October 1, 2011, the department shall establish and implement a bid process to identify a private or public contractor to provide management of the medical marihuana program. By January 1, the department shall transfer responsibility for management of the medical marihuana program to the contractor identified by the bid process.

Sec. 729. (1) A hospital or freestanding surgical outpatient facility may report whether a registered nurse, qualified by training and experience in operating room nursing, is present as a circulating nurse in each separate operating room where surgery is being performed for the duration of the operative procedure. This section does not preclude a circulating nurse from leaving the operating room as part of the procedure, leaving the operating room as part of the operative procedure, leaving the operating room for short periods, or, in accordance with employer rules or regulations, being relieved during an operative procedure by another circulating nurse assigned to continue the operative procedure.

(2) The department shall report any data collected pursuant to subsection (1) on the use of a circulating nurse in the operating room of hospitals and freestanding surgical outpatient facilities to the legislature on an annual basis. The circulating nurse shall assist administration in assuring regulatory compliance data are collected, including the verification of the circulating nurse.

Sec. 731. (1) The bureau of health systems shall prepare a report detailing the number of facilities, locations, and beds for each type of health facility licensed, certified, inspected, or otherwise regulated by the bureau. The report shall also include the bureau’s cost to license, certify, inspect, or otherwise regulate each type of facility. The data required by this subsection shall be collected and reported on acute care hospitals, home health agencies, hospices, hospice residences, psychiatric units in general hospitals, psychiatric hospitals, partial hospitalization psychiatric programs, outpatient surgical facilities, laboratories, end stage renal disease facilities, rural health clinics, substance abuse programs, long-term care facilities including nursing homes, hospital long-term care units, county medical care facilities, and radiation machines.

(2) By February 1, the bureau of health systems shall work with interested stakeholders to recommend to the governor and the legislature a schedule of fees to be charged by the bureau for regulating health facilities. The fee schedule proposed by the bureau shall bear a direct relationship to the cost of the service or act, including overhead expenses. The report shall also recommend the necessary statutory and administrative rule changes necessary to implement the recommended fee schedule.

PART 2A  
PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS  
FOR FISCAL YEAR 2012-2013

**GENERAL SECTIONS**

Sec. 1201. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, 2013 for the line items listed in part 1. The fiscal year 2012-2013 appropriations are anticipated to be the same as those for fiscal year 2011-2012, except that the line items will be adjusted for changes in caseload and related costs, federal fund match rates, economic factors, and available revenue. These adjustments will be determined after the January 2012 consensus revenue estimating conference.

ARTICLE XIII  
DEPARTMENT OF MILITARY AND VETERANS AFFAIRS  
PART 1  
LINE-ITEM APPROPRIATIONS  
FOR FISCAL YEAR 2011-2012

Sec. 101. Subject to the conditions set forth in this article, the amounts listed in this part for the department of military and veterans affairs are appropriated for the fiscal year ending September 30, 2012 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 .....	819.0	
<b>GROSS APPROPRIATION .....</b>		<b>\$ 152,483,500</b>
Total interdepartmental grants and intradepartmental transfers .....		1,152,800
Schedule of interdepartmental grant revenue sources:		
IDG, challenge grant .....	152,800	
IDG, community health .....	100,000	
IDG, state police.....	900,000	
<b>ADJUSTED GROSS APPROPRIATION .....</b>		<b>\$ 151,330,700</b>
Total federal revenues.....		87,678,000
Schedule of federal revenue sources:		
DOD-DOA-NGB .....	59,527,800	
DVA-VHA .....	24,657,500	
HHS-Medicare .....	3,262,000	
HHS-Medicaid .....	180,700	
Federal counter narcotics revenues.....	50,000	
Total local revenues .....		744,800

For Fiscal Year  
Ending Sept. 30,  
2012

Schedule of local revenue sources:	
Local - school aid revenue .....	744,800
Total private revenues .....	1,423,300
Schedule of private revenue sources:	
Private donations.....	883,300
Private-veterans' home post and posthumous funds.....	540,000
Total other state restricted revenues .....	28,439,700
Schedule of restricted revenue sources:	
Rental fees .....	346,400
Mackinac bridge authority .....	70,000
Test project fees.....	100,000
Income and assessments .....	21,857,800
Lease revenue .....	12,200
Michigan veterans trust fund.....	5,053,300
Michigan family relief fund.....	1,000,000
State general fund/general purpose .....	\$ 33,044,900
<b>Sec. 102. MILITARY</b>	
Full-time equated unclassified positions.....	7.0
Full-time equated classified positions .....	285.0
Military.....	\$ 54,119,800
GROSS APPROPRIATION .....	\$ 54,119,800
Appropriated from:	
Interdepartmental grant revenues.....	1,000,000
Federal revenues.....	38,523,900
State restricted revenues .....	884,500
State general fund/general purpose .....	\$ 13,711,400
Schedule of programs:	
Headquarters and armories .....	11,363,300
Unclassified military personnel .....	665,000
Military appeals tribunal.....	900
State active duty .....	100,100
Homeland security .....	1,000,000
Military training sites and support facilities.....	28,212,100
Military training site and support facilities test projects.....	100,000
Departmentwide accounts.....	1,861,300
Special maintenance – state.....	651,200
Special maintenance – federal.....	5,300,000
Military retirement.....	3,784,100
Counter narcotic operations.....	50,000
Information technology services and projects.....	1,031,800
<b>Sec. 103. VETERANS AND COMMUNITY OUTREACH</b>	
Full-time equated classified positions .....	33.0
Veterans and community outreach.....	\$ 15,402,100
GROSS APPROPRIATION .....	\$ 15,402,100
Appropriated from:	
Interdepartmental grant revenues.....	152,800
Federal revenues.....	4,728,000
Local revenues.....	744,800
Private revenues.....	883,300
State restricted revenues .....	5,653,300
State general fund/general purpose .....	\$ 3,239,900
Schedule of programs:	
Veterans advice, advocacy and assistance grants .....	3,029,600
Veterans' affairs directorate administration.....	205,300
Veterans' trust fund administration.....	1,306,800
Veterans' trust fund grants.....	3,746,500

For Fiscal Year  
Ending Sept. 30,  
2012

Michigan emergency volunteers .....	5,000	
Challenge program.....	4,186,900	
Military family relief fund.....	600,000	
Starbase grant .....	2,322,000	
<b>Sec. 104. HOMES</b>		
Full-time equated classified positions .....	501.0	
Homes.....		\$ 66,261,600
<b>GROSS APPROPRIATION</b> .....		\$ 66,261,600
Appropriated from:		
Federal revenues.....		27,726,100
Private revenues.....		540,000
State restricted revenues .....		21,901,900
State general fund/general purpose .....		\$ 16,093,600
Schedule of programs:		
Grand Rapids veterans' home.....	48,251,000	
Board of managers.....	665,000	
D.J. Jacobetti veterans' home.....	17,070,600	
Board of managers.....	275,000	
<b>Sec. 105. CAPITAL OUTLAY</b>		
Capital outlay .....		\$ 16,700,000
<b>GROSS APPROPRIATION</b> .....		\$ 16,700,000
Appropriated from:		
Federal revenues.....		16,700,000
State general fund/general purpose .....		\$ 0
Schedule of programs:		
Special maintenance, remodeling and additions.....	15,000,000	
Camp Grayling – light demolition range.....	1,700,000	

PART 2  
PROVISIONS CONCERNING APPROPRIATIONS  
FOR FISCAL YEAR 2011-2012

**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 2011-2012 is \$61,484,600.00 and state spending from state resources to be paid to local units of government for fiscal year 2011-2012 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.....		\$ 70,000
Schedule of programs:		
Payments in lieu of taxes .....		70,000
Veterans and community outreach.....		50,000
Schedule of programs:		
County counselor education and training expenses.....		50,000
<b>TOTAL</b> .....		\$ 120,000

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

Sec. 203. As used in this article:

- (a) "Department" means the department of military and veterans affairs.
- (b) "DOD" means the United States department of defense.
- (c) "DOD-DOA-NGB" means the DOD department of the army, national guard bureau.
- (d) "DTMB" means the department of technology, management, and budget.
- (e) "DVA" means the United States department of veterans affairs.
- (f) "DVA-VHA" means the DVA veterans health administration.
- (g) "IDG" means interdepartmental grant.
- (h) "Work project" means, except as used in section 211, a group of activities featuring a fixed duration, budget, and scope that is expected to cause a measurable change in the delivery, efficiency, or effectiveness of 1 or more operations.

(i) "Large veterans service organization" means a VSO that can certify that its membership exceeds 30,000 individuals.

(j) "Medium veterans service organization" means a VSO that can certify that its membership is between 2,500 and 30,000 individuals.

(k) "Small veterans service organization" means a VSO that can certify that its membership is between 1,000 and 2,499 individuals.

(l) "VSO" means veterans service organization.

Sec. 204. The following shall constitute the appropriations from part 1 for interdepartmental grant funds received by the department from sources outside the department: \$152,800.00 from challenge grant; \$100,000.00 from the department of community health; and \$900,000.00 from the department of state police.

Sec. 206. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$10,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this article 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 article 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 article 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 article under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 207. (1) The department shall maintain a searchable website accessible by the public at no cost that includes, but it not limited to, all of the following:

(a) Fiscal year-to-date expenditures by category.

(b) Fiscal year-to-date expenditures by appropriation unit.

(c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.

(d) The number of active department employees by job classification.

(e) Job specifications and wage rates.

(2) The department may develop and operate its own website to provide this information or may reference the state's central transparency website as the source for this information.

Sec. 208. Unless otherwise specified, the department shall use the Internet to fulfill the reporting requirements of this article. 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. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of technology, management, and budget. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 212. The departments and agencies receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. Federal and state guidelines for short-term and long-term retention of records shall be followed. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 213. (1) Due to the current budgetary problems in this state, out-of-state travel for this fiscal year ending September 30, 2012 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 standing committees on appropriations.

Sec. 214. From the funds appropriated in part 1 for information technology, departments and agencies shall pay user fees to the department of technology, management, and budget for technology-related services and projects. The user fees shall be subject to provisions of an interagency agreement between the department and agencies and the department of technology, management, and budget.

Sec. 215. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 216. (1) Notwithstanding any other provision of this article, the schedule of programs in part 1 lists programs which may, but are not required to be, funded under this article.

(2) Notwithstanding any other provisions of this article, the schedule of revenue sources in part 1 may or may not be received from the funding entities listed.

(3) Any funding required by statute is not subject to funding flexibility and shall be funded in accordance with that statute.

Sec. 217. The department shall improve its budgetary efficiency pertaining to the delivery of core services delineated in section 211 by doing all of the following:

(a) Prioritizing personnel over buildings in budgetary efficiency considerations.

(b) Pursuing the physical or virtual consolidation of support service functions such as information technology, human resources, and accounting as a means of improving standardization and efficiency.

(c) Seeking expenditure reductions whenever possible through the streamlining of existing service delivery activities.

(d) Identifying efficiencies that can be gained via the reduction or elimination of programs, policies, and practices which have outlived their usefulness.

Sec. 218. (1) Any unused general fund/general purpose funds for this fiscal year created through efficiencies and identified by the department as potential lapsed funds shall be designated as the department incentive pool balance, provided that all the requirements of this part have been met.

(2) Any funds associated with any supplemental general fund/general purpose fund requests for this fiscal year shall be debited against this fiscal year's department incentive pool balance if it does not meet 1 or more of the following criteria:

(a) The supplemental funds pertain to the addition of a new core service.

(b) The supplemental funds pertain to the expansion of existing service capacity beyond current fiscal year expectations.

(3) At the end of this fiscal year, if the incentive pool balance is positive, the department incentive pool balance shall be allocated as follows:

(a) Ten percent of the unused funds shall be allocated as work project funds to be used in a manner that provides direct benefit to department employees or their families within 12 months of the end of this fiscal year.

(b) Forty percent of the unused funds shall be allocated as work project funds to be used at the discretion of the department for projects designed to improve service delivery.

(c) Fifty percent of the unused funds shall be lapsed to the general fund/general purpose fund.

Sec. 219. (1) The department shall be available to meet on a quarterly basis before the appropriate senate and house appropriations subcommittee.

(2) The department shall provide all information necessary to validate that the requirements of this part have been achieved.

(3) The department shall provide a corrective action plan within 30 days of a quarterly report under this section for any requirements of this part that have not been achieved. The department shall provide a monthly status of corrective action plans.

(4) The department shall provide a summary of fund shifts, that have been approved by the state budget office, that have occurred between core services on a quarterly basis to the senate and house appropriations subcommittees.

(5) The department shall provide the following data to the senate and house appropriations subcommittees:

(a) A list of all major work projects, including a status report of each project.

(b) The department's financial status, featuring a report of budgeted versus actual expenditures by part 1 line item including a year-end projection of budget requirements. If projected department budget requirements exceed the allocated budget, the report shall include a plan to reduce overall expenses while still satisfying specified service level requirements.

(c) Evidence of efficiencies and management of funds within established appropriations, documented through the DTMB monthly expenditure report as described in section 301(3) of this part.

(d) A list of projected armory closings from section 302(6) of this part.

(e) A list of property sales as described in section 223 of this part.

(6) The department shall provide a corrective action plan for any service metrics that do not meet requirements. The department shall provide a status of correction action plans at the next quarterly review.

(7) The Grand Rapids and D.J. Jacobetti veterans' homes shall provide to the appropriate house and senate appropriations subcommittees the results of the veterans' homes annual veterans' affairs inspection and their corrective action plans.

Sec. 220. The department shall provide the following data to the appropriate senate and house appropriations subcommittees on an annual basis:

(a) Using information received from the grant recipients in section 401 of this part, a progress report on metric requirements, copies of certified financial audits and tax reports of grant recipients, a listing from grant recipients of expenditures by spending category, including a listing of individual salaries of each officer and administrative staff, a listing of volunteer hours including the hours, series, and donations provided to residents of the Grand Rapids veterans' home and the D.J. Jacobetti veterans' home. The department shall provide within the report a specific notification whether any veterans grant recipients failed to comply with established reporting requirements.

(b) The Grand Rapids veterans' home and the D.J. Jacobetti veterans' home shall produce a report including an accounting of member populations and bed space available, a description and accounting of services and activities provided to members, financial information, and current state nursing home licensure status.

(c) A detailed report of the Michigan veteran's trust fund that includes 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 maintain the Michigan veterans' trust fund corpus to its original amount of at least \$50,000,000.00.

Sec. 221. Grant recipients in section 401 of this part shall submit a report to the department on the number of claims filed for veterans in this state with the United States department of veterans affairs and the number of actual claims awarded.

Sec. 222. The appropriations in part 1 are for the core services, support services, and work projects of the department, including, but not limited to, the following core services: armories and joint forces readiness, maintenance and operation of army national guard training facilities, operation and maintenance of air national guard air bases, veterans affairs directorate and administration of the veterans trust fund, administration and oversight of veterans advice, advocacy, and assistance grants, training support for county veterans counselors, administration of the military family relief fund, the Michigan youth challenge academy program, and the administration of the Grand Rapids veterans' home and the D.J. Jacobetti veterans' home.

Sec. 223. 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. 224. The department shall consult with the house and senate appropriations subcommittees on state police and military and veterans affairs regarding the projected closing or consolidation of any national guard armories.

Sec. 225. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those activities that the attorney general authorizes.

Sec. 226. The department shall seek partnerships with United States armed forces reserve units for the colocation of activities, including sharing in the acquisition and costs for facilities.

Sec. 227. Bids for contract services shall not exclude public employee unions from the bid process.

Sec. 228. Not later than November 15, the department shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriations lapses at the close of the fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriations lapses by major departmental program or program areas. The report shall be transmitted to the office of the state budget, the chairpersons of the senate and house standing committees on appropriations, and the senate and house fiscal agencies.

Sec. 229. Within 14 days after the release of the executive budget recommendation, the department shall provide the state budget director, the senate and house appropriations chairs, the senate and house appropriations subcommittees on state police and military and veterans affairs, respectively, and the senate and house fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2011 and September 30, 2012.

#### **MILITARY**

Sec. 301. (1) The department shall provide administrative support for department operations.

(2) The department shall maintain the staffing and resources necessary to ensure proper accountability of state funds.

(3) The department shall maintain the staffing and resources necessary to adhere to the state of Michigan financial management guide for accounting, contracting, purchasing, budgeting, and financial reporting and the administrative guide to state government.

(4) The department shall ensure fiscal controls relating to procurement of goods and services and other expenditures.

Sec. 302. (1) The department shall operate and maintain national guard armories.

(2) The department shall provide resources necessary to ensure that armories are maintained in accordance with army regulation 210-4.

(3) The department shall evaluate armories for consolidation, energy, and utility efficiency and identify work projects that would improve this efficiency.

(4) The department shall provide armory equipment maintenance by maintaining equipment and tracking and monitoring trends in repair maintenance to determine whether a piece of equipment is to be retired or kept.

(5) The department shall provide security for national guard armories by ensuring that a passive electronic security system is in place at all armories.

(6) The department shall consult with the house and senate appropriations subcommittees on state police and military and veterans affairs regarding the projected closing or consolidation of any national guard armories.

(7) Using individual facility assessments, the department shall improve the adequacy of utilities and infrastructure of the armories. The department shall improve quality rating at the armory facilities based on the number of faults corrected and dollars available (spent) during the fiscal year.

Sec. 303. (1) The department shall provide army national guard forces, when directed, for state and local emergencies and in support of national military requirements.

(2) The department shall provide resources necessary to train and equip military forces to standards set by the United States armed forces.

Sec. 304. (1) The department shall operate and maintain army national guard training facilities, including Fort Custer and Camp Grayling.

(2) The department shall provide resources necessary to meet building maintenance requirements per performance specifications established in master cooperative agreement appendix 1, section 104, national guard bureau regulations.

(3) Army national guard training facilities security management shall secure all locations, monitor alarm equipment, and adhere to state laws, statutes, and army regulation 190-56 and master cooperative agreement appendix 3, section 308, national guard bureau regulations.

(4) Using individual facility assessments, the department shall improve the adequacy of utilities and infrastructure of the air bases. The department shall improve quality rating at the air base facilities based on the number of faults corrected and dollars available (spent) during the fiscal year.

Sec. 305. (1) The department shall provide air national guard forces when directed, for state and local emergencies and in support of national military requirements.

(2) The department shall provide resources necessary to train and equip military forces to standards set by the United States armed forces.

(3) Using individual facility assessments, the department shall improve the adequacy of utilities and infrastructure of the military training sites and support facilities. The department shall improve quality rating at the facilities based on the number of faults corrected and dollars available (spent) during the fiscal year.

Sec. 306. (1) The department shall operate and maintain air national guard air bases, including Selfridge air national guard base, Battle Creek air national guard base, and Alpena combat readiness training center.

(2) The department shall provide resources necessary to meet facility maintenance at air national guard bases, including maintenance and preventive maintenance of authorized building and systems at no less than the minimum standards required by applicable federal, state, and local agencies.

(3) The department shall maintain the staffing and resources necessary to provide security services at air national guard bases, including the security of the location and the monitoring of alarm equipment, in accordance with air force instruction 31-101 and master cooperative agreement appendix 23, section 2308, national guard bureau regulations.

#### **VETERANS AND COMMUNITY OUTREACH**

Sec. 401. (1) The department shall provide advice, advocacy, and assistance services to Michigan veterans.

(2) The department shall maintain the staffing and resources necessary to develop and operate a program that will provide benefits counseling and representation to veterans of this state for the purpose of assisting veterans to obtain United States department of veteran affairs health, financial, and memorial benefits for which they are eligible.

(3) The department shall create a 5-member advisory board consisting of presidents/commanders from 2 large veterans service organizations, 2 medium veterans service organizations, and 1 small veterans service organization. The board shall meet no less than twice a year, without reimbursement by the department, and have the following duties:

(a) Assist the department in establishing criteria for grant awards. The department, while utilizing advice provided by the board in establishing grant criteria, is solely responsible for determination of the amounts and recipients of the grants.

- (b) Serve as a liaison between the grant recipients, the department, and the legislature.
  - (c) Assist 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.
  - (d) Provide a forum regarding veterans' issues, including suggesting changes in department programs that address veterans' changing needs.
  - (4) Of the appropriation in part 1 for veterans advice, advocacy, and assistance, grants shall be distributed by the department in the form of 5 grants for the period beginning October 1, 2011, including 1 specialized grant. The specialized grant shall be awarded to a group specializing in advocacy for paralyzed veterans.
  - (5) Money used for grants 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.
  - (6) 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.
  - (7) The department shall increase its responsibility in the administration, management, oversight, and outreach of the delivery of services to veterans by working with grant recipients, the veterans advisory board, county veterans counselors, and representatives from the Michigan veterans trust fund to identify, implement, and evaluate steps to do all the following:
    - (a) Maximize the coordination between all organizations that assist veterans and identify areas of redundancy in services to consolidate.
    - (b) Increase the percentage of veterans in this state who become aware of their eligibility for service-connected disability or pension benefits from the United States department of veterans affairs.
    - (c) Improve national standing with regard to veterans affairs benefits granted per veteran.
    - (d) Expand training opportunities for veteran service organization service officers.
    - (e) Increase the percentage of veterans in this state who become aware of their eligibility for enrollment 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.
- Sec. 402. (1) The Michigan veterans' trust fund board together with the department shall provide emergency grants for disbursement from the Michigan veterans' trust fund.
- (2) The Michigan veterans' trust fund board together with the department shall maintain the staffing and resources necessary to provide outreach to veterans who may need and qualify for veterans trust fund emergency grants.
  - (3) The Michigan veterans' trust fund board shall work to increase the percentage of grant applications that are approved and received by eligible families by 5% over those approved and received by eligible families in fiscal year 2009-2010.
- Sec. 403. (1) The department shall provide grants for disbursement from the military family relief fund.
- (2) The department shall maintain the staffing and resources necessary to provide outreach to the Michigan families of active members of the armed forces.
  - (3) The department shall work to increase the percentage of military family relief grant applications that are approved and received by eligible families by 5% over those approved and received by eligible families in fiscal year 2009-2010.
- Sec. 404. (1) The department shall provide training support for county veterans counselors.
- (2) The department shall provide resources necessary to provide county veterans counselors with training to ensure quality services to veterans.
  - (3) The department shall work with counties towards the goal of having at least 1 county veterans counselor in every county in this state.
  - (4) The Michigan veterans' affairs directorate administration and the Michigan veterans' trust fund administration shall take steps to assist the county veterans counselors of this state to obtain training necessary for the execution of their duties.
- Sec. 405. (1) The department shall maintain the Michigan youth challenge academy to provide values, skills, education, and self-discipline instruction for at-risk youth.
- (2) The department shall maintain the staffing and resources necessary to recruit and train a starting class size of 144 cadets.
  - (3) The department shall provide food services for cadets enrolled in the Michigan youth challenge academy which shall include 3 balanced meals a day in accordance with current dietary guidelines for Americans and the daily food guide of the United States department of agriculture.
  - (4) The department shall ensure that at least 65% of the cadets who enroll in the Michigan youth challenge academy meet the requirement for graduation from the academy.
  - (5) The department shall ensure that at least 65% of the cadets who enroll in Michigan youth challenge academy take the general educational development exam and that at least 70% of those taking the exam earn a passing grade.
  - (6) The department shall ensure that less than 3% of cadets who enroll in the Michigan youth challenge academy enter the correctional system within 5 years of graduation from the academy.
  - (7) 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.

(8) The department shall partner with the department of human services to identify youth who may be eligible for the challenge program from those youth served by department of human series programs. These eligible youth shall be given priority for enrollment in the program.

(9) The funds appropriated in this article for private donations to the Michigan youth 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.

#### **HOMES**

Sec. 501. (1) The department shall provide compassionate, quality interdisciplinary care at the state's Grand Rapids and D.J. Jacobetti veterans' homes so that members can achieve their highest potential of wellness, independence, self-worth, and dignity.

(2) The department shall provide resources necessary to provide adequate nursing care services to veterans in accordance with federal standards, including the following:

(a) A licensed maximum capacity of skilled nursing beds of 618 at the Grand Rapids veterans' home.

(b) A licensed maximum capacity of domiciliary beds of 140 at the Grand Rapids veterans' home.

(c) A licensed maximum capacity of skilled nursing beds of 182 at the D.J. Jacobetti veterans' home.

(d) A licensed maximum capacity of domiciliary beds of 59 at the D.J. Jacobetti veterans' home.

(3) The Grand Rapids and D.J. Jacobetti veterans' homes shall ensure that their medical staffing is in accordance with United States department of veterans administration standards.

(4) The Grand Rapids and D.J. Jacobetti veterans' homes shall ensure that transportation is assured for each resident for every medical appointment outside the veterans' home.

(5) The Grand Rapids and D.J. Jacobetti veterans' homes shall ensure that each member resident receives daily laundry service.

(6) The Grand Rapids and D.J. Jacobetti veterans' homes shall ensure that maintenance and custodial services are provided for each home in accordance with applicable local, state, and federal standards.

(7) The Grand Rapids and D.J. Jacobetti veterans' homes shall ensure that each resident receives a medical and care assessment including a dietary plan upon admission to the home, with meals and snacks provided in accordance with the plan and the United States department of veterans administration rule 325.20803.

(8) The money appropriated in this article 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 and D.J. Jacobetti veterans' homes.

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

(10) 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.

(11) Any contractor providing competency evaluated nursing assistants (CENA) to the Grand Rapids and D.J. Jacobetti veterans' homes shall ensure that each CENA has at least 8 hours of training on information provided by the veterans' home.

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

(13) Any contractor providing competency evaluated nursing assistants to the Grand Rapids and D.J. Jacobetti veterans' homes shall ensure that each CENA is competent in the basic skills needed to perform his or her assigned duties at the veterans' home.

(14) Any contractor providing competency evaluated nursing assistants to the Grand Rapids and D.J. Jacobetti veteran's homes shall ensure that each CENA has at least 1 year of experience in long-term care.

(15) The Grand Rapids and D.J. Jacobetti veterans' homes shall provide each CENA at least 12 hours of in-service training once that individual has been assigned to the veterans' home.

(16) The Grand Rapids and D.J. Jacobetti veterans' homes shall ensure that care services are provided to each resident of the veterans' homes in accordance with standards set by the United States department of veterans' affairs.

#### **CAPITAL OUTLAY**

Sec. 601. (1) The director shall allocate lump-sum appropriations made in this article 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. 602. 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.

PART 2A  
PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS  
FOR FISCAL YEAR 2012-2013

**GENERAL SECTIONS**

Sec. 1201. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, 2013 for the line items listed in part 1. The fiscal year 2012-2013 appropriations are anticipated to be the same as those for fiscal year 2011-2012, except that the line items will be adjusted for changes in caseload and related costs, federal fund match rates, economic factors, and available revenue. These adjustments will be determined after the January 2012 consensus revenue estimating conference.

ARTICLE XIV  
DEPARTMENT OF NATURAL RESOURCES  
PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this article, the amounts listed in this part are appropriated for the department of natural resources for the fiscal year ending September 30, 2012, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**DEPARTMENT OF NATURAL RESOURCES**

**APPROPRIATION SUMMARY**

Full-time equated unclassified positions.....	6.0	
Full-time equated classified positions .....	2,173.4	
<b>GROSS APPROPRIATION .....</b>		<b>\$ 330,195,800</b>
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		1,935,000
<b>ADJUSTED GROSS APPROPRIATION .....</b>		<b>\$ 328,260,800</b>
Federal revenues:		
Total federal revenues.....		69,319,800
Special revenue funds:		
Total private revenues.....		2,842,400
Total other state restricted revenues .....		242,267,400
State general fund/general purpose .....		\$ 13,831,200

**FUND SOURCE SUMMARY**

Full-time equated unclassified positions.....	6.0	
Full-time equated classified positions .....	2,173.4	
<b>GROSS APPROPRIATION .....</b>		<b>\$ 330,195,800</b>
Interdepartmental grant revenues:		
IDG, land acquisition services to work orders.....		415,800
IDG, MacMullan conference center revenue.....		1,519,200
Total interdepartmental grants and intradepartmental transfers .....		1,935,000
<b>ADJUSTED GROSS APPROPRIATION .....</b>		<b>\$ 328,260,800</b>
Federal revenues:		
Federal funds.....		69,319,800
Total federal revenues.....		69,319,800
Special revenue funds:		
Private funds.....		2,842,400
Total private revenues.....		2,842,400
Aircraft fees.....		284,800
Cervidae licensing and inspection fees .....		124,100
Clean Michigan initiative fund.....		26,800
Commercial forest fund.....		59,400
Forest development fund .....		34,829,300
Forest land user charges .....		656,600
Forest recreation account.....		2,147,000
Game and fish protection fund.....		63,371,400
Game and fish protection fund - deer habitat reserve.....		2,682,100
Game and fish protection fund - fisheries settlement .....		937,600
Game and fish protection fund - turkey permit fees .....		1,530,800
Game and fish protection fund - waterfowl fees.....		117,100
Game and fish - wildlife resource protection fund .....		1,147,600

	For Fiscal Year Ending Sept. 30, 2012
Game and fish protection fund - youth hunting and fishing education and outreach fund.....	54,600
History fees fund.....	373,900
Land exchange facilitation fund.....	5,882,700
Local public recreation facilities fund.....	857,000
Mackinac Island state park fund.....	1,746,800
Mackinac Island state park operation fund.....	182,600
Marine safety fund.....	3,914,500
Michigan heritage publications fund.....	51,100
Michigan natural resources trust fund.....	979,000
Michigan state parks endowment fund.....	25,772,300
Michigan state waterways fund.....	23,617,700
Michigan trailways fund.....	30,900
Museum operations fund.....	549,000
Nongame wildlife fund.....	744,700
Off-road vehicle safety education fund.....	311,700
Off-road vehicle trail improvement fund.....	3,959,200
Park improvement fund.....	45,859,700
Permanent snowmobile trail easement fund.....	700,000
Public use and replacement deed fees.....	49,900
Recreation improvement account.....	1,510,300
Recreation passport fees.....	5,264,300
Snowmobile registration fee revenue.....	1,754,100
Snowmobile trail improvement fund.....	10,135,700
Sportsmen against hunger fund.....	51,100
Total other state restricted revenues.....	242,267,400
State general fund/general purpose.....	\$ 13,831,200
<b>Sec. 102. EXECUTIVE OPERATIONS</b>	
Full-time equated unclassified positions.....	6.0
Full-time equated classified positions.....	10.0
Natural resources commission.....	\$ 79,500
Unclassified salaries—6.0 FTE positions.....	315,500
Executive direction and citizen advisory councils—10.0 FTE positions.....	1,700,600
GROSS APPROPRIATION.....	\$ 2,095,600
Appropriated from:	
Special revenue funds:	
Forest development fund.....	307,000
Forest land user charges.....	5,800
Forest recreation account.....	9,800
Game and fish protection fund.....	772,700
Game and fish protection fund - deer habitat reserve.....	24,100
Game and fish protection fund - turkey permit fees.....	9,100
Game and fish protection fund - waterfowl fees.....	700
Game and fish protection fund - wildlife resource protection fund.....	9,100
Land exchange facilitation fund.....	16,200
Marine safety fund.....	17,700
Michigan natural resources trust fund.....	1,000
Michigan state parks endowment fund.....	147,100
Michigan state waterways fund.....	133,800
Nongame wildlife fund.....	3,200
Off-road vehicle trail improvement fund.....	35,300
Park improvement fund.....	328,600
Recreation improvement account.....	2,800
Snowmobile registration fee revenue.....	6,100
Snowmobile trail improvement fund.....	19,200
State general fund/general purpose.....	\$ 246,300

For Fiscal Year  
Ending Sept. 30,  
2012

**Sec. 103. GREAT LAKES RESTORATION INITIATIVE**

Great Lakes restoration initiative .....	\$	10,000,000
GROSS APPROPRIATION .....	\$	<u>10,000,000</u>
Appropriated from:		
Federal revenues:		
Federal funds .....		10,000,000
State general fund/general purpose .....	\$	0

**Sec. 104. DEPARTMENT SUPPORT SERVICES**

Full-time equated classified positions .....	126.2	
Central support services—119.2 FTE positions .....		\$ 15,012,500
Accounting service center .....		1,348,500
Science and policy—7.0 FTE positions .....		703,700
Building occupancy charges .....		3,115,400
Rent - privately owned property .....		488,400
Gifts and bequests .....		<u>500,000</u>
GROSS APPROPRIATION .....		\$ 21,168,500

Appropriated from:

Interdepartmental grant revenues:		
IDG, land acquisition services to work orders .....		415,800
Federal revenues:		
Federal funds .....		214,900
Special revenue funds:		
Private funds .....		500,000
Clean Michigan initiative fund .....		26,800
Forest development fund .....		2,784,300
Forest land user charges .....		22,700
Forest recreation account .....		47,100
Game and fish protection fund .....		4,531,500
Game and fish protection fund - deer habitat reserve .....		291,800
Game and fish protection fund - turkey permit fees .....		126,700
Game and fish protection fund - waterfowl fees .....		2,100
Game and fish protection fund - wildlife resource protection fund .....		36,700
Land exchange facilitation fund .....		5,704,200
Marine safety fund .....		365,400
Michigan natural resources trust fund .....		958,000
Michigan state parks endowment fund .....		539,800
Michigan state waterways fund .....		564,400
Nongame wildlife fund .....		19,600
Off-road vehicle trail improvement fund .....		25,100
Park improvement fund .....		1,331,200
Public use and replacement deed fees .....		49,900
Recreation improvement account .....		23,700
Snowmobile registration fee revenue .....		44,700
Snowmobile trail improvement fund .....		195,400
State general fund/general purpose .....	\$	<u>2,346,700</u>

**Sec. 105. COMMUNICATION AND CUSTOMER SERVICES**

Full-time equated classified positions .....	129.3	
Marketing, education and technology—78.3 FTE positions .....		\$ 13,368,200
Historical administration and services—36.0 FTE positions .....		3,958,200
Archives—8.0 FTE positions .....		800,100
Museum stores—6.0 FTE positions .....		549,000
Special programs (Mann house)—1.0 FTE positions .....		<u>113,300</u>
GROSS APPROPRIATION .....		\$ 18,788,800

Appropriated from:

Federal revenues:		
Federal funds .....		2,072,200

For Fiscal Year  
Ending Sept. 30,  
2012

Special revenue funds:		
Private funds.....		650,100
Forest development fund .....		122,600
Forest recreation account.....		15,400
Game and fish protection fund.....		8,261,900
Game and fish protection fund - youth hunting and fishing education and outreach fund.....		49,800
History fees fund.....		373,900
Land exchange facilitation fund .....		42,600
Marine safety fund .....		32,800
Michigan heritage publications fund.....		51,100
Michigan state parks endowment fund.....		82,600
Michigan state waterways fund.....		136,100
Museum operations fund .....		549,000
Nongame wildlife fund.....		11,300
Off-road vehicle safety education fund .....		54,100
Off-road vehicle trail improvement fund.....		20,400
Park improvement fund .....		2,406,400
Recreation passport fees.....		21,900
Snowmobile registration fee revenue .....		65,100
Snowmobile trail improvement fund .....		42,100
Sportsmen against hunger fund .....		51,100
State general fund/general purpose .....	\$	3,676,300
<b>Sec. 106. WILDLIFE MANAGEMENT</b>		
Full-time equated classified positions .....	206.0	
Wildlife management—197.0 FTE positions .....		\$ 28,619,900
Natural resources heritage—9.0 FTE positions.....		1,178,000
State game and wildlife area maintenance .....		750,000
GROSS APPROPRIATION .....		\$ 30,547,900
Appropriated from:		
Federal revenues:		
Federal funds.....		14,971,100
Special revenue funds:		
Private funds.....		168,700
Cervidae licensing and inspection fees .....		76,000
Forest development fund .....		69,400
Game and fish protection fund.....		9,435,800
Game and fish protection fund - deer habitat reserve.....		2,167,800
Game and fish protection fund - turkey permit fees .....		1,323,900
Game and fish protection fund - waterfowl fees.....		106,200
Nongame wildlife fund.....		662,600
State general fund/general purpose .....	\$	1,566,400
<b>Sec. 107. FISHERIES MANAGEMENT</b>		
Full-time equated classified positions .....	232.0	
Aquatic resource mitigation—2.0 FTE positions .....		\$ 937,600
Fish production—60.0 FTE positions .....		8,892,400
Fisheries resource management—170.0 FTE positions.....		19,882,700
Cormorant population mitigation program.....		100,000
GROSS APPROPRIATION .....		\$ 29,812,700
Appropriated from:		
Federal revenues:		
Federal funds.....		11,459,600
Special revenue funds:		
Private funds.....		120,400
Game and fish protection fund.....		17,295,100
Game and fish protection fund - fisheries settlement .....		937,600
State general fund/general purpose .....	\$	0

For Fiscal Year  
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2012

**Sec. 108. LAW ENFORCEMENT**

Full-time equated classified positions .....	228.0	
General law enforcement—228.0 FTE positions .....		\$ 29,118,700
<b>GROSS APPROPRIATION</b> .....		\$ 29,118,700

Appropriated from:

Federal revenues:

Federal funds .....		5,338,900
Special revenue funds:		
Cervidae licensing and inspection fees .....		48,100
Forest recreation account.....		65,200
Game and fish protection fund.....		17,804,100
Game and fish protection fund - wildlife resource protection fund.....		1,050,200
Marine safety fund .....		1,433,600
Off-road vehicle safety education fund.....		87,400
Off-road vehicle trail improvement fund.....		1,065,100
Park improvement fund .....		65,200
Snowmobile registration fee revenue .....		908,700
State general fund/general purpose .....	\$	1,252,200

**Sec. 109. RECREATION DIVISION**

Full-time equated classified positions .....	809.9	
MacMullan conference center—15.0 FTE positions .....		\$ 1,519,200
Recreational boating—163.5 FTE positions.....		15,905,000
State parks—631.4 FTE positions.....		52,705,700
State parks improvement revenue bonds - debt service .....		1,153,700
<b>GROSS APPROPRIATION</b> .....		\$ 71,283,600

Appropriated from:

Interdepartmental grant revenues:

IDG, MacMullan conference center revenue.....		1,519,200
Federal revenues:		
Federal funds .....		125,900
Special revenue funds:		
Private funds.....		380,900
Michigan state parks endowment fund.....		12,486,000
Michigan state waterways fund.....		15,905,000
Off-road vehicle trail improvement fund.....		210,700
Park improvement fund .....		40,413,500
Recreation passport fees.....		242,400
State general fund/general purpose .....	\$	0

**Sec. 110. MACKINAC ISLAND STATE PARK COMMISSION**

Full-time equated classified positions .....	37.0	
Historical facilities system—15.0 FTE positions .....		\$ 1,746,800
Mackinac Island state park operations—22.0 FTE positions .....		182,600
<b>GROSS APPROPRIATION</b> .....		\$ 1,929,400

Appropriated from:

Special revenue funds:

Mackinac Island state park fund .....		1,746,800
Mackinac Island state park operation fund .....		182,600
State general fund/general purpose .....	\$	0

**Sec. 111. FOREST MANAGEMENT DIVISION**

Full-time equated classified positions .....	395.0	
Adopt-a-forest program .....		\$ 25,000
Cooperative resource programs—12.0 FTE positions.....		1,134,700
Forest management and timber market development—177.0 FTE positions.....		23,520,500
Forest fire equipment.....		431,500
Wildfire protection—122.0 FTE positions .....		12,474,800

	For Fiscal Year Ending Sept. 30, 2012
Forest management initiatives—10.0 FTE positions.....	844,800
Forest recreation—48.0 FTE positions.....	5,338,900
Minerals management—26.0 FTE positions .....	3,056,100
GROSS APPROPRIATION.....	\$ 46,826,300
Appropriated from:	
Federal revenues:	
Federal funds.....	3,053,900
Special revenue funds:	
Private funds.....	922,300
Aircraft fees.....	284,800
Commercial forest fund.....	54,600
Forest development fund .....	29,037,100
Forest land user charges .....	577,700
Forest recreation account.....	1,855,900
Game and fish protection fund.....	1,829,700
Michigan state parks endowment fund.....	2,278,000
Michigan state waterways fund.....	470,200
Michigan trailways fund.....	30,900
Off-road vehicle safety education fund .....	6,600
Off-road vehicle trail improvement fund.....	638,100
Recreation improvement account .....	356,600
Snowmobile registration fee revenue .....	15,600
Snowmobile trail improvement fund .....	1,759,500
State general fund/general purpose .....	\$ 3,654,800
<b>Sec. 112. GRANTS</b>	
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 .....	3,024,000
Grants to communities - federal oil, gas, and timber payments .....	3,450,000
National recreational trails .....	3,900,000
Game and nongame wildlife fund grants .....	10,000
Grant to counties - marine safety .....	3,647,400
Off-road vehicle safety training grants.....	150,000
Off-road vehicle trail improvement grants.....	1,953,500
Recreation improvement fund grants.....	1,100,000
Recreation passport local grants.....	857,000
Snowmobile law enforcement grants.....	673,000
Snowmobile local grants program.....	8,004,000
Trail easements.....	700,000
Deer habitat improvement partnership initiative .....	50,000
GROSS APPROPRIATION.....	\$ 33,910,800
Appropriated from:	
Federal revenues:	
Federal funds.....	18,333,300
Special revenue funds:	
Private funds.....	100,000
Game and fish protection fund - deer habitat reserve.....	50,000
Local public recreation facilities fund.....	857,000
Marine safety fund .....	1,980,000
Nongame wildlife fund.....	10,000
Off-road vehicle safety education fund .....	150,000
Off-road vehicle trail improvement fund.....	1,953,500
Permanent snowmobile trail easement fund.....	700,000
Recreation improvement account .....	1,100,000

	For Fiscal Year Ending Sept. 30, 2012
Snowmobile registration fee revenue .....	673,000
Snowmobile trail improvement fund .....	8,004,000
State general fund/general purpose .....	\$ 0
<b>Sec. 113. INFORMATION TECHNOLOGY</b>	
Information technology services and projects .....	\$ 9,633,500
GROSS APPROPRIATION .....	\$ 9,633,500
Appropriated from:	
Special revenue funds:	
Commercial forest fund.....	4,800
Forest development fund .....	1,708,900
Forest land user charges .....	50,400
Forest recreation account.....	53,600
Game and fish protection fund.....	3,440,600
Game and fish protection fund - deer habitat reserve.....	148,400
Game and fish protection fund - turkey permit fees .....	71,100
Game and fish protection fund - waterfowl fees.....	8,100
Game and fish protection fund - wildlife resource protection fund.....	51,600
Game and fish protection fund - youth hunting and fishing education and outreach fund.....	4,800
Land exchange facilitation fund.....	119,700
Marine safety fund .....	85,000
Michigan natural resources trust fund.....	20,000
Michigan state parks endowment fund.....	738,800
Michigan state waterways fund.....	478,200
Nongame wildlife fund.....	38,000
Off-road vehicle safety education fund .....	13,600
Off-road vehicle trail improvement fund.....	11,000
Park improvement fund .....	1,314,800
Recreation improvement account .....	27,200
Snowmobile registration fee revenue .....	40,900
Snowmobile trail improvement fund .....	115,500
State general fund/general purpose .....	\$ 1,088,500
<b>Sec. 114. CAPITAL OUTLAY</b>	
<b>(a) STATE PARK AND FOREST AREA IMPROVEMENTS</b>	
State parks repair and maintenance.....	\$ 14,500,000
Forest roads, bridges, and facilities.....	900,000
GROSS APPROPRIATION .....	\$ 15,400,000
Appropriated from:	
Special revenue funds:	
Forest development fund .....	800,000
Forest recreation account.....	100,000
Michigan state parks endowment fund.....	9,500,000
Recreation passport fees.....	5,000,000
State general fund/general purpose .....	\$ 0
<b>(b) WATERWAYS BOATING PROGRAM</b>	
Infrastructure improvements - local projects.....	\$ 480,000
Infrastructure improvements - state projects .....	1,950,000
Field initiatives - routine maintenance, paving, small-scale projects at state facilities .....	600,000
Land acquisition - acquire land for future boating access site development .....	400,000
Boating program, state boating access projects:	
South Higgins Lake, Roscommon County, new entrance, launch ramp, maneuver area, parking and traffic flow improvements (total authorized cost \$1,000,000; federal share \$750,000, state share \$250,000) .....	1,000,000
Cass Lake, Oakland County, parking improvements, maneuver area, launch ramp/road traffic flow improvements (total authorized cost \$2,000,000; federal share \$1,500,000; state share \$500,000).....	2,000,000

	For Fiscal Year Ending Sept. 30, 2012
Boating program, harbors and docks, state facilities:	
East Tawas, Iosco County, harbor renovation, dock replacements, dredging, fueling station, new electrical/utilities, phase I (total authorized cost \$1,000,000; state share \$1,000,000) ...	1,000,000
Fayette, Delta County, replace and expand existing dock, phase I (total authorized cost \$400,000; federal share \$300,000, state share \$100,000) .....	400,000
Boating program, harbors and docks, local facilities:	
Cedarville, Mackinac County, dredging, steel sheet piling, parking improvements, launch ramps, docks, updated electrical/utilities, service building (total authorized cost \$2,040,000; state share \$1,020,000; local share \$1,020,000) .....	1,020,000
Manistique, Schoolcraft County, marina improvements, new docks, new service building, phase I (total authorized cost \$1,660,000; state share \$830,000; local share \$830,000) .....	830,000
GROSS APPROPRIATION .....	\$ 9,680,000
Appropriated from:	
Federal revenues:	
Federal funds .....	3,750,000
Special revenue funds:	
Michigan state waterways fund .....	5,930,000
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 2011-2012 is \$256,098,600.00 and state spending from state resources to be paid to local units of government for fiscal year 2011-2012 is \$6,550,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

**DEPARTMENT OF NATURAL RESOURCES**

**GRANTS**

Grants to counties – marine safety .....	\$ 1,980,000
Off-road vehicle safety training grants .....	150,000
Off-road vehicle trail improvement grants .....	450,000
Recreation improvement fund grants .....	110,000
Recreation passport local grants .....	857,000
Snowmobile law enforcement grants .....	673,000

**CAPITAL OUTLAY**

Waterways boating program .....	\$ 2,330,000
<b>TOTAL</b> .....	<b>\$ 6,550,000</b>

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

Sec. 203. As used in this article:

- (a) "Commission" means the natural resources commission.
- (b) "Department" means the department of natural resources.
- (c) "FTE" means full-time equated.
- (d) "IDG" means interdepartmental grant.
- (e) "IDT" means intradepartmental transfer.

Sec. 204. The civil service commission shall bill the department 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. Unless otherwise specified, the department shall use the Internet to fulfill the reporting requirements of this article. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on an Internet or Intranet site.

Sec. 206. Appropriations of state restricted game and fish protection funds have been made in the following amounts to the following departments and agencies in their respective appropriation acts:

Legislative auditor general .....	\$ 22,000
Attorney general .....	797,100
Department of technology, management, and budget .....	408,500
Department of treasury .....	1,201,500

Sec. 207. Pursuant to section 43703(3) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.43703, there is appropriated from the game and fish protection trust fund to the game and fish protection account of the Michigan conservation and recreation legacy fund, \$6,000,000.00 for the fiscal year ending September 30, 2012.

Sec. 208. From the funds appropriated in part 1 for information technology, departments and agencies shall pay user fees to the department of technology, management, and budget for technology-related services and projects. The user fees shall be subject to provisions of an interagency agreement between the department and agencies and the department of technology, management, and budget.

Sec. 210. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available. Preference shall be given to goods or services, or both, manufactured or provided by Michigan businesses if they are competitively priced and of comparable quality. In addition, preference should be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 211. The director of the department shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. The director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

Sec. 212. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 214. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those activities that the attorney general authorizes.

Sec. 215. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$3,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this article 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 article 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 article under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

Sec. 216. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of technology, management, and budget. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 217. The department and agencies receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. Federal and state guidelines for short-term and long-term retention of records shall be followed. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 220. Not later than November 15, 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 of representatives standing committees on appropriations, and the senate and house fiscal agencies.

Sec. 222. Within 14 days after the release of the executive budget recommendation, the department shall provide the state budget director, the senate and house appropriations chairs, the senate and house appropriations subcommittees on natural resources, respectively, and the senate and house fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2011 and September 30, 2012.

Sec. 223. Before January 31, 2012, the department, in cooperation with the Michigan state waterways commission, shall provide to the state budget director, the senate and house appropriations subcommittees on natural resources, and the senate and house fiscal agencies a list of projects completed by the commission in fiscal year 2010-2011, including the county and municipality in which each project is located.

Sec. 233. On a quarterly basis, the department shall report on the number of FTEs in pay status by civil service classification to the senate and house appropriations subcommittees on natural resources and environment and the senate and house fiscal agencies.

Sec. 234. (1) The department shall maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following:

- (a) Fiscal year-to-date expenditures by category.
  - (b) Fiscal year-to-date expenditures by appropriation unit.
  - (c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.
  - (d) The number of active department employees by job classification.
  - (e) Job specifications and wage rates.
- (2) The department may develop and operate its own website to provide this information or may reference the state's central transparency website as the source for this information.

Sec. 235. The department shall not expend more than \$10,000.00 from the appropriations in part 1 to implement the requirements of section 234.

#### **EXECUTIVE OPERATIONS AND DEPARTMENT SUPPORT**

Sec. 301. The department may charge the appropriations contained in part 1, including all special maintenance and capital projects appropriated for the fiscal year ending September 30, 2012, for engineering services provided, a standard percentage fee to recover actual costs. The department may use the revenue derived to support the engineering services charges provided for in part 1.

Sec. 302. The department may charge land acquisition projects appropriated for the fiscal year ending September 30, 2012, and for prior fiscal years, a standard percentage fee to recover actual costs, and may use the revenue derived to support the land acquisition service charges provided for in part 1.

Sec. 303. As appropriated in part 1, the department may charge both application fees and transaction fees related to the exchange or sale of state-owned land or rights in land authorized by part 21 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.2101 to 324.2162. The fees shall be set by the director of the department at a rate which allows the department to recover its costs for providing these services.

Sec. 304. For the purposes of administering the museum store as provided in section 7a of 1913 PA 271, MCL 399.7a, the department is exempt from section 261 of the management and budget act, 1984 PA 431, MCL 18.1261.

Sec. 305. As appropriated in part 1, proceeds in excess of costs incurred in the conduct of auctions, sales, or transfers of artifacts no longer considered suitable for the collections of the state historical museum may be expended upon receipt for additional material for the collection. The department shall notify the chairpersons, vice chairpersons, and minority vice chairpersons of the senate and house appropriations subcommittees on natural resources 1 week prior to any auctions or sales. Any unexpended funds may be carried forward into the next succeeding fiscal year.

Sec. 306. As appropriated in part 1, funds collected by the department for historical markers; document reproduction and services; conferences, admissions, workshops, and training classes; and the use of specialized equipment, facilities, exhibits, collections, and software shall be used for expenses necessary to provide the required services. The department may charge fees for the aforementioned services, including admission fees. It is the intent of the legislature that if sufficient revenues are available, as a condition of the expenditure of revenue from admission fees to the Michigan historical museum, admission to the museum shall be free for children under 18 years of age. The department may accept voluntary admissions contributions of \$2.00 for children under 18 years of age. Any unexpended funds may be carried forward into the next succeeding fiscal year.

Sec. 308. By October 21, 2011, the department shall submit to the senate and house appropriations subcommittees on natural resources a report on all land transactions approved by the commission in the fiscal year ending September 30, 2011. 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.

Sec. 309. By January 1, 2012, the department shall produce a report identifying active oil and gas leases entered into before July 1995 which are larger than 160 acres in size and where the acreage held in a producing unit is less than or equal to 1/4 of the total lease acreage.

#### **WILDLIFE DIVISION**

Sec. 402. It is the intent of the legislature that, from the funds appropriated in part 1, the department shall reimburse the department of agriculture and rural development 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 287.746.

#### **FISHERIES DIVISION**

Sec. 501. (1) From the appropriation in part 1 for aquatic resource mitigation, not more than \$758,000.00 shall be allocated for grants to watershed councils, resource development councils, soil conservation districts, local governmental units, and other nonprofit organizations for stream habitat stabilization and soil erosion control.

(2) The fisheries division in the department shall develop priority and cost estimates for all projects recommended for grants under subsection (1).

Sec. 502. 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.

#### **RECREATION DIVISION**

Sec. 601. 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, 2012.

Sec. 602. The department shall notify the house and senate appropriations subcommittees on natural resources and the house and senate fiscal agencies if it intends to reduce operations or reduce recreation opportunities in any state park or recreation area.

#### **FOREST MANAGEMENT DIVISION**

Sec. 701. In addition to the funds appropriated in part 1, \$350,000.00 is appropriated to the department 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 notifies the house and senate committees on appropriations.

Sec. 702. Of the funds appropriated in part 1, the department shall, subject to the forest certification process, prescribe treatment on 79,000 acres, prepare appropriate treatment for not less than 67,500 acres at the current average rate of 12.5 to 15 cords per acre, and offer those cords for sale in 2012, provided that the department shall take into consideration the impact of timber harvesting on wildlife habitat and recreation uses. The department shall, subject to the forest certification process, increase marking or treatment of hardwood timber for sale and harvest by 10% over 2011 levels. In addition, the department shall take into consideration silvicultural analysis and report annually to the legislature on plans and efforts to address factors limiting management of timber. The department shall increase the number of prepared acres if it appears that regional market demand requires increased volumes of harvested timber. The department shall provide quarterly reports on the number of acres treated, pursuant to this section, to the senate and house appropriations subcommittees on natural resources and the standing committees of the senate and house of representatives with primary responsibility for natural resources issues. The department shall complete and deliver these reports no later than 45 days after the end of the fiscal quarter.

Sec. 703. In addition to the money appropriated in this article, the department may receive and expend money from federal sources for the purpose of providing response to wildfires as required by a compact with the federal government. If additional expenditure authorization is required, the department shall notify the state budget office that expenditure under this section is required. The department shall notify the house and senate appropriations subcommittees on natural resources and the house and senate fiscal agencies of the expenditures under this section by November 1, 2012.

Sec. 704. The department shall continue to work cooperatively with horseback riding interests to maximize riding opportunities in the state.

Sec. 705. The department shall spend amounts appropriated in part 1 for forest-related activities to employ or contract for sufficient foresters to mark timber, pursuant to section 702.

Sec. 706. It is the intent of the legislature that forest campgrounds proposed for closure by the department will be open and accessible to the general public.

Sec. 707. The department shall complete the development of a strategic plan to incorporate selected state forest campgrounds into the state park system as mini-state parks in order to qualify them for funding under section 2045 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.2045, from state recreation passport revenue. Both currently open and closed campgrounds shall be included in the strategic plan. To fully develop this program and to test its viability throughout the state, the department shall finish designing and implementing a pilot program that includes 6 forest campgrounds selected on a broad geographical basis from those forest campgrounds closed by Executive Order No. 2009-22. In making the selection for the pilot program, the department shall select 3 forest campgrounds from the Upper Peninsula and 3 from the Lower Peninsula. The department shall report to the house and senate appropriations subcommittees on natural resources and the house and senate fiscal agencies by October 31, 2011 on the design of the pilot program, the status of the plan's implementation, and any additional state forest campground closures that are planned for fiscal year 2011-2012 or have occurred since the issuance of Executive Order No. 2009-22.

Sec. 710. The department shall provide a report on the wildfire protection use of department aircraft to the house and senate appropriations subcommittees on natural resources and the house and senate fiscal agencies by December 1, 2011. The report shall include the following information for the preceding fiscal year: how many airplanes the department owns, how much the airplanes cost annually, which DNR divisions used the aircraft throughout the year, how many wildfires occurred in which the aircraft were used to help provide detection, surveillance, or suppression support, and how many flight hours were logged for the fleet in that year.

**LAW ENFORCEMENT**

Sec. 801. The appropriation in part 1 for snowmobile law enforcement grants shall be used by the department to provide grants to county law enforcement agencies to enforce part 821 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.82101 to 324.82160, including rules promulgated under that part and ordinances enacted pursuant to that part. The department shall consider the number of enforcement hours and the number of miles of snowmobile trails in each county in allocating these grants. Any funds not distributed to counties revert back to the snowmobile registration fee subaccount created under section 82111 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.82111. Counties shall provide semiannual reports to the department on the use of grant money received under this section.

Sec. 802. The department shall provide a report on the marine safety grant program to the senate and house appropriations subcommittees on natural resources and the senate and house fiscal agencies by December 1, 2011. The report shall include the following information for the preceding year: the total amount of revenue received for watercraft registrations, the amount deposited into the marine safety fund, and the expenditures made from the marine safety fund, including the amounts expended for department administration, other state agencies, the law enforcement division, and grants to counties. The report shall also include the distribution methodology used by the department to distribute the marine safety grants and a list of the grants and the amounts awarded by county.

**GRANTS**

Sec. 901. 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, 2011, the department shall report to the senate and house appropriations subcommittees on natural resources, the senate and house fiscal agencies, and the state budget director on all amounts appropriated under this section during the fiscal year ending September 30, 2011.

Sec. 902. 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. 1001. The appropriation made in this article for the harbors and docks program is for the purpose of participating with the federal government and assisting local units of government, public colleges and universities, or other governmental entities in this state with 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 to the federal government, or to the governmental entities involved in the particular projects. An allocation shall not exceed the state portion as listed with each project description. The department 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. 1002. (1) The director of the department shall allocate lump-sum appropriations to the department made in this article 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.

Sec. 1004. Upon receiving notification that necessary permits have been obtained, the department shall fund a capital outlay project to construct a breakwall at the Grand Marais harbor according to a plan to be prepared by Burt Township. The project has an estimated completion cost of \$7,000,000.00 and an estimated completion date of September 30, 2015.

**ONE-TIME BASIS ONLY**

Sec. 1101. For the state fiscal year ending September 30, 2012, there is appropriated from general fund/general purpose revenue, on a 1-time basis only, \$4,000,000.00 for the Grand Marais harbor capital outlay project provided for in section 1004.

PART 2A  
PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS  
FOR FISCAL YEAR 2012-2013

**GENERAL SECTIONS**

Sec. 1201. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, 2013 for the line items listed in part 1. The fiscal year 2012-2013 appropriations are anticipated to be the same as those for

fiscal year 2011-2012, except that the line items will be adjusted for changes in caseload and related costs, federal fund match rates, economic factors, and available revenue. These adjustments will be determined after the January 2012 consensus revenue estimating conference.

ARTICLE XVI  
DEPARTMENT OF STATE POLICE  
PART 1  
LINE-ITEM APPROPRIATIONS  
FOR FISCAL YEAR 2011-2012

Sec. 101. Subject to the conditions set forth in this article, the amounts listed in this part for the department of state police are appropriated for the fiscal year ending September 30, 2012, 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 .....	2,751.0	
<b>GROSS APPROPRIATION</b> .....		\$ 524,282,700
Total interdepartmental grants and intradepartmental transfers .....		23,546,200
Schedule of interdepartmental grant revenue sources:		
IDG, training academy charges .....	2,505,200	
IDG-MDOC, contract .....	167,100	
IDG-MDOS .....	332,000	
IDG-MDOT, state trunkline fund .....	10,586,900	
IDG-MDTR, casino gaming fees.....	5,190,800	
IDG-MDTR, emergency telephone fund coordinator .....	585,800	
IDG-MDTR, emergency telephone fund operations.....	628,900	
IDT, auto theft funds .....	633,400	
IDT, Michigan justice training fund .....	1,450,000	
IDT, truck safety fund .....	1,466,100	
<b>ADJUSTED GROSS APPROPRIATION</b> .....		\$ 500,736,500
Total federal revenues .....		106,051,600
Schedule of federal revenue sources:		
DHS .....	56,202,400	
DOJ.....	15,950,000	
DOJ interest bearing.....	8,136,500	
DOT .....	24,133,800	
Federal investigations-reimbursed services.....	1,034,600	
Federal narcotics investigation revenues .....	594,300	
Total local revenues.....		6,456,700
Schedule of local revenue sources:		
Local-AFIS fees.....	78,100	
Local-LEIN fees .....	1,173,100	
Local-MPSCS subscriber & maintenance fees .....	1,713,100	
Local-reimbursed services .....	1,962,800	
Local-school bus revenue .....	1,529,600	
Total private revenues.....		216,100
Schedule of private revenue sources:		
Private donations.....	216,100	
Total state restricted revenues .....		123,336,100
Schedule of restricted revenue sources:		
Auto theft prevention fund .....	6,704,500	
Commercial mobile radio service fees .....	7,000,000	
CJIC service fees .....	16,370,400	
Concealed weapons enforcement fee.....	100,000	
Drunk driving prevention & training fund .....	1,299,700	
Forensic science reimbursement fees .....	1,352,700	
Forfeiture funds .....	75,000	
Hazardous materials training center fees.....	1,281,200	
Highway safety fund.....	11,814,000	

For Fiscal Year  
Ending Sept. 30,  
2012

Licensing fees.....	9,100	
Michigan justice training fund.....	8,188,400	
Michigan merit award trust fund.....	682,000	
Motor carrier fees.....	3,865,900	
Narcotics investigation revenue.....	989,200	
Nuclear plant emergency planning reimbursement.....	2,065,700	
Precision driving track fees.....	287,500	
Reimbursement services.....	1,195,800	
Rental of department aircraft.....	53,300	
Secondary road patrol & training fund.....	15,100,500	
Sex offenders registration fund.....	283,200	
State forensic laboratory fund.....	1,852,900	
State police service fees.....	2,087,100	
State services fee fund.....	10,254,100	
Tobacco tax revenue.....	3,000,000	
Traffic crash revenue.....	315,800	
Traffic law enforcement and safety fund.....	24,094,400	
Trooper school recruitment fund.....	1,100	
Truck driver safety fund.....	3,012,600	
State general fund/general purpose.....		\$ 264,676,000
<b>Sec. 102. EXECUTIVE DIRECTION</b>		
Full-time equated unclassified positions.....	2.0	
Full-time equated classified positions.....	38.5	
Executive direction.....		\$ 5,083,700
GROSS APPROPRIATION.....		\$ 5,083,700
Appropriated from:		
Interdepartmental grant revenues.....		31,300
State restricted revenues.....		483,600
State general fund/general purpose.....		\$ 4,568,800
Schedule of programs:		
Unclassified positions.....	261,100	
Executive direction.....	2,602,400	
Special operations and events.....	2,220,200	
<b>Sec. 103. SCIENCE, TECHNOLOGY, AND TRAINING BUREAU</b>		
Full-time equated classified positions.....	459.5	
Science, technology, and training bureau.....		\$ 100,304,700
GROSS APPROPRIATION.....		\$ 100,304,700
Appropriated from:		
Interdepartmental grant revenues.....		5,458,300
Federal revenues.....		9,332,800
Local revenues.....		2,913,000
State restricted revenues.....		45,379,700
State general fund/general purpose.....		\$ 37,220,900
Schedule of programs:		
Criminal justice information center division.....	11,355,700	
Criminal records improvement.....	2,249,500	
Traffic safety.....	1,922,900	
Laboratory operations.....	28,960,100	
DNA analysis program.....	7,982,800	
Standards and training/justice training grants.....	8,970,400	
Concealed weapons enforcement training.....	100,000	
Training only to local units.....	587,900	
Public safety officers benefit program.....	149,600	
Training administration.....	4,813,300	
Information technology services and projects.....	18,701,700	

For Fiscal Year  
Ending Sept. 30,  
2012

Michigan public safety communications system.....	13,060,800	
In-service training-law enforcement distribution.....	450,000	
In-service training-competitive.....	1,000,000	
<b>Sec. 104. FIELD SERVICES BUREAU</b>		
Full-time equated classified positions.....	1,999.0	
Field services bureau.....		\$ 270,391,600
<b>GROSS APPROPRIATION</b> .....		\$ 270,391,600
Appropriated from:		
Interdepartmental grant revenues.....		16,680,500
Federal revenues.....		18,354,300
Local revenues.....		3,484,400
Private revenues.....		216,100
State restricted revenues.....		47,139,400
State general fund/general purpose.....		\$ 184,516,900
Schedule of programs:		
Narcotics investigation funds.....	265,100	
Uniform services.....	44,974,600	
Capitol security.....	659,200	
At-post troopers.....	129,238,300	
Reimbursed services.....	2,087,100	
Operational support.....	7,297,100	
Aviation program.....	1,529,700	
Criminal investigations.....	34,574,500	
Federal antidrug initiatives.....	10,861,900	
Reimbursed services, materials, and equipment.....	2,997,400	
Auto theft prevention.....	1,041,700	
Casino gaming oversight.....	5,028,200	
Fire investigations.....	1,811,800	
Parole absconder sweeps.....	12,200	
Motor carrier enforcement.....	11,019,900	
Truck safety enforcement team operations.....	1,434,300	
Safety inspections.....	6,803,500	
School bus inspections.....	1,521,600	
Safety projects.....	1,802,100	
Traffic services.....	5,431,400	
<b>Sec. 105. SUPPORT SERVICES</b>		
Full-time equated classified positions.....	254.0	
Support services.....		\$ 148,502,700
<b>GROSS APPROPRIATION</b> .....		\$ 148,502,700
Appropriated from:		
Interdepartmental grant revenues.....		1,376,100
Federal revenues.....		78,364,500
Local revenues.....		59,300
State restricted revenues.....		30,333,400
State general fund/general purpose.....		\$ 38,369,400
Schedule of programs:		
Auto theft prevention program.....	6,694,100	
Special maintenance and utilities.....	402,800	
Rent and building occupancy charges.....	8,363,200	
Worker's compensation.....	3,266,300	
Fleet leasing.....	12,980,700	
Management services.....	12,476,200	
Budget and financial services.....	1,746,000	
Office of justice program grants.....	8,497,100	
Accounting service center.....	1,031,100	

For Fiscal Year  
Ending Sept. 30,  
2012

State program planning and administration.....	1,094,100
Secondary road patrol program .....	14,041,600
Truck safety program.....	3,011,000
Federal highway traffic safety coordination .....	12,585,500
Emergency management planning and administration .....	5,701,200
Grants to local government .....	2,482,100
FEMA program assistance.....	4,930,200
Nuclear power plant emergency planning .....	2,030,000
Hazardous materials programs.....	47,169,400
Interdepartmental grant to legislature.....	100

PART 2  
PROVISIONS CONCERNING APPROPRIATIONS  
FOR FISCAL YEAR 2011-2012

**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 2011-2012 is \$388,012,100.00 and state spending from state resources to be paid to local units of government for fiscal year 2011-2012 is \$19,006,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

**DEPARTMENT OF STATE POLICE**

Science, technology, and training bureau .....	\$ 4,541,000
Schedule of programs:	
Justice training grants.....	4,375,100
Training only to local units .....	165,900
Support services .....	14,465,000
Schedule of programs:	
Secondary road patrol.....	13,901,200
Management services .....	563,800
<b>TOTAL.....</b>	<b>\$ 19,006,000</b>

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

Sec. 203. As used in this article:

- (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 State department of justice.
- (f) "DOT" means the United States department of transportation.
- (g) "DTMB" means the department of technology, management, and budget.
- (h) "FEMA" means the federal emergency management agency.
- (i) "IDG" means interdepartmental grant.
- (j) "IDT" means intradepartmental transfer.
- (k) "LEIN" means the law enforcement information network.
- (l) "MCOLES" means Michigan commission on law enforcement standards.
- (m) "MDCH" means the Michigan department of community health.
- (n) "MDOC" means the Michigan department of corrections.
- (o) "MDOS" means the Michigan department of state.
- (p) "MDOT" means the Michigan department of transportation.
- (q) "MDTR" means the Michigan department of treasury.
- (r) "MPSCS" means Michigan public safety communications system.

(s) "Work project" means, except as used in section 211, a group of activities featuring a fixed duration, budget, and scope that is expected to cause a measurable change in the delivery, efficiency, or effectiveness of 1 or more operations.

Sec. 204. The following shall constitute the appropriations from part 1 for interdepartmental grant funds received by the department from sources outside the department: \$2,505,200.00 from training academy charges; \$167,100.00 from the department of corrections contract; \$332,000.00 from the department of state; \$10,586,900.00 from the department of transportation — state trunkline funds; \$5,190,800.00 from casino gaming fees; \$585,800.00 from the department

of treasury — emergency telephone fund coordinator; and \$628,900.00 from the department of treasury — emergency telephone fund operations.

Sec. 205. (1) The following shall constitute the appropriations from part 1 for interdepartmental grant funds made from the department to other departments: \$1,095,900.00 to the department of environmental quality—radiological emergency preparedness; \$139,000.00 to the department of attorney general—justice training competitive grant; \$300,000.00 to the judiciary—justice training competitive grant; \$322,300.00 to the department of attorney general—operations; \$900,000.00 to the department of military and veterans affairs—homeland security grant; \$18,701,700.00 to DTMB—information technology services and projects; and \$13,060,800.00 to DTMB—Michigan public safety communications systems.

(2) Based on the availability of federal funding and the demonstrated need as indicated by applications submitted to the state court administrative office, the department shall provide \$1,800,000.00 in Byrne justice assistance grant program funding to the judiciary by interdepartmental grant.

Sec. 206. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$10,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this article 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 article 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 article 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 article under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 207. (1) The department shall maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following:

(a) Fiscal year-to-date expenditures by category.

(b) Fiscal year-to-date expenditures by appropriation unit.

(c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment, date, payment amount, and payment description.

(d) The number of active department employees by job classification.

(e) Job specifications and wage rates.

(2) The department may develop and operate its own website to provide this information or may reference the state's central transparency website as the source for this information.

Sec. 208. Unless otherwise specified, the department shall use the Internet to fulfill the reporting requirements of this article. 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 department shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both, for the department. The director of the department shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services or supplies, or both.

Sec. 211. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of technology, management, and budget. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 212. The departments and agencies receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. Federal and state guidelines for short-term and long-term retention of records shall be followed. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 213. (1) Due to the current budgetary problems in this state, out-of-state travel for this fiscal year ending September 30, 2012 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.

Sec. 214. From the funds appropriated in part 1 for information technology, departments and agencies shall pay user fees to the department of technology, management, and budget for technology-related services and projects. The user fees shall be subject to provisions of an interagency agreement between the department and agencies and the department of technology, management, and budget.

Sec. 215. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 216. (1) Notwithstanding any other provision of this article, the schedule of programs in part 1 lists programs which may, but are not required to be, funded under this article, with the following exceptions:

(a) Standard & training/justice training grants.

(b) Casino gaming oversight.

(c) Commercial mobile radio service fees.

(2) Notwithstanding any other provisions of this article, the schedule of revenue sources in part 1 may or may not be received from the funding entities listed.

(3) The secondary road patrol funding is not subject to funding flexibility and shall be funded in accordance with section 629e of the Michigan vehicle code, 1949 PA 300, of MCL 257.629e.

(4) Any funding required by statute is not subject to funding flexibility and shall be funded in accordance with that statute.

Sec. 217. The department shall improve its budgetary efficiency pertaining to the delivery of core services delineated in section 221 by doing all of the following:

(a) Prioritizing personnel over buildings in budgetary efficiency considerations.

(b) Pursuing the physical or virtual consolidation of support service functions such as information technology, human resources, and accounting as a means of improving standardization and efficiency.

(c) Seeking expenditure reductions whenever possible through the streamlining of existing service delivery activities.

(d) Identifying efficiencies that can be gained via the reduction or elimination of programs, policies, and practices which have outlived their usefulness.

Sec. 218. (1) Any unused general fund/general purpose funds for this fiscal year created through efficiencies and identified by the department as potential lapsed funds shall be designated as the department incentive pool balance, provided that all the requirements of this part have been achieved.

(2) Any funds associated with any supplemental general fund/general purpose fund requests for this fiscal year shall be debited against this fiscal year's department incentive pool balance if it does not meet 1 or more of the following criteria:

(a) The supplemental funds pertain to the addition of a new core service.

(b) The supplemental funds pertain to the expansion of existing service capacity beyond current fiscal year expectations.

(3) At the end of this fiscal year, if the incentive pool balance is positive, the department incentive pool balance shall be allocated as follows:

(a) Ten percent of the unused funds shall be allocated as work project funds to be used in a manner that provides direct benefit to department employees or their families within 12 months of the end of this fiscal year.

(b) Forty percent of the unused funds shall be allocated as work project funds to be used at the discretion of the department for projects designed to improve service delivery.

(c) Fifty percent of the unused funds shall be lapsed to the general fund/general purpose fund.

Sec. 219. (1) The department shall be available to meet on a quarterly basis before the appropriate senate and house appropriations subcommittees.

(2) The department shall provide all information necessary to validate that the requirements of this part have been achieved.

(3) The department shall provide a corrective action plan within 30 days of a quarterly report under this section for any requirements of this part that have not been achieved. The department shall provide a monthly status of correction action plans.

(4) The department shall provide a summary of fund shifts, that have been approved by the state budget office, that have occurred between items listed in the schedule of programs mentioned in part 1 on a quarterly basis to the senate and house appropriations subcommittees.

(5) The department shall provide the following data to the appropriate senate and house appropriations subcommittees:

(a) A list of major work projects, including the status of each project.

(b) The department's financial status, featuring a report of budgeted versus actual expenditures by part 1 line item including a year-end projection of budget requirements. If projected department budget requirements exceed the allocated budget, the report shall include a plan to reduce overall expenses while still satisfying specified service level requirements.

(c) Forensic laboratory system staffing levels and vacancies and backlogs in all disciplines.

Sec. 220. The department shall provide the following data to the appropriate senate and house appropriations subcommittees on an annual basis:

(a) Bridge card enforcement as described section 306(4) of this part.

(b) As it pertains to inspections conducted by the traffic safety division, all of the following:

(i) The number of buses and vehicles inspected by the department.

(ii) The number of buses and vehicles passing and failing inspection.

(iii) The estimated number of buses and vehicles not inspected.

(c) A report on the status of assessments collected and authorized under section 629e of the Michigan vehicle code, 1949 PA 300, MCL 257.629e, for the purpose of supporting the secondary road patrol grant program. The 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.

(d) A report regarding the department's activities related to casino gaming oversight. The report shall contain the following:

(i) The amount of money received and expended.

(ii) The nature and structure of the casino gaming oversight unit.

(iii) The positions and classifications of employees assigned.

(iv) The number of full-time and part-time employees and the aggregate number of FTEs.

(v) The duties and responsibilities of the assigned employees.

Sec. 221. The appropriations in part 1 are for the core services, support services, and work projects of the department, including, but not limited to, the following core services: traffic safety and enforcement, complaint and criminal investigations, fire investigation, sex offender registry and enforcement, specialty teams, regional communication centers, civil disorder response – mobilization, capitol security, hazardous materials response training, intelligence gathering and dissemination, state emergency operations center, criminal history system, fingerprint and background checks, the law enforcement information network, forensics, training and recruiting, public awareness campaigns, establishing and monitoring law enforcement standards, and grants administration.

Sec. 222. The department 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 90 days before recommending to close or consolidate any state police posts. The notification shall include a local and state impact study of the proposed post closure or consolidation.

Sec. 223. At least 60 days before beginning any effort to privatize, the department shall submit a complete project plan to the appropriate 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.

Sec. 224. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those activities that the attorney general authorizes.

Sec. 225. (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) The department shall define service cost models for those services requiring reimbursement.

(4) 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.

(5) This section does not apply to state agencies.

Sec. 226. The department shall strive to inspect its worksites annually to ensure internal control and quality of service.

Sec. 227. The department shall define interoperability standards to ensure effective communication between state, local, regional, and federal agencies under public safety scenarios. The department shall monitor compliance with these

interoperability standards by the agencies and notify the legislature and pertinent agency management of noncompliance within 30 days of this determination.

Sec. 228. Not later than November 15, the department shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriations lapses at the close of the fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriations lapses by major departmental program or program areas. The report shall be transmitted to the office of the state budget, the chairperson of the senate and house standing committees on appropriations, and the senate and house fiscal agencies.

Sec. 229. Within 14 days after the release of the executive budget recommendation, the department shall provide the state budget director, the senate and house appropriations chairs, the senate and house appropriations subcommittees on state police and military and veterans affairs, respectively, and the senate and house fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2011 and September 30, 2012.

Sec. 230. The department may pursue entering into an agreement with Calhoun County to build a new facility in that county which would serve as the new state police post for region 4 of district 5, as identified by the department.

Sec. 231. The department, in keeping with its role as the general law enforcement agency of the state and as the law enforcement agency of last resort for communities that are either without local law enforcement resources or 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. 232. The department shall serve as an active liaison between the department of technology, management, and budget and local public safety agencies to facilitate the use of the MPSCS towers by those local public safety agencies that have an interest in using the towers as a part of their communication system.

#### **SCIENCE, TECHNOLOGY, AND TRAINING BUREAU**

Sec. 301. (1) The department shall provide forensic testing services to aid in criminal investigations.

(2) The department shall maintain the staffing and resources necessary to provide forensic evidence with an average turnaround time of 82 days assuming an annual caseload volume commensurate with that received in fiscal year 2009-2010.

(3) The department shall define and implement improved methods with the intent of reaching an average 55-day turnaround for forensic evidence.

(4) If changes are made to the department's protocol for retaining and purging DNA analysis samples and records, the department shall post a copy of the protocol changes on the department's website.

Sec. 302. (1) The department shall develop and deliver professional, innovative, and quality training that supports the enforcement and public safety efforts of the criminal justice community.

(2) The department shall maintain the staffing and resources necessary to provide educational opportunities for personal and professional growth to a minimum of 10,000 state and local law enforcement employees and other public safety partners.

(3) The department shall maintain the staffing and resources necessary to provide educational opportunities for personal and professional growth to a minimum of 3,000 community members.

(4) The department shall define and implement methods with a goal of reducing the cost of training services delivery by 20%. These methods may include the pursuit of technology to reach students throughout the state utilizing distance learning.

(5) 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.

(6) The department shall develop and provide a service delivery cost model for its training activities.

Sec. 303. (1) MCOLES shall establish standards for the selection, employment, training, education, licensing, and revocation of all law enforcement officers.

(2) MCOLES shall maintain the staffing and resources necessary to provide the basic law enforcement training curriculum for 20 academy programs statewide.

(3) MCOLES shall maintain a minimum 98% passing rate from the MCOLES licensing exam without lowering academic standards to achieve this rate.

Sec. 304. (1) The department shall maintain a criminal history system and the state accident data collection system in the support of public safety and law enforcement communities in this state.

(2) The department shall maintain the staffing and resources necessary to adhere to 1925 PA 289, MCL 28.241 to 28.248.

(3) The department shall improve the accuracy, timeliness, and completeness of criminal history information through outreach targeted to criminal justice agencies.

(4) The department shall maintain the state accident data collection system and make this information available to the public at a reasonable cost. For bulk access to the accident records in which the vehicle identification number has been

collected and computerized, the department shall make those records available to the public at cost, provided that the name and address have been excluded.

Sec. 305. (1) The department shall provide fingerprint and background check services in support of public safety and law enforcement communities in this state.

(2) The department shall maintain the staffing and resources necessary to process fingerprint and background check services commensurate with fiscal year 2009-2010.

(3) The department shall maintain resources and educational outreach for the electronic submission of fingerprint information from local law enforcement agencies and maintain at least a 97% submission rate.

(4) The department shall define and maintain a cost model pertaining to providing fingerprint check services and provide for the following:

(a) Fingerprint service fees shall be commensurate with the actual costs of delivering this service.

(b) The department shall pursue means of reducing the expenses associated with delivering this service.

Sec. 306. (1) The department shall maintain the law enforcement information network in support of public safety and law enforcement communities in this state.

(2) The department shall maintain the staffing and resources necessary to adhere to the C.J.I.S. policy council act, 1974 PA 163, MCL 28.211 to 28.215.

(3) The department shall audit criminal justice agencies as required by federal guidelines.

(4) 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.

(5) The department shall implement procedures by which all probation information is placed on the LEIN system and provide for the following:

(a) 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 the probationer. The LEIN system shall also include any nonstandard probation terms.

(b) 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 and veterans 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, 2011.

(6) The appropriations in part 1 do not contain any funding from LEIN user fees for services rendered in fiscal year 2011-2012. If the department chooses to propose such a fee for fiscal year 2011-2012, the department shall do each of the following:

(a) Notify the senate and house appropriations subcommittees on state police and military and veterans affairs no less than 90 days prior to establishing the fee.

(b) Define and maintain a cost model pertaining to the provision of LEIN administration services. LEIN service fees shall be commensurate with the actual costs of delivering this service. The department shall pursue means of reducing the expenses associated with delivering this service.

#### **FIELD SERVICES BUREAU**

Sec. 401. (1) The department shall oversee traffic safety and enforcement in this state.

(2) The department shall maintain the staffing and resources necessary to make traffic contacts per patrol hours commensurate with the service level and contact areas exhibited in fiscal year 2010-2011. There shall be no degradation of road patrol services to any region of this state.

(3) The department shall maintain the staffing and resources necessary to continually work to enhance traffic safety throughout the state.

(4) The department shall maintain the staffing and resources necessary to annually inspect at least 75,000 commercial vehicles.

(5) Department enlisted personnel who are employed to enforce traffic laws as provided in section 629e of the Michigan vehicle code, 1949 PA 300, MCL 257.629e, shall not be prohibited from responding to crimes in progress or other emergency situations and are responsible for protecting every citizen of this state from harm.

Sec. 402. (1) The department shall identify and apprehend criminals through criminal investigations in this state.

(2) The department shall maintain the staffing and resources necessary to devote a comparable number of hours investigating crimes as those performed in fiscal year 2009-2010.

(3) The department shall maintain the staffing and resources necessary to annually meet or exceed a case clearance rate of 56%.

(4) 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 Procedure for the Emergency Treatment of Sexual Assault Victims" are followed in the collection of evidence.

(5) The department shall provide protection to this state, its economy, welfare, and vital state-sponsored programs through the prevention and suppression of organized smuggling of untaxed tobacco products in the state, through enforcement of the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, and other laws pertaining to combating criminal activity in this state, by maintaining a tobacco tax enforcement unit. The appropriations in part 1 include funding from the potential receipt of \$3,000,000.00 in tobacco tax revenue. If these funds become available for expenditure by the department, the department shall utilize them only for costs associated with an increased effort to enforce tobacco tax laws, including the deployment of additional tobacco tax enforcement personnel.

Sec. 403. (1) The department shall provide fire investigation services to citizens of this state through investigative assistance to local law enforcement agencies.

(2) The department shall maintain the staffing and resources necessary to maintain readiness to respond appropriately to at least the number of requests for service which occurred in fiscal year 2009-2010.

(3) The fire investigation unit shall be available for call out statewide 100% of the time.

Sec. 404. (1) The department shall oversee the sex offender registry and its enforcement in this state.

(2) The department shall maintain the staff and resources necessary to enforce the provision of the sex offenders registration act, 1994 PA 295, MCL 28.721 to 28.736.

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

Sec. 405. (1) The department shall provide specialty services to citizens of this state in accordance with all applicable state and federal laws and regulations.

(2) The department shall maintain the staffing and resources necessary to provide training to maintain readiness to respond appropriately to at least the number of requests for specialty services which occurred in fiscal year 2009-2010.

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

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

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

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

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

(8) 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.

Sec. 406. (1) The department shall operate and maintain regional communication centers.

(2) The department shall maintain staffing and resources necessary to provide communication to Michigan state police law enforcement through the regional communication centers by maintaining 47,000 radio contacts per dispatcher.

(3) The department shall improve its budgetary and operational efficiency by consolidating at least 1 regional communication center.

Sec. 407. (1) The department shall provide security services at the state capitol building.

(2) The department shall maintain the staff and resources necessary to respond to emergencies at the house office building, Farnum building, capitol parking lot, Townsend parking ramp, and Roosevelt parking ramp.

(3) The department shall pursue federal grants to improve the security at the capitol building.

(4) The department may develop a phased approach for improving security at the capitol building.

Sec. 408. (1) The department shall respond to civil disorders and natural disasters.

(2) The department shall, at a minimum, maintain readiness including training and equipment to respond to civil disorders and natural disasters commensurate with the capabilities of fiscal year 2009-2010.

Sec. 409. The department shall develop a law enforcement delivery of service model in conjunction with each state police post area in the state. In the development of this model, the department shall consider local and county law enforcement capabilities to ensure the efficient delivery of services.

#### **SUPPORT SERVICES**

Sec. 501. (1) The department shall operate the Michigan intelligence operation center as the state's federally recognized fusion center.

(2) The department shall ensure public safety through the emergency management and homeland security division by providing public and private sector partners with timely and accurate information and regarding critical information key resources threats as reported to or discovered by the Michigan intelligence operations center and increase public awareness on how to report suspicious activity through website or telephone communications.

(3) The department shall seek to increase the number of public and private sector contacts which receive vital homeland security information and intelligence in order to enhance the safety and security for citizens of this state.

Sec. 502. (1) The department shall provide hazardous materials response training.

(2) The department shall maintain the staffing and resources necessary to serve approximately 110 local emergency management preparedness programs and 88 local emergency planning committees in this state.

(3) The department shall conduct a minimum of 3 training sessions to enhance safe response in the event of natural or manmade incidents, emergencies, or disasters.

(4) 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.

Sec. 503. (1) The department shall operate and maintain the state's emergency operations center and provide command and control in support of emergency response services.

(2) The department shall maintain readiness, including training and equipment to respond to civil disorders and natural disasters.

(3) The department shall relocate the state's emergency operations center from its present site at Collins Road to another suitable facility.

(4) 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.

(5) 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 and the additional authorization, the date of its approval, and the projected use of funds to be expended under the authorization.

Sec. 504. (1) The department shall conduct public awareness campaigns regarding various public safety issues.

(2) The department shall provide resources and technical assistance to train child passenger safety technicians to promote public education and awareness to parents.

(3) Based on available grants, the department shall attempt to identify a trained child passenger safety technician in each county in this state.

Sec. 505. (1) The department shall administer various public safety grants to state, local, and private entities within this state.

(2) The department shall comply with all federal and state guidelines pertaining to grant distributions.

(3) The department shall seek new grant funding to support public safety.

#### **ONE-TIME BASIS ONLY**

Sec. 1001. For the state fiscal year ending September 30, 2012, there is appropriated from general fund/general purpose revenue, on a 1-time basis only, \$800,000.00 for department costs associated with providing traffic control services for the Michigan international speedway.

#### **PART 2A**

#### **PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS FOR FISCAL YEAR 2012-2013**

#### **GENERAL SECTIONS**

Sec. 1201. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, 2013 for the line items listed in part 1. The fiscal year 2012-2013 appropriations are anticipated to be the same as those for fiscal year 2011-2012, except that the line items will be adjusted for changes in caseload and related costs, federal fund match rates, economic factors, and available revenue. These adjustments will be determined after the January 2012 consensus revenue estimating conference.

ARTICLE XVII  
 STATE TRANSPORTATION DEPARTMENT  
 PART 1  
 LINE-ITEM APPROPRIATIONS  
 FOR FISCAL YEAR 2011-2012

Sec. 101. Subject to the conditions set forth in this article, the amounts listed in this part are appropriated for the state transportation department and certain state purposes designated in this article for the fiscal year ending September 30, 2012, 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 .....	3,043.3	
<b>GROSS APPROPRIATION</b> .....		\$ 3,327,770,700
Total interdepartmental grants and intradepartmental transfers .....		3,451,500
<b>ADJUSTED GROSS APPROPRIATION</b> .....		\$ 3,324,319,200
Federal revenues:		
DOT, federal transit administration .....		61,985,000
DOT-FHWA, highway research, planning, and construction.....		1,082,019,600
DOT-FRA, local rail service assistance.....		100,000
DOT-FRA, rail passenger/HSGT .....		3,000,000
DOT, federal aviation administration .....		94,090,600
Total federal revenues.....		1,241,195,200
Special revenue funds:		
Local revenues .....		53,968,500
Total local and private revenues .....		53,968,500
Blue Water Bridge fund.....		16,980,700
Comprehensive transportation fund.....		239,494,100
Economic development fund .....		41,819,000
IRS debt service rebate .....		7,523,500
Intercity bus equipment fund.....		200,000
Local bridge fund .....		30,514,300
Michigan transportation fund .....		974,103,300
Rail freight fund.....		2,000,000
State aeronautics fund .....		14,537,700
State trunkline fund .....		701,982,900
Total other state restricted revenues .....		2,029,155,500
State general fund/general purpose .....		\$ 0
<b>Sec. 102. DEBT SERVICE</b>		
State trunkline .....		\$ 247,449,700
Economic development.....		9,174,600
Local bridge fund .....		3,261,800
Blue Water Bridge fund.....		4,115,000
Airport safety and protection plan.....		3,473,500
Comprehensive transportation .....		19,998,800
<b>GROSS APPROPRIATION</b> .....		\$ 287,473,400
Appropriated from:		
Federal revenues:		
DOT-FHWA, highway research, planning, and construction.....		53,434,300
Special revenue funds:		
Blue Water Bridge fund.....		4,115,000
Comprehensive transportation fund.....		19,998,800
Economic development fund .....		9,174,600
Local bridge fund .....		3,261,800
IRS debt service rebate .....		7,523,500
State aeronautics fund .....		3,473,500
State trunkline fund .....		186,491,900
State general fund/general purpose .....		\$ 0

For Fiscal Year  
Ending Sept. 30,  
2012

**Sec. 103. COLLECTION, ENFORCEMENT, AND OTHER AGENCY SUPPORT SERVICES**

MTF grant to department of natural resources and environment.....	\$	1,165,900
MTF grant to department of state for collection of revenue and fees .....		20,000,000
MTF grant to department of treasury.....		8,379,000
MTF grant to legislative auditor general.....		204,300
STF grant to department of attorney general .....		2,817,500
STF grant to civil service commission.....		5,697,000
STF grant to department of technology, management, and budget.....		1,388,000
STF grant to department of state police.....		10,586,900
STF grant to department of treasury .....		131,600
STF grant to legislative auditor general .....		474,600
SAF grant to department of attorney general.....		165,900
SAF grant to civil service commission .....		150,000
SAF grant to department of technology, management, and budget .....		40,100
SAF grant to department of treasury.....		74,500
SAF grant to legislative auditor general.....		19,600
CTF grant to department of attorney general.....		177,200
CTF grant to civil service commission .....		200,000
CTF grant to department of technology, management, and budget .....		44,000
CTF grant to department of treasury.....		7,600
CTF grant to legislative auditor general.....		25,200
<b>GROSS APPROPRIATION .....</b>	<b>\$</b>	<b>51,748,900</b>

Appropriated from:

Special revenue funds:

Comprehensive transportation fund.....		454,000
Michigan transportation fund .....		29,749,200
State aeronautics fund .....		450,100
State trunkline fund.....		21,095,600
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.....		2,971,800
<b>GROSS APPROPRIATION .....</b>	<b>\$</b>	<b>5,201,000</b>

Appropriated from:

Special revenue funds:

Michigan transportation fund .....		1,626,400
State trunkline fund.....		3,574,600
State general fund/general purpose .....	\$	0

**Sec. 105. BUSINESS SUPPORT**

Full-time equated classified positions .....

..... 58.0		
Business support services—49.0 FTE positions.....	\$	6,215,900
Economic development and enhancement programs—9.0 FTE positions.....		1,219,800
Property management .....		7,915,000
Worker’s compensation.....		1,760,600
<b>GROSS APPROPRIATION .....</b>	<b>\$</b>	<b>17,111,300</b>

Appropriated from:

Special revenue funds:

Comprehensive transportation fund.....		1,590,300
Economic development fund .....		381,000
Michigan transportation fund .....		213,700
State aeronautics fund .....		603,900
State trunkline fund.....		14,322,400
State general fund/general purpose .....	\$	0

	For Fiscal Year Ending Sept. 30, 2012
<b>Sec. 106. INFORMATION TECHNOLOGY</b>	
Information technology services and projects .....	\$ 28,335,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 28,335,000</b>
Appropriated from:	
Federal revenues:	
DOT-FHWA, highway research, planning, and construction.....	520,500
Special revenue funds:	
Blue Water Bridge fund.....	48,400
Comprehensive transportation fund.....	195,900
Economic development fund .....	37,200
Michigan transportation fund .....	258,800
State aeronautics fund .....	152,900
State trunkline fund .....	27,121,300
State general fund/general purpose .....	\$ 0
<b>Sec. 107. FINANCE, CONTRACTS, AND SUPPORT SERVICES</b>	
Full-time equated classified positions .....	277.5
Financial operations—114.0 FTE positions .....	\$ 10,874,500
Contract services—53.6 FTE positions .....	4,853,600
Department services—41.9 FTE positions .....	5,098,500
Performance excellence—13.0 FTE positions.....	1,427,400
Welcome center operations—55.0 FTE positions .....	3,959,400
<b>GROSS APPROPRIATION</b> .....	<b>\$ 26,213,400</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG for accounting service center user charges .....	3,451,500
Special revenue funds:	
Michigan transportation fund .....	1,976,900
State trunkline fund .....	20,785,000
State general fund/general purpose .....	\$ 0
<b>Sec. 108. TRANSPORTATION PLANNING</b>	
Full-time equated classified positions .....	176.0
Statewide planning services—124.0 FTE positions .....	\$ 14,533,700
Data collection services—52.0 FTE positions .....	6,887,700
Specialized planning services and local studies.....	16,504,800
Grants to regional planning councils.....	488,800
<b>GROSS APPROPRIATION</b> .....	<b>\$ 38,415,000</b>
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 .....	15,000
State trunkline fund .....	9,135,200
State general fund/general purpose .....	\$ 0
<b>Sec. 109. DESIGN AND ENGINEERING SERVICES</b>	
Full-time equated classified positions .....	1,491.8
Engineering services—799.1 FTE positions .....	\$ 66,623,300
Program services—680.7 FTE positions .....	39,482,700
Intelligent transportation systems operations—12.0 FTE positions.....	10,579,200
<b>GROSS APPROPRIATION</b> .....	<b>\$ 116,685,200</b>
Appropriated from:	
Federal revenues:	
DOT-FHWA, highway research, planning, and construction.....	23,529,800
Special revenue funds:	
Michigan transportation fund .....	6,828,400

	For Fiscal Year Ending Sept. 30, 2012
State trunkline fund .....	86,327,000
State general fund/general purpose .....	\$ 0
<b>Sec. 110. HIGHWAY MAINTENANCE</b>	
Full-time equated classified positions .....	837.7
State trunkline operations—837.7 FTE positions.....	\$ 267,017,700
GROSS APPROPRIATION .....	\$ 267,017,700
Appropriated from:	
Special revenue funds:	
State trunkline fund .....	267,017,700
State general fund/general purpose .....	\$ 0
<b>Sec. 111. ROAD AND BRIDGE PROGRAMS</b>	
State trunkline federal aid and road and bridge construction .....	\$ 842,310,000
Local federal aid and road and bridge construction.....	240,443,000
Grants to local programs .....	33,000,000
Rail grade crossing.....	3,000,000
Local bridge program .....	27,252,500
County road commissions .....	570,598,400
Cities and villages .....	318,134,200
GROSS APPROPRIATION .....	\$ 2,034,738,100
Appropriated from:	
Federal revenues:	
DOT-FHWA, highway research, planning, and construction.....	982,535,000
Special revenue funds:	
Local funds.....	30,000,000
Blue Water Bridge fund.....	7,107,300
Local bridge fund .....	27,252,500
Michigan transportation fund .....	924,732,600
State trunkline fund .....	63,110,700
State general fund/general purpose .....	\$ 0
<b>Sec. 112. BLUE WATER BRIDGE</b>	
Full-time equated classified positions .....	41.0
Blue Water Bridge operations—41.0 FTE positions .....	\$ 5,710,000
GROSS APPROPRIATION .....	\$ 5,710,000
Appropriated from:	
Special revenue funds:	
Blue Water Bridge fund.....	5,710,000
State general fund/general purpose .....	\$ 0
<b>Sec. 113. TRANSPORTATION ECONOMIC DEVELOPMENT</b>	
Forest roads .....	\$ 5,000,000
Rural county urban system.....	2,500,000
Target industries/economic redevelopment.....	8,113,200
Urban county congestion .....	8,306,500
Rural county primary.....	8,306,500
GROSS APPROPRIATION .....	\$ 32,226,200
Appropriated from:	
Special revenue funds:	
Economic development fund .....	32,226,200
State general fund/general purpose .....	\$ 0
<b>Sec. 114. AERONAUTICS AND FREIGHT SERVICES</b>	
Full-time equated classified positions .....	84.0
Airport improvement services—30.0 FTE positions .....	\$ 3,021,900
Aviation services—26.0 FTE positions .....	4,193,900
Freight and safety services—28.0 FTE positions.....	3,853,900
Air service program.....	100,000
GROSS APPROPRIATION .....	\$ 11,169,700

For Fiscal Year  
Ending Sept. 30,  
2012

Appropriated from:	
Special revenue funds:	
Comprehensive transportation fund .....	1,667,400
Michigan transportation fund .....	2,186,500
State aeronautics fund .....	7,315,800
State general fund/general purpose .....	\$ 0
<b>Sec. 115. PUBLIC TRANSPORTATION SERVICES</b>	
Full-time equated classified positions .....	46.0
Passenger transportation services—46.0 FTE positions .....	\$ 6,093,400
<b>GROSS APPROPRIATION</b> .....	<b>\$ 6,093,400</b>
Appropriated from:	
Federal revenues:	
DOT, federal transit administration .....	862,100
Special revenue funds:	
Comprehensive transportation fund .....	5,005,000
Michigan transportation fund .....	226,300
State general fund/general purpose .....	\$ 0
<b>Sec. 116. BUS TRANSIT DIVISION: STATUTORY OPERATING</b>	
Local bus operating .....	\$ 166,624,000
Nonurban operating/capital .....	22,787,900
<b>GROSS APPROPRIATION</b> .....	<b>\$ 189,411,900</b>
Appropriated from:	
Federal revenues:	
DOT, federal transit administration .....	21,987,900
Special revenue funds:	
Comprehensive transportation fund .....	166,624,000
Local funds .....	800,000
State general fund/general purpose .....	\$ 0
<b>Sec. 117. INTERCITY PASSENGER AND FREIGHT</b>	
Freight property management .....	\$ 1,000,000
Detroit/Wayne County port authority .....	468,200
Intercity services .....	6,100,000
Rail passenger service .....	11,667,000
Freight preservation and development .....	5,100,000
Marine passenger service .....	400,000
Terminal development .....	461,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 25,196,200</b>
Appropriated from:	
Federal revenues:	
DOT, federal transit administration .....	4,500,000
DOT-FRA, local rail service assistance .....	100,000
DOT-FRA, rail passenger/HS GT .....	3,000,000
Special revenue funds:	
Local funds .....	50,000
Comprehensive transportation fund .....	15,346,200
Intercity bus equipment fund .....	200,000
Rail freight fund .....	2,000,000
State general fund/general purpose .....	\$ 0
<b>Sec. 118. PUBLIC TRANSPORTATION DEVELOPMENT</b>	
Specialized services .....	\$ 8,913,800
Municipal credit program .....	2,000,000
Transit capital .....	50,048,400
Van pooling .....	195,000
Service initiatives .....	1,415,000
Transportation to work .....	9,700,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 72,272,200</b>

For Fiscal Year  
Ending Sept. 30,  
2012

Appropriated from:	
Federal revenues:	
DOT, federal transit administration .....	34,635,000
Special revenue funds:	
Local funds .....	9,985,000
Comprehensive transportation fund .....	27,652,200
State general fund/general purpose .....	\$ 0
<b>Sec. 119. CAPITAL OUTLAY</b>	
<b>(1) BUILDINGS AND FACILITIES</b>	
Special maintenance, remodeling, and additions .....	\$ 3,001,500
GROSS APPROPRIATION .....	3,001,500
Appropriated from:	
State trunkline fund .....	3,001,500
State general fund/general purpose .....	\$ 0
<b>(2) AIRPORT IMPROVEMENT PROGRAMS</b>	
Airport safety, protection, and improvement program .....	\$ 109,750,600
GROSS APPROPRIATION .....	109,750,600
Appropriated from:	
Federal revenues:	
DOT, federal aviation administration .....	94,090,600
Special revenue funds:	
Local funds .....	13,133,500
State aeronautics fund .....	2,526,500
State general fund/general purpose .....	\$ 0

PART 2  
PROVISIONS CONCERNING APPROPRIATIONS  
FOR FISCAL YEAR 2011-2012

**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 2011-2012 is \$2,029,155,500.00 and state spending from state resources to be paid to local units of government for fiscal year 2011-2012 is \$1,182,737,000.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

**DEPARTMENT OF TRANSPORTATION**

Grants to regional planning councils .....	\$ 488,800
Grants to local programs .....	33,000,000
Rail grade crossing .....	3,000,000
Local bridge program .....	27,252,500
Grants to county road commissions .....	570,598,400
Grants to cities and villages .....	318,134,200
Economic development fund .....	32,226,200
Air service program .....	100,000
Local bus operating .....	166,624,000
Detroit/Wayne County port authority .....	468,200
Marine passenger service .....	400,000
Terminal development .....	461,000
Specialized services .....	3,943,800
Municipal credit program .....	2,000,000
Transit capital .....	16,748,400
Service initiatives .....	65,000
Transportation to work .....	4,700,000
Airport safety, protection, and improvement program .....	2,526,500
Total payments to local units of government .....	\$ 1,182,737,000

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

Sec. 203. As used in this article:

(a) "AASHTO" means the American association of state highway and transportation officials.

- (b) "ASTM" means the American society for testing and materials.
- (c) "CTF" means comprehensive transportation fund.
- (d) "Department" means the department of transportation.
- (e) "DOT" means the United States department of transportation.
- (f) "DOT-FHWA" means DOT, federal highway administration.
- (g) "DOT-FRA" means DOT, federal railroad administration.
- (h) "DOT-FRA, rail passenger/HSGT" means DOT, federal railroad administration, high-speed ground transportation.
- (i) "EDF" means economic development fund.
- (j) "FTE" means full-time equated.
- (k) "IRS" means the internal revenue service.
- (l) "MTF" means Michigan transportation fund.
- (m) "RIF" means recreation improvement fund.
- (n) "SAF" means state aeronautics fund.
- (o) "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. 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 article 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 article 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 article 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 article pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 207. (1) The department shall maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following:

- (a) Fiscal year-to-date expenditures by category.
- (b) Fiscal year-to-date expenditures by appropriation unit.
- (c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.
- (d) The number of active department employees by job classification.
- (e) Job specifications and wage rates.

(2) The department may develop and operate its own website to provide this information or may reference the state's central transparency website as the source for this information.

Sec. 208. Unless otherwise specified, the department shall use the Internet to fulfill the reporting requirements of this article. 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. 211. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of technology, management, and budget. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 212. The department and agencies receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. Federal and state guidelines for short-term and long-term retention of records shall be followed. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 214. From the funds appropriated in part 1 for information technology, the department shall pay user fees to the department of technology, management, and budget 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 technology, management, and budget.

Sec. 215. A department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 216. 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. 228. Not later than November 15, 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 of representatives standing committees on appropriations, and the senate and house fiscal agencies.

Sec. 229. Within 14 days after the release of the executive budget recommendation, the department shall provide the state budget director, the senate and house appropriations chairs, the senate and house appropriations subcommittees on transportation, respectively, and the senate and house fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2011 and September 30, 2012.

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. 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, 2012 on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year to the house and senate appropriations subcommittees on the budget for the department, the joint committee on administrative rules, and the senate and house fiscal agencies.

(2) Funds appropriated in part 1 shall not be used by the department to adopt a rule that will apply to a small business and that will have a disproportionate economic impact on small businesses because of the size of those businesses if the

department fails to reduce the disproportionate economic impact of the rule on small businesses as provided under section 40 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

(3) As used in this section:

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

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

Sec. 270. In order to reduce costs and maintain quality, it is the intent of the legislature that, excluding the fleet of motor vehicles for the department of state police, the department will prioritize the utilization of remanufactured parts as the primary means of maintenance and repair for the state of Michigan's fleet of motor vehicles.

#### **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 and improve 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 (3).

(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 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. (1) The department and local road agencies that receive appropriations under this article 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.

(2) A contractor's prequalification rating shall not be reduced or restricted until all administrative appeals have been completed. The department can take immediate action regarding a contractor's prequalification rating for public safety reasons or to prevent fraud and malfeasance of public funds.

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. 319. The department shall post signs at each rest area to identify the agency or contractor responsible for maintenance of the rest area. The signs shall include a department telephone number and shall indicate that unsafe or unclean conditions at the rest area may be reported to that telephone number.

Sec. 353. The department shall review its contractor payment process and ensure that all prime contractors are paid promptly. The department shall ensure that prime contractors are in compliance with special provision 109.10 regarding the prompt payment of subcontractors.

Sec. 354. On or before March 1, 2012, the department shall solicit and evaluate proposals for services related to the audit of vendor and contract payments and the recovery of overpayments and duplicate payments. The department shall report to the house and senate committees on appropriations and the house and senate fiscal agencies on the results of the proposal solicitation and results of the subsequent payment audits.

Sec. 357. When presented with complete local federal aid project submittals, the department shall complete all necessary reviews and inspections required to let local federal aid projects within 120 days of receipt. The department shall implement a system for monitoring the local federal aid project review process.

Sec. 375. The department is prohibited from reimbursing contractors or consultants for costs associated with groundbreaking ceremonies, receptions, open houses, or press conferences related to transportation projects funded, in whole or in part, by revenue appropriated in part 1.

Sec. 382. The department and the state budget office shall provide for an independent study of the state government needs for a state aircraft fleet. The department and the state budget office shall review the findings of that study and the costs associated with the current fleet or other arrangements for air travel. The department and the state budget office shall report the findings to the legislature no later than March 30, 2012, and shall consider those findings in any decision to sell airplanes.

Sec. 383. (1) The department shall prepare an annual 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 no later than July 1.

(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 shall not expend any state transportation revenue for construction planning or construction of the Detroit River International Crossing or a renamed successor. In addition, except as provided in subsection (3), the department shall not commit the state to any new contract related to the construction planning or construction of the Detroit River International Crossing or a renamed successor unless the legislature has enacted specific enabling legislation to allow for the construction of the Detroit River International Crossing or a renamed successor.

(2) On or before March 31, 2012, 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 related to the Detroit River International Crossing or a renamed successor.

3) If the legislature enacts specific enabling legislation for the construction of the Detroit River International Crossing or a renamed successor, subsection (1) does not apply once the enabling legislation goes into effect.

Sec. 385. (1) The department shall use all available toll credits, as provided by private toll facilities in this state and certified by the federal highway administration, to match available federal aid highway funds.

(2) The department shall not use toll credits generated by a private tolled bridge crossing to finance, design, plan, construct, operate, or maintain any international bridge crossing within 5 miles of that privately tolled bridge.

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) Cooperation between entities using transit, including school districts, cities, townships, and counties with a view to promoting cost savings through joint purchasing of fuel and other procurements.

(c) Coordination of transportation dollars among state departments which provide transit-related services, including the department of human services and the department of community health. Priority should be given to use of public transportation services where available.

(d) Promotion of intelligent transportation services for buses that incorporate computer and navigation technology to make transit systems more efficient, including stoplight coordinating, vehicle tracking, data tracking, and computerized scheduling.

Sec. 398. For the fiscal year ending September 30, 2012, the appropriation to a street railway pursuant to section 10e(22) of 1951 PA 51, MCL 247.660e, is \$0.

#### **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. 503. (1) The funds appropriated in part 1 for the economic development and local bridge programs shall not lapse at the end of the fiscal year but shall carry forward each fiscal year for the purposes for which appropriated in accordance with 1987 PA 231, MCL 247.901 to 247.913, and section 10(5) of 1951 PA 51, MCL 247.660.

(2) Interest earned in the department of transportation economic development fund and local bridge fund shall remain in the respective funds and shall be allocated to the respective programs based on actual interest earned at the end of each fiscal year.

(3) In addition to the funds appropriated in part 1, the department of transportation economic development fund and local bridge fund may receive federal, local, or private funds or restricted source funds such as interest earnings. These funds are appropriated for projects that are consistent with the purposes of the respective funds.

(4) None of the funds statutorily dedicated to the transportation economic development fund and local bridge fund shall be diverted to other projects.

Sec. 504. Funds from the Michigan transportation fund (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 article 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 article, 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. 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. 660. (1) The legislature encourages the department to examine the use of alternative road surface materials, including recycled materials, and to develop criteria and specifications for their use in both department-managed and contracted projects.

(2) The department shall evaluate the use of a bituminous mix which incorporates crumb rubber from scrap tires.

Sec. 664. It is the intent of the legislature that if actual state-restricted revenue deposited to the Michigan transportation fund exceeds the revenue estimates upon which the appropriations in part 1 of this article were based, the department shall give priority to reinstating delayed and deferred projects.

#### **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. 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.

(5) For rail passenger service supported in any part through capital or operating assistance from funds appropriated in this article, the department shall work with the rail carrier to identify ways in which reasonable transport of bicycles by passengers can be accommodated.

(6) The department shall report to the house and senate appropriations subcommittees on transportation, and the house and senate fiscal agencies, not later than July 1, 2012, on the status of capital grants related to rail passenger service in Michigan. The report shall identify, and describe the status of, capital improvement projects related to higher train speeds, reduced travel time, station renovations, and other service improvements. The report shall also identify actual or anticipated costs of these projects, funding sources, and anticipated costs and funding sources required to maintain the improvements.

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. 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. 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.

#### **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 article 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 article 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.

**ONE-TIME BASIS ONLY**

Sec. 1001. For the state fiscal year ending September 30, 2012, there is appropriated from general fund/general purpose revenue, on a 1-time basis only, \$500,000.00 for the following purpose:

Maintenance of 2 swing bridges ..... \$ 500,000

PART 2A

PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS  
FOR FISCAL YEAR 2012-2013

**GENERAL SECTIONS**

Sec. 1201. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, 2013 for the line items listed in part 1. The fiscal year 2012-2013 appropriations are anticipated to be the same as those for fiscal year 2011-2012, except that the line items will be adjusted for changes in caseload and related costs, federal fund match rates, economic factors, and available revenue. These adjustments will be determined after the January 2012 consensus revenue estimating conference.

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

A bill to make, supplement, adjust, and consolidate appropriations for various state departments and agencies, the judicial branch, and the legislative branch for the fiscal year ending September 30, 2012; to provide for certain conditions on appropriations; to provide for the expenditure of the appropriations; and to provide anticipated appropriations for the fiscal year ending September 30, 2013.

Chuck Moss  
Joe Haveman  
Conferees for the House

Roger Kahn  
John Moolenaar  
Conferees for the Senate

The Speaker announced that under Joint Rule 9 the conference report would lie over one day.

Rep. Stamas moved pursuant to Joint Rule 9, that the Journal printing requirement be suspended, printed copies of the conference report having been made available to each Member.

The motion prevailed.

The question being on the adoption of the conference report,

The conference report was then adopted, a majority of the members serving voting therefor, by yeas and nays, as follows:

**Roll Call No. 153**

**Yeas—62**

Agema	Goike	Lyons	Potvin
Bolger	Haines	MacGregor	Price
Bumstead	Haveman	MacMaster	Pscholka
Callton	Heise	McBroom	Rendon
Cotter	Horn	McMillin	Rogers
Crawford	Hughes	Moss	Schmidt, W.
Daley	Huuki	Muxlow	Scott
Damrow	Jacobsen	Nesbitt	Shaughnessy
Denby	Jenkins	O'Brien	Shirkey
Farrington	Johnson	Olson	Somerville
Forlini	Knollenberg	Opsommer	Stamas
Foster	Kowall	Ouimet	Tyler
Franz	Kurtz	Outman	Walsh
Genetski	LaFontaine	Pettalia	Yonker
Gilbert	Lori	Poleski	Zorn
Glardon	Lund		

**Nays—47**

Ananich	Durhal	Lindberg	Segal
Barnett	Geiss	Lipton	Slavens
Bauer	Hammel	Liss	Smiley
Bledsoe	Hobbs	McCann	Stallworth
Brown	Hooker	Meadows	Stanley
Brunner	Hovey-Wright	Melton	Stapleton
Byrum	Howze	Nathan	Switalski
Cavanagh	Irwin	Oakes	Talabi
Clemente	Jackson	Olumba	Tlaib
Constan	Kandrevas	Rutledge	Townsend
Darany	Lane	Santana	Womack
Dillon	LeBlanc	Schmidt, R.	

In The Chair: Walsh

Rep. Geiss, having reserved the right to explain his nay vote, made the following statement:

“Mr. Speaker and members of the House:

The budget has been completed earlier than in years past, but that does not equate to the budget being done correctly. Too much has been taken away from Michigan’s citizens and given to Michigan’s business community. This is not shared sacrifice, this is a power grab cloaked in a crisis that was self-made.

I respectfully vote no.”

Rep. Hooker, having reserved the right to explain his nay vote, made the following statement:

“Mr. Speaker and members of the House:

I voted no because I cannot support funding of \$4.6 million for Planned Parenthood. I believe the organization was founded on prejudice and murder of children.”

Rep. Tlaib, having reserved the right to explain her nay vote, made the following statement:

“Mr. Speaker and members of the House:

Rolling up thirteen department budgets into one mega budget bill reduces our role as Legislators to oversee taxpayer dollars and state spending. It’s irresponsible. This bill gives overwhelming authority to the Administration without any accountability process that protects the Michigan families and children we represent. As legislators, we speak to Michigan residents directly every day and see the impact that funding cuts make in their daily lives. We understand the needs of our residents, not the Administration who is solely working on balancing the budget without consideration of what our residents need. This budget lets down the millions of Michiganders that depend on us to protect them from harm and look to us for leadership in creating jobs and a better quality of life. Therefore, I could not consciously vote for a bill that gutted the Healthy Michigan Fund, Human Services programs that protect our poor and eliminated services for the sick.”

### First Conference Report

The Committee of Conference on the matters of difference between the two Houses concerning  
**House Bill No. 4325, entitled**

A bill to amend 1979 PA 94, entitled “The state school aid act of 1979,” by amending the title and sections 2, 3, 6, 11, 11a, 11g, 11j, 11k, 11m, 15, 18, 20, 20d, 22a, 22b, 24, 24a, 24c, 26a, 26b, 31a, 31d, 31f, 32b, 32d, 32j, 39, 39a, 40, 51a, 51c, 51d, 53a, 54, 56, 61a, 62, 74, 81, 94a, 98, 99, 104, 107, 109, 147, and 152a (MCL 388.1602, 388.1603, 388.1606, 388.1611, 388.1611a, 388.1611g, 388.1611j, 388.1611k, 388.1611m, 388.1615, 388.1618, 388.1620, 388.1620d, 388.1622a, 388.1622b, 388.1624, 388.1624a, 388.1624c, 388.1626a, 388.1626b, 388.1631a, 388.1631d, 388.1631f, 388.1632b, 388.1632d, 388.1632j, 388.1639, 388.1639a, 388.1640, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1656, 388.1661a, 388.1662, 388.1674, 388.1681, 388.1694a, 388.1698, 388.1699, 388.1704, 388.1707, 388.1709, 388.1747, and 388.1752a), the title as amended by 2003 PA 158, sections 3, 6, 11a, 11g, 11k, 15, 18, 20, 20d, 22b, 24, 24a, 26b, 31a, 31d, 31f, 32b, 32d, 32j, 39, 51c, 51d, 53a, 54, 61a, 62, 74, 98, 99, 107, and 147 as amended by 2010 PA 110, sections 11, 11m, 22a, 51a, and 56 as amended and section 152a as added by 2010 PA 217, sections 11j, 24c, 26a, 39a, 81, 94a, and 104 as amended by 2010 PA 204, section 40 as amended by 2000 PA 297, and section 109 as amended by 1994 PA 283, by amending the heading of article I, and by adding sections 22f and articles II, III, and IV; and to repeal acts and parts of acts.

Recommends:

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

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

A bill to amend 1979 PA 94, entitled “The state school aid act of 1979,” by amending the title and sections 2, 6, 11, 11a, 11g, 11j, 11k, 11m, 15, 18, 20, 20d, 22a, 22b, 22d, 22e, 24, 24a, 24c, 26a, 26b, 31a, 31d, 31f, 32b, 32d, 32j, 39, 39a, 40, 51a, 51c, 51d, 53a, 54, 56, 61a, 62, 74, 81, 93, 94a, 98, 99, 104, 107, 109, 147, and 152a (MCL 388.1602, 388.1606, 388.1611, 388.1611a, 388.1611g, 388.1611j, 388.1611k, 388.1611m, 388.1615, 388.1618, 388.1620, 388.1620d, 388.1622a, 388.1622b, 388.1622d, 388.1622e, 388.1624, 388.1624a, 388.1624c, 388.1626a, 388.1626b, 388.1631a, 388.1631d, 388.1631f, 388.1632b, 388.1632d, 388.1632j, 388.1639, 388.1639a, 388.1640, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1656, 388.1661a, 388.1662, 388.1674, 388.1681, 388.1693, 388.1694a, 388.1698, 388.1699, 388.1704, 388.1707, 388.1709, 388.1747, and 388.1752a), the title as amended by 2003 PA 158, sections 6, 11a, 11g, 11k, 15, 18, 20, 20d, 22b, 22d, 24, 24a, 26b, 31a, 31d, 31f, 32b, 32d, 32j, 39, 51c, 51d, 53a, 54, 61a, 62, 74, 98, 99, 107, and 147 as amended by 2010 PA 110, sections 11, 11m, 22a, 51a, and 56 as amended and section 152a as added by 2010 PA 217, sections 11j, 22e, 24c, 26a, 39a, 81, 94a, and 104 as amended and section 93 as added by 2010 PA 204, section 40 as amended by 2000 PA 297, and section 109 as amended by 1994 PA 283, by amending the heading of article I, and by adding sections 12, 22f, 147a, 147b and articles II, III, and IV; and to repeal acts and parts of acts.

### THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

#### TITLE

An act to make appropriations to aid in the support of the public schools, ~~and the intermediate school districts,~~ **COMMUNITY COLLEGES, AND PUBLIC UNIVERSITIES** of the state; to make appropriations for certain other purposes relating to education; to provide for the disbursement of the appropriations; ~~to 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.

~~Article 1~~ **ARTICLE I****STATE AID TO PUBLIC SCHOOLS, EARLY CHILDHOOD, AND ADULT EDUCATION**

Sec. 2. ~~For the purposes of this act~~ **AS USED IN THIS ARTICLE AND ARTICLE IV**, the words and phrases defined in sections 3 to 6 have the meanings ascribed to them in those sections.

Sec. 6. (1) "Center program" means a program operated by a district or by an intermediate district for special education pupils from several districts in programs for pupils with autism spectrum disorder, pupils with severe cognitive impairment, pupils with moderate cognitive impairment, pupils with severe multiple impairments, pupils with hearing impairment, pupils with visual impairment, and pupils with physical impairment or other health impairment. Programs for pupils with emotional impairment housed in buildings that do not serve regular education pupils also qualify. Unless otherwise approved by the department, a center program either shall serve all constituent districts within an intermediate district or shall serve several districts with less than 50% of the pupils residing in the operating district. In addition, special education center program pupils placed part-time in noncenter programs to comply with the least restrictive environment provisions of section 612 of part B of the individuals with disabilities education act, 20 USC 1412, may be considered center program pupils for pupil accounting purposes for the time scheduled in either a center program or a noncenter program.

(2) "District and high school graduation rate" means the annual completion and pupil dropout rate that is calculated by the center pursuant to nationally recognized standards.

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

(4) "Membership", except as otherwise provided in this act, **ARTICLE**, means for a district, public school academy, university school, or intermediate district the sum of the product of ~~.75~~ **.90** times the number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance on the pupil membership count day for the current school year, plus the product of ~~.25~~ **.10** 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. For the purposes of this section and section 6a, for a school of excellence that is a cyber school, as defined in section 551 of the revised school code, MCL 380.551, and is in compliance with section 553a of the revised school code, MCL 380.553a, a pupil's participation in the cyber school's educational program is considered regular daily attendance. 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 career and technical education program supported by a millage levied over an area larger than a single district or in an area vocational-technical education program established pursuant to section 690 of the revised school code, MCL 380.690, shall be counted only in the pupil's district of residence.

(g) A pupil enrolled in a 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 as follows:

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

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

(A) Is enrolled in a public school academy or an alternative education high school diploma program, that is primarily focused on educating homeless pupils and that is located in a city with a population of more than ~~750,000~~**500,000**.

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

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

(m) An individual who has obtained a high school diploma shall not be counted in membership. An individual who has obtained a general educational development (G.E.D.) certificate shall not be counted in membership **UNLESS THE INDIVIDUAL IS A STUDENT WITH A DISABILITY AS DEFINED IN R 340.1702 OF THE MICHIGAN ADMINISTRATIVE CODE**. An individual participating in a job training program funded under former section 107a or a jobs program funded under former section 107b, administered by the Michigan strategic fund or the ~~department of energy, labor, and economic growth~~, **WORKFORCE DEVELOPMENT AGENCY**, 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~~**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. **HOWEVER, BEGINNING IN 2012-2013, 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 THE SAME 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~~**.90** times the number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance on the first pupil membership count day or supplemental count day, whichever is first, occurring after operations resume, plus the product of ~~.25~~**.10** times the final audited count from the most recent pupil membership count day or supplemental count day that occurred before suspending operations, as determined by the superintendent.

(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~~**EARLY CHILDHOOD SPECIAL**

**EDUCATION** 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.

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

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

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

(l) A pupil enrolled in a district other than the pupil's district of residence in a **MIDDLE COLLEGE** program ~~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.

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

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

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~~ **FIRST** Wednesday ~~after Labor day~~ **IN OCTOBER** each school year or, for a district or building in which school is not in session on that Wednesday due to conditions not within the control of school authorities, with the approval of the superintendent, the immediately following day on which school is in session in the district or building.

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

(i) Fourth Wednesday in July.

(ii) ~~Fourth~~ **FIRST** Wednesday ~~after Labor day~~ **IN OCTOBER**.

(iii) Second Wednesday in February.

(iv) Fourth Wednesday in April.

(8) "Pupils in grades K to 12 actually enrolled and in regular daily attendance" means pupils in grades K to 12 in attendance and receiving instruction in all classes for which they are enrolled on the pupil membership count day or the supplemental count day, as applicable. Except as otherwise provided in this subsection, a pupil who is absent from any of the classes in which the pupil is enrolled on the pupil membership count day or supplemental count day and who does not attend each of those classes during the 10 consecutive school days immediately following the pupil membership count day or supplemental count day, except for a pupil who has been excused by the district, shall not be counted as 1.0 full-time equated membership. A pupil who is excused from attendance on the pupil membership count day or supplemental count day and who fails to attend each of the classes in which the pupil is enrolled within 30 calendar days after the pupil membership count day or supplemental count day shall not be counted as 1.0 full-time equated membership. In addition, a pupil who was enrolled and in attendance in a district, 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" 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 (o). A pupil's district of residence shall not require a high school tuition pupil, as provided under section 111, to attend another school district after the pupil has been assigned to a school district.

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

(18) "Taxable value" means the taxable value of property as determined under section 27a of the general property tax act, 1893 PA 206, MCL 211.27a.

(19) "Textbook" means a book, **ELECTRONIC BOOK, OR OTHER INSTRUCTIONAL PRINT OR ELECTRONIC RESOURCE** that is selected and approved by the governing board of a district 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~~ **ARTICLE**.

(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) Subject to subsection (5), (3), for the fiscal year ending September 30, 2011, there is appropriated for the public schools of this state and certain other state purposes relating to education the sum of \$10,937,260,500.00 **\$10,757,260,500.00** from the state school aid fund and the sum of \$18,642,400.00 from the general fund. For the fiscal year ending September 30, 2011, there is also appropriated the remaining balance of the federal funding awarded to this state under title XIV of the American recovery and reinvestment act of 2009, Public Law 111-5, estimated at \$184,256,600.00, to be used solely for the purpose of funding the primary funding formula calculated under section 20, in accordance with federal law. **SUBJECT TO SUBSECTION (3), FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2012, THERE IS APPROPRIATED FOR THE PUBLIC SCHOOLS OF THIS STATE AND CERTAIN OTHER STATE PURPOSES RELATING TO EDUCATION THE SUM OF \$10,887,098,700.00 FROM THE STATE SCHOOL AID FUND AND THE SUM OF \$118,642,400.00 FROM THE GENERAL FUND.** In addition, all other available federal funds, except those otherwise appropriated under section 11p, are appropriated for the fiscal year ending September 30, 2011 **AND FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2012.**

(2) The appropriations under this section shall be allocated as provided in this act. ~~ARTICLE.~~ Money appropriated under this section from the general fund shall be expended to fund the purposes of this act. ~~ARTICLE~~ 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. For 2009-2010 only, if the department determines before bookclosing for the 2009-2010 state fiscal year that the maximum amount appropriated under this section from the state school aid fund for 2009-2010 exceeds the amount necessary to fully fund allocations under this act from the state school aid fund for 2009-2010 and that state support for elementary and secondary education for 2009-2010 will fall below the level of support needed to comply with the maintenance of effort provisions under title XIV of the American recovery and reinvestment act of 2009, Public Law 111-5, then there is appropriated for 2009-2010 from the school aid stabilization fund an amount equal to \$30,000,000.00 or the amount that the department determines is necessary for the state support for elementary and secondary education to meet the level of support needed to comply with the maintenance of effort provisions under title XIV of the American recovery and reinvestment act of 2009, Public Law 111-5, whichever is greater. The department shall use any funds appropriated under this subsection as follows:~~

(a) ~~First, to allocate \$10,000,000.00 to provide funding to each intermediate district in an amount equal to the product of 14.75% multiplied by the amount of funding allocated to that intermediate district under section 81 for 2009-2010 under 2010 PA 110;~~

(b) ~~Second, to allocate the amount necessary, estimated at \$10,000,000.00, to provide funding under this subdivision to districts for which the amount of per-pupil funding calculated and allocated under section 11p(2) is less than \$154.00. The payment to a district under this subdivision is an amount equal to the difference between \$154.00 and the per-pupil funding amount calculated and allocated under section 11p(2) for the district, multiplied by the district's 2010-2011 membership used for the October 2010 payment.~~

(c) ~~Third, to allocate any remaining funds to reduce the amount of the per-pupil reduction under section 11d(1) for 2009-2010;~~

(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, 56, and 152a 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, 53a, and 152a, 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, 56, and 152a, 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.~~

~~(3) (5) Any general fund allocations under this act-ARTICLE that are not expended by the end of the state fiscal year are transferred to the school aid stabilization fund created under section 11a.~~

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

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

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

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

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

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

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

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

(6) If the maximum amount appropriated under section 11 from the state school aid fund for a fiscal year exceeds the amount available for expenditure from the state school aid fund for that fiscal year, there is appropriated from the school aid stabilization fund to the state school aid fund an amount equal to the projected shortfall as determined by the department of treasury, but not to exceed available money in the school aid stabilization fund. If the money in the school aid stabilization fund is insufficient to fully fund an amount equal to the projected shortfall, the state budget director shall notify the legislature as required under section 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 ~~2010-2011~~, **2011-2012, IN ADDITION TO THE APPROPRIATIONS IN SECTION 11**, there is appropriated from the school aid stabilization fund to the state school aid fund the amount necessary to fully fund the allocations under this act.**ARTICLE.**

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, ~~2011~~-**2012** 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**ARTICLE** are not intended to admit liability or waive any defense that is or would be available to this state or its agencies, employees, or agents in any litigation or future litigation with a district or intermediate district regarding these claims or potential claims.

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

(a) If the district or intermediate district does not borrow money and issue bonds under section 11i, 1/30 of the total amount listed in section 11h for the district or intermediate district through the fiscal year ending September 30, 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 ~~\$5,167,800.00~~ **\$93,575,300.00** for 2010-2011 **2011-2012** 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 ~~2010-2011, 2011-2012~~, there is appropriated from the general fund to the school loan revolving fund an amount equal to the amount of school bond loans assigned to the Michigan finance authority, not to exceed the total amount of school bond loans held in reserve as long-term assets. As used in this section, "school loan revolving fund" means that fund created in section 16c of the shared credit rating act, 1985 PA 227, MCL 141.1066c.

Sec. 11m. From the appropriations in section 11, there is allocated for 2009-2010 ~~an amount not to exceed \$12,000,000.00~~ and for 2010-2011 ~~there is allocated an amount not to exceed \$45,000,000.00~~ **\$15,000,000.00 AND THERE IS ALLOCATED FOR 2011-2012 AN AMOUNT NOT TO EXCEED \$20,000,000.00** 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. 12. IT IS THE INTENT OF THE LEGISLATURE TO APPROPRIATE AND ALLOCATE FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2013 THE SAME AMOUNTS OF MONEY FROM THE SAME SOURCES FOR THE SAME PURPOSES AS ARE APPROPRIATED AND ALLOCATED UNDER THIS ARTICLE FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2012, AS ADJUSTED FOR CHANGES IN PUPIL MEMBERSHIP, TAXABLE VALUES, SPECIAL EDUCATION COSTS, AND AVAILABLE REVENUE. THESE ADJUSTMENTS WILL BE DETERMINED AFTER THE JANUARY 2012 CONSENSUS REVENUE ESTIMATING CONFERENCE.**

Sec. 15. (1) If a district or intermediate district fails to receive its proper apportionment, the department, upon satisfactory proof that the district or intermediate district was entitled justly, shall apportion the deficiency in the next apportionment. Subject to subsections (2) and (3), if a district or intermediate district has received more than its proper apportionment, the department, upon satisfactory proof, shall deduct the excess in the next apportionment. Notwithstanding any other provision in this act, **ARTICLE**, state aid overpayments to a district, other than overpayments in payments for special education or special education transportation, may be recovered from any payment made under this act **ARTICLE** 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~~ **ARTICLE** that are caused by the write-off of prior year accruals may be funded by revenue from the write-off of prior year accruals.

(5) In addition to funds appropriated in section 11 for all programs and services, there is appropriated for ~~2010-2011~~ **2011-2012** 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~~ **ARTICLE**, each district or other entity shall apply the money received by the district or entity under this ~~act~~ **ARTICLE** 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~~ **ARTICLE** the apportionment otherwise due upon a violation by the recipient.

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

(a) The annual operating budget and subsequent budget revisions.

(b) Using data that have already been collected and submitted to the department, a summary of district expenditures for the most recent fiscal year for which they are available, expressed in the following 2 pie charts:

(i) A chart of personnel expenditures, broken into the following subcategories:

(A) Salaries and wages.

(B) Employee benefit costs, including, but not limited to, medical, dental, vision, life, disability, and long-term care benefits.

(C) Retirement benefit costs.

(D) All other personnel costs.

(ii) A chart of all district expenditures, broken into the following subcategories:

(A) Instruction.

(B) Support services.

(C) Business and administration.

(D) Operations and maintenance.

(c) Links to all of the following:

(i) The current collective bargaining agreement for each bargaining unit.

(ii) Each health care benefits plan, including, but not limited to, medical, dental, vision, disability, long-term care, or any other type of benefits that would constitute health care services, offered to any bargaining unit or employee in the district.

(iii) The audit report of the audit conducted under subsection (4) for the most recent fiscal year for which it is available.

(iv) **THE BIDS REQUIRED UNDER SECTION 5 OF THE PUBLIC EMPLOYEE HEALTH BENEFITS ACT, 2007 PA 106, MCL 124.75.**

(d) The total salary and a description and cost of each fringe benefit included in the compensation package for the superintendent of the district and for each employee of the district whose salary exceeds \$100,000.00.

(e) The annual amount spent on dues paid to associations.

(f) The annual amount spent on lobbying or lobbying services. As used in this subdivision, "lobbying" means that term as defined in section 5 of 1978 PA 472, MCL 4.415.

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

(4) For the purpose of determining the reasonableness of expenditures and whether a violation of this ~~act~~ **ARTICLE** has occurred, all of the following apply:

(a) The department shall require that each district and intermediate district have an audit of the district's or intermediate district's financial and pupil accounting records conducted at least annually 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.

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

means that the district's membership for the current fiscal year varies from the district's membership for the immediately preceding fiscal year by less than 5%.

~~(c) An intermediate district's annual financial audit shall be accompanied by the intermediate district's pupil accounting procedures report.~~

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

~~(D) (e)~~ The pupil **AND FINANCIAL** accounting records and reports, audits, and management letters are subject to requirements established in the auditing and accounting manuals approved and published by the department.

~~(E) (f)~~ Except as otherwise provided in this subsection, a **ALL OF THE FOLLOWING SHALL BE DONE NOT LATER THAN NOVEMBER 15 EACH YEAR:**

~~(i) 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 DEPARTMENT.~~

~~(ii) THE INTERMEDIATE DISTRICT SHALL FILE THE ANNUAL FINANCIAL AUDIT REPORTS FOR THE INTERMEDIATE DISTRICT WITH THE DEPARTMENT.~~

~~(iii) THE intermediate district shall forward the annual financial-ENTER THE PUPIL MEMBERSHIP 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. IN THE MICHIGAN STUDENT DATA SYSTEM.~~

~~(F) (g)~~ The annual financial audit reports and pupil accounting procedures reports shall be available to the public in compliance with the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

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

(5) By November 15 of each year, 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.~~

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

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

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

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

(10) If a district or intermediate district does not comply with subsections (4), (5), (6), and (7), the department shall withhold all state school aid due to the district or intermediate district under this act, ~~ARTICLE~~, beginning with the next payment due to the district or intermediate district, until the district or intermediate district complies with subsections (4), (5), (6), and (7). If the district or intermediate district does not comply with subsections (4), (5), (6), and (7) by the end of the fiscal year, the district or intermediate district forfeits the amount withheld.

#### Article 2

Sec. 20. (1) For ~~2009-2010 and for 2010-2011, 2011-2012~~, the basic foundation allowance is ~~\$8,489.00~~ **\$8,019.00**.

(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 and for 2010-2011, **2011-2012**, for a district that had a foundation allowance for the immediately preceding state fiscal year that was at least equal to the sum of \$7,108.00 plus the total dollar amount of all adjustments made from 2006-2007 to the immediately preceding state fiscal year in the lowest foundation allowance among all districts, but less than the basic foundation allowance for the immediately preceding state fiscal year, the district shall receive a foundation allowance in an amount equal to the district's foundation allowance for ~~the immediately preceding state fiscal year.~~ **2010-2011, MINUS \$470.00.** 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 **FOR 2011-2012** 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.~~ **2010-2011, MINUS \$470.00.**

(c) Except as otherwise provided in subdivision (d), 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. **EXCEPT AS OTHERWISE PROVIDED IN SUBDIVISION (D), FOR 2011-2012, FOR A DISTRICT THAT IN THE 1994-1995 STATE FISCAL YEAR HAD A FOUNDATION ALLOWANCE GREATER THAN \$6,500.00, THE DISTRICT'S FOUNDATION ALLOWANCE IS AN AMOUNT EQUAL TO THE DISTRICT'S FOUNDATION ALLOWANCE FOR THE 2010-2011 FISCAL YEAR MINUS \$470.00.**

(d) ~~If House Bill No. 6212 of the 95th Legislature is enacted into law, then beginning in 2011-2012, for~~ **FOR** a district that in the 1994-95 state fiscal year had a foundation allowance greater than \$6,500.00 and that had a foundation allowance for the 2009-2010 state fiscal year, as otherwise calculated under this section, that was less than the basic foundation allowance, the district's foundation allowance for 2011-2012 and each succeeding fiscal year shall be considered to be an amount equal to the basic foundation allowance.

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

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

(g) 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)~~, **(15)**, the allocation calculated under this section shall not include the adjustment described in subsection ~~(19)~~, **(15)**. 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 foundation allowance of the district in which the public school academy or university school is located or the state maximum public school academy allocation, whichever is less. However, a public school academy or university school that had an allocation under this subsection before 2009-2010 that was equal to the sum of the local school operating revenue per membership pupil other than special education pupils for the district in which the public school academy or university school is located and the state portion of that district's foundation allowance shall not have that allocation reduced as a result of the 2010 amendment to this subsection. Notwithstanding section 101, for a public school academy that begins operations after the pupil membership count day, the amount per membership pupil calculated under this subsection shall be adjusted by multiplying that amount per membership pupil by the number of hours of pupil instruction provided by the public school academy after it begins operations, as determined by the department, divided by the minimum number of hours of pupil instruction required under section 101(3). The result of this calculation shall not exceed the amount per membership pupil otherwise calculated under this subsection.

(7) 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, **ARTICLE**, 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, supportive housing 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, supportive housing 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, supportive housing 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, supportive housing 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.

~~(8)~~ ~~(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).~~

~~(9)~~ ~~(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.

~~(10)~~ ~~(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.

~~(11)~~ ~~(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 and for 2010-2011, **2011-2012**, the index shall be ~~1.00-~~ **0.93575**. If a consensus index is not determined at the revenue estimating conference, the principals of the revenue estimating conference shall report their estimates to the house and senate subcommittees responsible for school aid appropriations not later than 7 days after the conclusion of the revenue conference.

~~(12)~~ ~~(14)~~ If the principals at the revenue estimating conference reach a consensus on the index described in subsection ~~(13)~~(c), **(11)(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.

(13) (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. **A DISTRICT RECEIVING AN ADJUSTMENT UNDER THIS SUBSECTION SHALL NOT RECEIVE AS A RESULT OF THIS ADJUSTMENT AN AMOUNT THAT EXCEEDS 50% OF THE AMOUNT THE DISTRICT RECEIVED AS A RESULT OF THIS ADJUSTMENT FOR 2010-2011. THIS ADJUSTMENT SHALL NOT BE MADE AFTER 2011-2012.**

(14) (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. **A DISTRICT RECEIVING AN ADJUSTMENT UNDER THIS SUBSECTION SHALL NOT RECEIVE AS A RESULT OF THIS ADJUSTMENT AN AMOUNT THAT EXCEEDS 50% OF THE AMOUNT THE DISTRICT RECEIVED AS A RESULT OF THIS ADJUSTMENT FOR 2010-2011. THIS ADJUSTMENT SHALL NOT BE MADE AFTER 2011-2012.**

(15) (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. **A DISTRICT RECEIVING AN ADJUSTMENT UNDER THIS SUBSECTION SHALL NOT RECEIVE AS A RESULT OF THIS ADJUSTMENT AN AMOUNT THAT EXCEEDS 68.5% OF THE AMOUNT THE DISTRICT RECEIVED AS A RESULT OF THIS ADJUSTMENT FOR 2010-2011. THIS ADJUSTMENT SHALL NOT BE MADE AFTER 2011-2012.**

(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.

**(16) (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. **A DISTRICT RECEIVING AN ADJUSTMENT UNDER THIS SUBSECTION SHALL NOT RECEIVE AS A RESULT OF THIS ADJUSTMENT AN AMOUNT THAT EXCEEDS 50% OF THE AMOUNT THE DISTRICT RECEIVED AS A RESULT OF THIS ADJUSTMENT FOR 2010-2011. THIS ADJUSTMENT SHALL NOT BE MADE AFTER 2011-2012.**

**(17) (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. **A DISTRICT RECEIVING AN ADJUSTMENT UNDER THIS SUBSECTION SHALL NOT RECEIVE AS A RESULT OF THIS ADJUSTMENT AN AMOUNT THAT EXCEEDS 50% OF THE AMOUNT THE DISTRICT RECEIVED AS A RESULT OF THIS ADJUSTMENT FOR 2010-2011. THIS ADJUSTMENT SHALL NOT BE MADE AFTER 2011-2012.**

**(18) (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.

**(19) (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.

**(20) (26)-**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 and 2010-2011~~, **2011-2012**, maximum public school academy allocation means ~~\$7,580.00~~ **\$7,110.00**.

(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, supportive housing property, industrial personal property, or commercial personal property.

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

(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 ~~2010-2011~~, **2011-2012**, 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. 22a. (1) From the appropriation in section 11, there is allocated an amount not to exceed ~~\$5,796,241,000.00 for 2009-2010 and an amount not to exceed \$5,764,000,000.00~~ **\$5,737,000,000.00** for 2010-2011 **AND AN AMOUNT NOT TO EXCEED \$5,691,000,000.00 FOR 2011-2012** 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, supportive housing property, industrial personal property, and commercial personal property could be reduced as provided in section 1211 of the revised school code, MCL 380.1211, and the number of mills of school operating taxes that could be levied on all property as provided in section 1211(2) of the revised school code, MCL 380.1211, as certified by the department of treasury for the 1994 tax year.

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

(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, supportive housing property, industrial personal property, or commercial personal property.

(i) "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.

(j) "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.

(k) "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.

(l) "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.

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

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

(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 \$3,289,000,000.00 and there is allocated for 2010-2011 an amount not to exceed \$3,573,500,000.00 ~~\$3,558,424,700.00~~ AND

**THERE IS ALLOCATED FOR 2011-2012 AN AMOUNT NOT TO EXCEED \$3,032,300,000.00** 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 for 2009-2010 and~~ there is allocated an amount estimated at \$184,256,600.00 for 2010-2011 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 final state aid payment of the immediately preceding fiscal year 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 related to commercial or industrial property tax appeals, including, but not limited to, appeals of classification, that impact revenues dedicated to the state school aid fund.

(7) 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.

(8) 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~~, **51C, AND 152A**. If a claim is made by an entity receiving funds under this act **ARTICLE** that challenges the legislative determination of the adequacy of this funding or alleges that there exists an unfunded constitutional requirement, the state budget director may escrow or allocate from the discretionary funds for nonmandated payments under this section the amount as may be necessary to satisfy the claim before making any payments to districts under subsection (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.

(9) 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 (8) 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).

(10) 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.

(11) 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.

(12) 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 ~~2010-2011~~ **2011-2012** for additional payments to small, geographically isolated **SUPPLEMENTAL PAYMENTS TO RURAL** districts under this section.

(2) From the allocation under subsection (1), there is allocated for ~~2010-2011~~ **2011-2012** 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 ~~2010-2011~~ **2011-2012** 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~~ **FOR 2011-2012, AN** amount ~~will be~~ **IS** allocated ~~each fiscal year~~ from the appropriation in section 11 for additional payments under this subsection to districts that meet the eligibility requirements under subsection (2). For ~~2010-2011~~ **2011-2012**, there is allocated for this purpose from the appropriation in section 11 an amount not to exceed ~~\$1,300,000.00~~ **\$700,000.00. THESE ADDITIONAL PAYMENTS SHALL NOT BE MADE AFTER 2011-2012.**

(2) To be eligible for a payment under subsection (1), 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).

**(D) THE DISTRICT HAS 500 OR FEWER PUPILS IN MEMBERSHIP.**

(3) Subject to subsection (4), the amount of the additional funding to each eligible district under subsection (1) 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.

(4) The amount of the additional funding to an eligible district under subsection (1) for a fiscal year shall not exceed 15% of the total amount allocated under subsection (1) for that fiscal year.

(5) If the total amount of the payments calculated under subsection (3) for a fiscal year exceeds the allocation under subsection (1) for that fiscal year, the payment to each district under subsection (1) shall be prorated on an equal percentage basis.

(6) In addition to the amount allocated under subsection (1), for 2010-2011 only there is also allocated from the appropriation in section 11 the amount of \$500,000.00 to a district that is eligible for a payment under subsection (1) and that levied 1.8 mills in 1993 to finance an operating deficit.

**SEC. 22F. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED FOR 2011-2012 ONLY AN AMOUNT NOT TO EXCEED \$154,000,000.00 TO PROVIDE INCENTIVE PAYMENTS TO DISTRICTS THAT MEET FINANCIAL BEST PRACTICES UNDER THIS SECTION. THE MONEY ALLOCATED IN THIS SECTION REPRESENTS A PORTION OF THE YEAR-END STATE SCHOOL AID FUND BALANCE FOR 2010-2011. THE AMOUNT OF THE INCENTIVE PAYMENT IS AN AMOUNT EQUAL TO \$100.00 PER PUPIL. A DISTRICT SHALL RECEIVE AN INCENTIVE PAYMENT UNDER THIS SECTION IF THE DISTRICT SATISFIES AT LEAST 4 OF THE FOLLOWING REQUIREMENTS NOT LATER THAN JUNE 1, 2012:**

**(A) IF A DISTRICT PROVIDES MEDICAL, PHARMACY, DENTAL, VISION, DISABILITY, LONG-TERM CARE, OR ANY OTHER TYPE OF BENEFIT THAT WOULD CONSTITUTE A HEALTH CARE SERVICES BENEFIT, TO EMPLOYEES AND THEIR DEPENDENTS, THE DISTRICT DOES NOT PAY ON BEHALF OF ANY EMPLOYEE A TOTAL AMOUNT THAT IS GREATER THAN THE STATE MAXIMUM ALLOWABLE EMPLOYER CONTRIBUTION FOR HEALTH CARE SERVICES BENEFITS, AS DESCRIBED IN SUBSECTION (3), DEPENDING ON THE COVERAGE OPTION.**

**(B) IF A DISTRICT PROVIDES MEDICAL, PHARMACY, DENTAL, VISION, DISABILITY, LONG-TERM CARE, OR ANY OTHER TYPE OF BENEFIT THAT WOULD CONSTITUTE A HEALTH CARE SERVICES BENEFIT, TO EMPLOYEES AND THEIR DEPENDENTS, THE DISTRICT IS THE POLICYHOLDER FOR EACH OF ITS INSURANCE POLICIES THAT COVERS 1 OR MORE OF THESE BENEFITS. A DISTRICT THAT DOES NOT DIRECTLY EMPLOY ITS STAFF IS CONSIDERED TO HAVE SATISFIED THIS REQUIREMENT.**

**(C) IF A DISTRICT DID NOT ENTER INTO AN AGREEMENT WITH THE DEPARTMENT TO DEVELOP A SERVICE CONSOLIDATION PLAN TO REDUCE SCHOOL OPERATING COSTS UNDER FORMER SECTION 11D AS IT WAS IN EFFECT FOR 2010-2011, THE DISTRICT ENTERS INTO AN AGREEMENT WITH THE DEPARTMENT TO DEVELOP A SERVICE CONSOLIDATION PLAN THAT IS IN COMPLIANCE WITH DEPARTMENT GUIDELINES DESCRIBED IN SUBSECTION (2). IF A DISTRICT ENTERED INTO AN AGREEMENT WITH THE DEPARTMENT TO DEVELOP A SERVICE CONSOLIDATION PLAN UNDER FORMER SECTION 11D, THE DISTRICT CONTINUES TO IMPLEMENT THAT PLAN AND REPORT TO THE DEPARTMENT NOT LATER THAN FEBRUARY 1 OF EACH FISCAL YEAR THE DISTRICT'S PROGRESS IN IMPLEMENTING THAT PLAN.**

**(D) THE DISTRICT HAS OBTAINED COMPETITIVE BIDS ON THE PROVISION OF PUPIL TRANSPORTATION, FOOD SERVICE, CUSTODIAL, OR 1 OR MORE OTHER NONINSTRUCTIONAL SERVICES WITH A VALUE OF AT LEAST \$50,000.00.**

**(E) THE DISTRICT PROVIDES TO PARENTS AND COMMUNITY MEMBERS A DASHBOARD OR REPORT CARD DEMONSTRATING THE DISTRICT'S EFFORTS TO MANAGE ITS FINANCES RESPONSIBLY. THE DASHBOARD OR REPORT CARD SHALL INCLUDE AT LEAST ALL OF THE FOLLOWING FOR THE 3 MOST RECENT SCHOOL YEARS FOR WHICH THE DATA ARE AVAILABLE:**

- (i) GRADUATION AND DROPOUT RATES.**
- (ii) AVERAGE CLASS SIZE IN GRADES KINDERGARTEN TO 3.**
- (iii) COLLEGE READINESS AS MEASURED BY MICHIGAN MERIT EXAMINATION TEST SCORES.**
- (iv) ELEMENTARY AND MIDDLE SCHOOL MEAP SCORES.**
- (v) TEACHER, PRINCIPAL, AND SUPERINTENDENT SALARY INFORMATION INCLUDING AT LEAST MINIMUM, AVERAGE, AND MAXIMUM PAY LEVELS.**
- (vi) GENERAL FUND BALANCE.**
- (vii) THE TOTAL NUMBER OF DAYS OF INSTRUCTION PROVIDED.**

**(2) THE DEPARTMENT SHALL MAINTAIN THE GUIDELINES FOR THE SERVICE CONSOLIDATION PLANS THAT WERE DEVELOPED FOR FORMER SECTION 11D AS IT WAS IN EFFECT FOR 2010-2011. THE GUIDELINES MAY IDENTIFY, BUT ARE NOT LIMITED TO, ALLOWABLE COST-SHARING ARRANGEMENTS FOR THE PROVISION OF NONINSTRUCTIONAL AND INSTRUCTIONAL SERVICES AND THE CREATION OF JOINT OPERATING AGREEMENTS BETWEEN AND AMONG DISTRICTS, INTERMEDIATE DISTRICTS, AND OTHER UNITS OF LOCAL GOVERNMENT. THE DEPARTMENT SHALL CREATE BENCHMARKS TO MEASURE SUCCESS IN IMPLEMENTING SERVICE CONSOLIDATION PLANS, INCLUDING, BUT NOT LIMITED TO, DEMONSTRATED COST REDUCTIONS AND EFFICIENCY. IN DETERMINING ELIGIBILITY FOR INCENTIVE PAYMENTS, THE DEPARTMENT SHALL RECOGNIZE SERVICE CONSOLIDATION AND COOPERATION AND COST REDUCTIONS ALREADY IN EFFECT AS WELL AS CONTINUED PROGRESS.**

**(3) FOR THE PURPOSES OF THIS SECTION, THE STATE MAXIMUM ALLOWABLE EMPLOYER CONTRIBUTION ON BEHALF OF ANY EMPLOYEE IS AN AMOUNT EQUAL TO 90% OF THE COMBINED**

**TOTAL COSTS FOR THE EMPLOYEE FOR THE SCHOOL FISCAL YEAR FOR MEDICAL, PHARMACY, DENTAL, VISION, DISABILITY, LONG-TERM CARE, OR ANY OTHER TYPE OF BENEFIT THAT WOULD CONSTITUTE A HEALTH CARE SERVICES BENEFIT FOR EACH OF THE FOLLOWING COVERAGE OPTIONS:**

- (A) EMPLOYEE ONLY COVERAGE.
- (B) EMPLOYEE AND SPOUSE COVERAGE.
- (C) EMPLOYEE AND CHILDREN COVERAGE.
- (D) FULL FAMILY COVERAGE.

**(4) A DISTRICT THAT ACCEPTS FUNDS ALLOCATED UNDER THIS SECTION ACKNOWLEDGES THAT THE INCENTIVE PAYMENT UNDER THIS SECTION IS FOR 2011-2012 ONLY AND THAT FUNDS WILL NOT BE APPROPRIATED FOR THE PURPOSES OF THIS SECTION FOR SUBSEQUENT FISCAL YEARS.**

**(5) IF THE DEPARTMENT DETERMINES THAT A DISTRICT HAS INTENTIONALLY SUBMITTED FALSE INFORMATION IN ORDER TO QUALIFY FOR AN INCENTIVE PAYMENT UNDER THIS SECTION, THE DISTRICT FORFEITS AN AMOUNT EQUAL TO THE AMOUNT IT RECEIVED UNDER THIS SECTION FROM ITS TOTAL STATE SCHOOL AID FOR 2012-2013.**

Sec. 24. (1) From the appropriation in section 11, there is allocated for ~~2010-2011~~ **2011-2012** 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~~ **LICENSING AND REGULATORY AFFAIRS** and approved by the department to provide an on-grounds education program. Added cost shall be computed by deducting all other revenue received under this 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 \$1,751,300.00 for 2009-2010 and there is allocated an amount not to exceed \$1,440,000.00~~ **\$1,197,500.00** for ~~2010-2011~~ **2011-2012** 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 \$742,300.00 for ~~2010-2011~~ **2011-2012** 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. Both of the following apply to a district receiving payments under this section:

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

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

Sec. 26a. From the state school aid fund appropriation in section 11, there is allocated an amount not to exceed \$26,300,000.00 for ~~2010-2011~~ **2011-2012** to reimburse districts and intermediate districts pursuant to section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692, for taxes levied in ~~2010-~~ **2011**. 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 ~~2010-2011~~ **2011-2012** an amount not to exceed ~~\$3,400,000.00~~ **\$2,890,000.00** 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.

#### Article 3

Sec. 31a. (1) From the state school aid fund money appropriated in section 11, there is allocated for ~~2010-2011~~ **2011-2012** 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 **IN THE FORM AND MANNER PRESCRIBED BY THE CENTER**. 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 ~~2010-2011~~ **2011-2012** 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 ~~2010-2011~~ **2011-2012** 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) Except as otherwise provided in subsection (18), 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) For a district described in subsection (16), the total allocation to the district otherwise due under this section, after any reduction under subsection (14), shall be further reduced by 25%.~~

~~(16) (19)-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.

**(17) A DISTRICT OR PUBLIC SCHOOL ACADEMY THAT RECEIVES FUNDS UNDER THIS SECTION MAY USE FUNDS RECEIVED UNDER THIS SECTION TO PROVIDE AN ANTI-BULLYING OR CRISIS INTERVENTION PROGRAM.**

Sec. 31d. (1) From the appropriations in section 11, there is allocated an amount not to exceed \$22,495,100.00 for ~~2010-2011~~ **2011-2012** 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 ~~2010-2011~~ **2011-2012** all available federal funding, estimated at \$400,000,000.00, 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.

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

Sec. 31f. (1) From the appropriations in section 11, there is allocated an amount not to exceed \$9,625,000.00 for ~~2010-2011~~ **2011-2012** for the purpose of making payments to districts to reimburse for the cost of providing breakfast.

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

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

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

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

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

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

Sec. 32b. (1) From the funds appropriated under section 11, there is allocated an amount not to exceed ~~\$6,000,000.00~~ **\$5,900,000.00** for ~~2010-2011~~ **2011-2012** 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) BEGINNING WITH 2012-2013, IT IS THE INTENT OF THE LEGISLATURE TO TRANSFER FUNDING FOR GREAT START COLLABORATIVES UNDER THIS SECTION INTO AN EARLY CHILDHOOD BLOCK GRANT PROGRAM, ALONG WITH FUNDING FOR GREAT START READINESS PROGRAMS UNDER SECTION 32D AND FUNDING FOR GREAT PARENTS, GREAT START PROGRAMS UNDER SECTION 32J. THE EARLY CHILDHOOD BLOCK GRANT PROGRAM WILL ALLOCATE FUNDS TO INTERMEDIATE DISTRICTS AND CONSORTIA OF INTERMEDIATE DISTRICTS TO ACT AS FIDUCIARIES AND PROVIDE ADMINISTRATION OF REGIONAL EARLY CHILDHOOD PROGRAMS IN CONJUNCTION WITH THEIR REGIONAL GREAT START COLLABORATIVE TO IMPROVE PROGRAM QUALITY, EVALUATION, AND EFFICIENCY FOR EARLY CHILDHOOD PROGRAMS. THE DEPARTMENT SHALL WORK WITH INTERMEDIATE DISTRICTS, DISTRICTS, GREAT START COLLABORATIVES, AND THE EARLY CHILDHOOD INVESTMENT CORPORATION TO ESTABLISH A REVISED FUNDING FORMULA, APPLICATION PROCESS, PROGRAM CRITERIA, AND DATA REPORTING REQUIREMENTS FOR 2012-2013. NOT LATER THAN JANUARY 1, 2012, THE DEPARTMENT SHALL REPORT TO THE LEGISLATURE ITS RECOMMENDATIONS FOR THE REVISIONS REQUIRED UNDER THIS SUBSECTION.**

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

Sec. 32d. (1) For ~~2010-2011, 2011-2012~~, there is allocated to eligible districts ~~INTERMEDIATE DISTRICTS AND CONSORTIA OF INTERMEDIATE DISTRICTS~~ for great start readiness programs an amount not to exceed \$89,400,000.00 **\$104,275,000.00** from the state school aid fund money appropriated in section 11. ~~In addition, from the general fund appropriation in section 11, there is allocated an amount not to exceed \$8,875,000.00 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~~ **MEET THE PARTICIPANT ELIGIBILITY AND PRIORITIZATION GUIDELINES** 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 32f.~~ **FUNDS ALLOCATED UNDER THIS SECTION SHALL BE ALLOCATED TO INTERMEDIATE DISTRICTS**

**OR CONSORTIA OF INTERMEDIATE DISTRICTS. AN INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS RECEIVING FUNDING UNDER THIS SECTION SHALL ACT AS THE FIDUCIARY FOR THE GREAT START READINESS PROGRAMS. FOR 2011-2012, THE FIDUCIARY INTERMEDIATE DISTRICTS AND CONSORTIA OF INTERMEDIATE DISTRICTS SHALL ALLOCATE THE FUNDING UNDER THIS SECTION AS FOLLOWS:**

**(A) AN AMOUNT NOT TO EXCEED \$95,400,000.00 ALLOCATED TO DISTRICTS AND CONSORTIA OF DISTRICTS AS DIRECTED BY THE DEPARTMENT BASED ON THE FORMULA IN SECTION 39. IN ORDER TO BE ELIGIBLE TO RECEIVE FUNDS ALLOCATED UNDER THIS SUBDIVISION FROM AN INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS, A DISTRICT OR CONSORTIUM OF DISTRICTS SHALL COMPLY WITH THIS SECTION AND SECTION 39.**

**(B) AN AMOUNT NOT TO EXCEED \$8,875,000.00 ALLOCATED IN GRANTS TO COMPETITIVE GREAT START READINESS PROGRAMS AS DIRECTED BY THE DEPARTMENT BASED ON THE GRANT AWARD PROCESS IN SECTION 32I. IN ORDER TO BE ELIGIBLE TO RECEIVE FUNDS ALLOCATED UNDER THIS SECTION FROM AN INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS, A COMPETITIVE GREAT START READINESS PROGRAM SHALL COMPLY WITH THIS SECTION AND SECTION 32I.**

(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 ~~2010-2011~~ **2011-2012** 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 **SCHOOL-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 and developmental 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~~ **THE** ongoing articulation of the ~~early childhood, kindergarten, and first grade programs offered by the district or districts.~~ **PROGRAM PROVIDER.**

(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 75% 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,~~ **MANAGED DIRECTLY BY AN INTERMEDIATE DISTRICT**, a valid teaching certificate and an early childhood ~~(ZA)~~ **(ZA OR ZS)** endorsement are required. This provision does not apply to ~~a~~ **AN INTERMEDIATE DISTRICT OR COMPETITIVE PROGRAM** 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)~~ **(ZA OR ZS)** endorsement, a valid Michigan **ELEMENTARY** 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~~ **IF AN INTERMEDIATE** 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 **INTERMEDIATE** district if the **INTERMEDIATE** 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~~ **2** 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 ~~AN INTERMEDIATE~~ district demonstrates to the department that it is unable to fully comply with this subparagraph after making reasonable efforts to comply, the ~~INTERMEDIATE~~ district may employ paraprofessionals who have completed at least 1 course **THAT EARNS COLLEGE CREDIT** in early childhood education or child development if the ~~INTERMEDIATE~~ 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 SCHOOL-DAY~~ program funded under this section, each child enrolled in the ~~full-day SCHOOL-DAY~~ program shall be counted as 2 children served by the program for purposes of determining the number of children to be served and for determining the amount of the grant award. A grant award shall not be increased solely on the basis of providing a ~~full-day SCHOOL-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~~ **AN INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE 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 AN INTERMEDIATE district, or consortium of INTERMEDIATE districts, OR COMPETITIVE GRANT PROGRAM~~ 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~~ **IN A FORM AND MANNER PRESCRIBED BY THE DEPARTMENT** 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.

(10) As used in this section: ~~;"part-day~~

(A) **"PART-DAY program"** means a program that operates at least 4 days per week, 30 weeks per year, for at least 3 hours of teacher-child contact time per day but for fewer hours of teacher-child contact time per day than a ~~full-day SCHOOL-DAY~~ program. ~~as defined in subsection (6).~~

(B) **"SCHOOL-DAY PROGRAM" MEANS A PROGRAM THAT OPERATES FOR AT LEAST THE SAME LENGTH OF DAY AS A DISTRICT'S FIRST GRADE PROGRAM FOR A MINIMUM OF 4 DAYS PER WEEK, 30 WEEKS PER YEAR. A CLASSROOM THAT OFFERS A SCHOOL-DAY PROGRAM MUST ENROLL ALL CHILDREN FOR THE SCHOOL DAY TO BE CONSIDERED A SCHOOL-DAY PROGRAM.**

(11) ~~A district or intermediate district~~ **GRANT RECIPIENT** receiving funds under this section is encouraged to establish a sliding scale of tuition rates based upon a child's family income for the purpose of expanding eligible programs under this section. ~~A district or intermediate district~~ **GRANT RECIPIENT** may charge tuition for programs provided under this section according to that sliding scale of tuition rates on a uniform basis for any child who does not meet the program eligibility requirements under this section.

(12) **BEGINNING WITH 2012-2013, IT IS THE INTENT OF THE LEGISLATURE TO TRANSFER FUNDING FOR GREAT START READINESS PROGRAMS UNDER THIS SECTION INTO AN EARLY CHILDHOOD BLOCK GRANT PROGRAM, ALONG WITH FUNDING FOR GREAT START COLLABORATIVES UNDER SECTION 32B AND FUNDING FOR GREAT PARENTS, GREAT START PROGRAMS UNDER SECTION 32J. THE EARLY CHILDHOOD BLOCK GRANT PROGRAM WILL ALLOCATE FUNDS TO INTERMEDIATE DISTRICTS AND CONSORTIA OF INTERMEDIATE DISTRICTS TO ACT AS FIDUCIARIES AND PROVIDE ADMINISTRATION OF REGIONAL EARLY CHILDHOOD PROGRAMS IN CONJUNCTION WITH THEIR REGIONAL GREAT START COLLABORATIVE TO IMPROVE PROGRAM QUALITY, EVALUATION, AND EFFICIENCY FOR EARLY CHILDHOOD PROGRAMS. THE DEPARTMENT SHALL WORK WITH INTERMEDIATE**

**DISTRICTS, DISTRICTS, GREAT START COLLABORATIVES, AND THE EARLY CHILDHOOD INVESTMENT CORPORATION TO ESTABLISH A REVISED FUNDING FORMULA, APPLICATION PROCESS, PROGRAM CRITERIA, AND DATA REPORTING REQUIREMENTS FOR 2012-2013. NOT LATER THAN JANUARY 1, 2012, THE DEPARTMENT SHALL REPORT TO THE LEGISLATURE ITS RECOMMENDATIONS FOR THE REVISIONS REQUIRED UNDER THIS SUBSECTION.**

Sec. 32j. (1) From the appropriations in section 11, there is allocated an amount not to exceed \$5,000,000.00 for ~~2010-2011~~ **2011-2012** 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, ~~2010-2011~~ 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, ~~2010-2011~~. The amount allocated to each intermediate district shall be at least an amount equal to 100% of the intermediate district's ~~2009-2010-2010-2011~~ 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.

**(7) BEGINNING WITH 2012-2013, IT IS THE INTENT OF THE LEGISLATURE TO TRANSFER FUNDING FOR GREAT PARENTS, GREAT START PROGRAMS UNDER THIS SECTION INTO AN EARLY CHILDHOOD BLOCK GRANT PROGRAM, ALONG WITH FUNDING FOR GREAT START COLLABORATIVES UNDER SECTION 32B AND FUNDING FOR GREAT START READINESS PROGRAMS UNDER SECTION 32D. THE EARLY CHILDHOOD BLOCK GRANT PROGRAM WILL ALLOCATE FUNDS TO INTERMEDIATE DISTRICTS AND CONSORTIA OF INTERMEDIATE DISTRICTS TO ACT AS FIDUCIARIES AND PROVIDE ADMINISTRATION OF REGIONAL EARLY CHILDHOOD PROGRAMS IN CONJUNCTION WITH THEIR REGIONAL GREAT START COLLABORATIVE TO IMPROVE PROGRAM QUALITY, EVALUATION, AND EFFICIENCY FOR EARLY CHILDHOOD PROGRAMS. THE DEPARTMENT SHALL WORK WITH INTERMEDIATE DISTRICTS, DISTRICTS, GREAT START COLLABORATIVES, AND THE EARLY CHILDHOOD INVESTMENT CORPORATION TO ESTABLISH A REVISED FUNDING FORMULA, APPLICATION PROCESS, PROGRAM CRITERIA,**

**AND DATA REPORTING REQUIREMENTS FOR 2012-2013. NOT LATER THAN JANUARY 1, 2012, THE DEPARTMENT SHALL REPORT TO THE LEGISLATURE ITS RECOMMENDATIONS FOR THE REVISIONS REQUIRED UNDER THIS SUBSECTION.**

Sec. 39. (1) A district receiving funds **FROM AN INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS** 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 **FROM AN INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS** 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~~ **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-SCHOOL-DAY~~ program, then the number able to be served in a ~~full-day-SCHOOL-DAY~~ program shall be doubled for the purposes of making this calculation of the lesser of the number of children determined by the formula under subsection (3) and the number of children the 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-SCHOOL-DAY~~ program by blending head start funds with a part-day great start readiness program allocation. All head start and great start readiness program policies and regulations apply to the blended program.

(5) If funds ~~appropriated~~ **ALLOCATED** 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 ; ~~including the number of children the district would have served if it had not satisfied all or part of the reduction under section 11d from funding under this section,~~ 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~~ **ALLOCATED** 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-~~ **CHILD** 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. **AS USED IN THIS SUBSECTION, "FULL-DAY PROGRAM"**

**MEANS A PROGRAM THAT PROVIDES SUPPLEMENTARY CHILD CARE THAT TOTALS AT LEAST 10 HOURS OF PROGRAMMING PER DAY.**

(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 ~~2010-2011~~ **2011-2012** to districts, intermediate districts, and other eligible entities all available federal funding, estimated at \$761,973,600.00, for the federal programs under the no child left behind act of 2001, Public Law 107-110. These funds are allocated as follows:

(a) An amount estimated at \$10,808,600.00 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 \$1,760,000.00 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 \$8,807,200.00 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 \$40,050,000.00 for the purpose of providing high-quality extended learning opportunities, after school and during the summer, for children in low-performing schools, funded from DED-OESE, twenty-first century community learning center funds.

(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 ~~2010-2011~~ **2011-2012** to districts, intermediate districts, and other eligible entities all available federal funding, estimated at \$32,359,700.00, 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 \$1,445,600.00 for serve America grants, funded from the corporation for national and community service funds.

(d) 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) For the purposes of applying for federal grants appropriated under this act, ~~ARTICLE~~, the department shall allow an intermediate district to submit a ~~consolidated~~ **CONSORTIUM** application on behalf of 2 or more districts with the agreement of those districts **AS APPROPRIATE ACCORDING TO FEDERAL RULES AND GUIDELINES**.

(6) As used in this section:

(a) "DED" means the United States department of education.

(b) "DED-OESE" means the DED office of elementary and secondary education.

(c) "DED-OVAE" means the DED office of vocational and adult education.

(d) "HHS" means the United States department of health and human services.

(e) "HHS-ACF" means the HHS administration for children and families.

#### Article 4

Sec. 40. The department biennially shall review alternative methods to determine the number of children construed to be in need of special readiness assistance, ~~and shall report not later than November 15 of each even-numbered year its findings and recommendations to the senate and house appropriations subcommittees responsible for district funding and the senate and house committees responsible for education legislation and the state budget director.~~

#### Article 5

Sec. 51a. (1) From the appropriation in section 11, there is allocated for 2009-2010 ~~an amount not to exceed \$1,016,342,000.00 and there is allocated for 2010-2011 an amount not to exceed \$1,057,883,000.00~~ **\$947,683,000.00 AND THERE IS ALLOCATED FOR 2011-2012 AN AMOUNT NOT TO EXCEED \$977,469,100.00** 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 for 2009-2010 and estimated at \$385,700,000.00 for 2010-2011,~~ **AND ESTIMATED AT \$363,400,000.00 FOR 2011-2012**, 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 each fiscal year the amount necessary, estimated at ~~\$234,780,000.00 for 2009-2010 and estimated at \$248,200,000.00~~ **\$236,300,000.00 for 2010-2011 AND ESTIMATED AT \$245,500,000.00 FOR 2011-2012**, 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 calculated under subdivision (a) do not fulfill the specified percentages shall be paid the amount necessary to achieve the specified percentages for the district or intermediate district.

(3) From the funds allocated under subsection (1), there is allocated ~~each fiscal year for 2009-2010 and for 2010-2011~~ the amount necessary, estimated at \$1,329,000.00 ~~for 2009-2010 and estimated at \$1,400,000.00 for 2010-2011~~, to make payments to districts and intermediate districts under this subsection. **FROM THE FUNDS ALLOCATED UNDER SUBSECTION (1), THERE IS ALLOCATED FOR 2011-2012 AN AMOUNT NOT TO EXCEED \$1,000,000.00 TO MAKE PAYMENTS TO DISTRICTS AND INTERMEDIATE DISTRICTS UNDER THIS SUBSECTION.** If the amount allocated to a district or intermediate district for a fiscal year under subsection (2)(b) is less than the sum of the amounts allocated to the district or intermediate district for 1996-97 under sections 52 and 58, there is allocated to the district or intermediate district for the fiscal year an amount equal to that difference, adjusted by applying the same proration factor that was used in the distribution of funds under section 52 in 1996-97 as adjusted to the district's or intermediate district's necessary costs of special education used in calculations for the fiscal year. This adjustment is to reflect reductions in special education program operations or services between 1996-97 and subsequent fiscal years. Adjustments for reductions in special education program operations or services shall be made in a manner determined by the department and shall include adjustments for program or service shifts.

(4) If the department determines that the sum of the amounts allocated for a fiscal year to a district or intermediate district under subsection (2)(a) and (b) is not sufficient to fulfill the specified percentages in subsection (2), then the shortfall shall be paid to the district or intermediate district during the fiscal year beginning on the October 1 following the determination and payments under subsection (3) shall be adjusted as necessary. If the department determines that the sum of the amounts allocated for a fiscal year to a district or intermediate district under subsection (2)(a) and (b) exceeds the sum of the amount necessary to fulfill the specified percentages in subsection (2), then the department shall deduct the amount of the excess from the district's or intermediate district's payments under this 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 each fiscal year for ~~2009-2010 and for 2010-2011~~ **AND FOR 2011-2012** 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 \$1,750,000.00 for 2009-2010 and an amount not to exceed \$2,200,000.00 for 2010-2011~~ **AND FOR 2011-2012** 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,~~ **SECTIONS 51A TO 58**, all of the following apply:

(a) "Total approved costs of special education" shall be determined in a manner specified by the department and may include indirect costs, but shall not exceed 115% of approved direct costs for section 52 and section 53a programs. The total approved costs include salary and other compensation for all approved special education personnel for the program, including payments for social security and medicare and public school employee retirement system contributions. The total approved costs do not include salaries or other compensation paid to administrative personnel who are not special education personnel as defined in section 6 of the revised school code, MCL 380.6. Costs reimbursed by federal funds, other than those federal funds included in the allocation made under this article, are not included. Special education approved personnel not utilized full time in the evaluation of students or in the delivery of special education programs, ancillary, and other related services shall be reimbursed under this section only for that portion of time actually spent providing these programs and services, with the exception of special education programs and services provided to youth placed in child caring institutions or juvenile detention programs approved by the department to provide an on-grounds education program.

(b) Beginning with the 2004-2005 fiscal year, a district or intermediate district that employed special education support services staff to provide special education support services in 2003-2004 or in a subsequent fiscal year and that in a fiscal year after 2003-2004 receives the same type of support services from another district or intermediate district shall report the cost of those support services for special education reimbursement purposes under this act. ~~ARTICLE.~~ This subdivision does not prohibit the transfer of special education classroom teachers and special education classroom aides if the pupils counted in membership associated with those special education classroom teachers and special education classroom aides are transferred

and counted in membership in the other district or intermediate district in conjunction with the transfer of those teachers and aides.

(c) If the department determines before bookclosing for a fiscal year that the amounts allocated for that fiscal year under subsections (2), (3), (6), (8), and (12) and sections 53a, 54, and 56 will exceed expenditures for that fiscal year under subsections (2), (3), (6), (8), and (12) and sections 53a, 54, and 56, then for a district or intermediate district whose reimbursement for that fiscal year would otherwise be affected by subdivision (b), subdivision (b) does not apply to the calculation of the reimbursement for that district or intermediate district and reimbursement for that district or intermediate district shall be calculated in the same manner as it was for 2003-2004. If the amount of the excess allocations under subsections (2), (3), (6), (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 ~~each fiscal year for 2009-2010 and for 2010-2011~~ **ONLY** 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 each fiscal year the amount necessary, estimated at ~~\$6,200,000.00 for 2009-2010 and estimated at \$6,600,000.00~~ **\$5,000,000.00 for 2010-2011, AND ESTIMATED AT \$6,800,000.00 FOR 2011-2012**, 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~~ **PUPILS WITH AN EMOTIONAL IMPAIRMENT** 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 each fiscal year for ~~2009-2010~~ and for 2010-2011 **AND FOR 2011-2012** the amount necessary, estimated at ~~\$702,500,000.00 for 2009-2010 and estimated at \$732,100,000.00~~ **\$635,400,000.00** for 2010-2011 **AND ESTIMATED AT \$669,900,000.00 FOR 2011-2012**, 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 ~~2010-2011~~ **2011-2012** 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 ~~2010-2011~~ **2011-2012**:

(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 ~~2010-2011~~ **2011-2012** 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 ~~2010-2011~~ **2011-2012** 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 \$39,281,100.00 for 2009-2010 and~~ an amount not to exceed \$36,881,100.00 for ~~2010-2011~~ **2011-2012** 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~~ **2010-2011** shall be made in ~~2009-2010~~ **2011-2012** at an amount per ~~2008-2009~~ **2010-2011** membership pupil computed by subtracting from ~~\$180,600.00~~ **\$174,700.00** the ~~2008-2009~~ **2010-2011** taxable value behind each membership pupil and multiplying the resulting difference by the ~~2008-2009~~ **2010-2011** millage levied. ~~Reimbursement for those millages levied in 2009-2010 shall be made in 2010-2011 at an amount per 2009-2010 membership pupil computed by subtracting from \$181,700.00 the 2009-2010 taxable value behind each membership pupil and multiplying the resulting difference by the 2009-2010 millage levied.~~

#### Article 6

Sec. 61a. (1) From the appropriation in section 11, there is allocated an amount not to exceed \$26,611,300.00 for ~~2010-2011~~ **2011-2012** to reimburse on an added cost basis districts, except for a district that served as the fiscal agent for a vocational education consortium in the 1993-94 school year, and secondary area vocational-technical education centers for secondary-level career and technical education programs according to rules approved by the superintendent. Applications for participation in the programs shall be submitted in the form prescribed by the department. The department shall determine the added cost for each career and technical education program area. The allocation of added cost funds shall be based on the type of career and technical education programs provided, the number of pupils enrolled, and the length of the training period provided, and shall not exceed 75% of the added cost of any program. With the approval of the department, the board of a district maintaining a secondary career and technical education program may offer the program for the period from the close of the school year until September 1. The program shall use existing facilities and shall be operated as prescribed by rules promulgated by the superintendent.

(2) Except for a district that served as the fiscal agent for a vocational education consortium in the 1993-94 school year, districts and intermediate districts shall be reimbursed for local career and technical education administration, shared time career and technical education administration, and career education planning district career and technical education administration. The definition of what constitutes administration and reimbursement shall be pursuant to guidelines adopted by the superintendent. Not more than \$800,000.00 of the allocation in subsection (1) shall be distributed under this subsection.

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 each fiscal year for 2009-2010 and for 2010-2011 **2011-2012** 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 **2010-2011** shall be made in 2009-2010 **2011-2012** at an amount per 2008-2009 **2010-2011** membership pupil computed by subtracting from \$191,000.00 **\$190,400.00** the 2008-2009 **2010-2011** taxable value behind each membership pupil and multiplying the resulting difference by the 2008-2009 **2010-2011** millage levied. Reimbursement for the millages levied in 2009-2010 shall be made in 2010-2011 at an amount per 2009-2010 membership pupil computed by subtracting from \$194,700.00 the 2009-2010 taxable value behind each membership pupil and multiplying the resulting difference by the 2009-2010 millage levied.

#### Article 7

Sec. 74. (1) From the amount appropriated in section 11, ~~there is allocated an amount not to exceed \$3,028,500.00 for 2009-2010 and~~ there is allocated an amount not to exceed ~~\$2,058,800.00~~ **\$2,558,800.00** for 2010-2011 **AND AN AMOUNT NOT TO EXCEED \$3,154,600.00 FOR 2011-2012** for the purposes of this section.

(2) From the allocation in subsection (1), there is allocated for each fiscal year the amount necessary for payments to state supported colleges or universities and intermediate districts providing school bus driver safety instruction pursuant to section 51 of the pupil transportation act, 1990 PA 187, MCL 257.1851. The payments shall be in an amount determined by the department not to exceed 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 **ARTICLE** for nonspecial education auxiliary services transportation.

(4) From the funds allocated in subsection (1), there is allocated ~~an amount not to exceed \$1,403,500.00 for 2009-2010 and~~ an amount not to exceed ~~\$433,800.00~~ **\$933,800.00** for 2010-2011 **AND AN AMOUNT NOT TO EXCEED \$1,529,600.00 FOR 2011-2012** for reimbursement to districts and intermediate districts for costs associated with the inspection of school buses and pupil transportation vehicles by the department of state police as required under section 715a of the Michigan vehicle code, 1949 PA 300, MCL 257.715a, and section 39 of the pupil transportation act, 1990 PA 187, MCL 257.1839. The department of state police shall prepare a statement of costs attributable to each district for which bus inspections are provided and submit it to the department and to each affected district in a time and manner determined jointly by the department and the department of state police. The department shall reimburse each district and intermediate district for costs detailed on the statement within 30 days after receipt of the statement. Districts for which services are provided shall make payment in the amount specified on the statement to the department of state police within 45 days after receipt of the statement. The total reimbursement of costs under this subsection shall not exceed the amount allocated under this subsection. Notwithstanding section 17b, payments to eligible entities under this subsection shall be paid on a schedule prescribed by the department.

#### Article 8

Sec. 81. (1) Except as otherwise provided in this section, from the appropriation in section 11, there is allocated for ~~2010-2011~~ **2011-2012** to the intermediate districts the sum necessary, but not to exceed ~~\$65,376,800.00~~ **\$62,108,000.00**, 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 ~~2010-2011~~ **2011-2012** an amount equal to ~~80%~~ **95%** of the amount allocated under this subsection for ~~2008-2009-~~ **2010-2011**. Funding provided under this section shall be used to comply with requirements of this act **ARTICLE** and the revised school code that are applicable to intermediate districts, and for which funding is not provided elsewhere in this act **ARTICLE**, 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.

~~(6) If the amount of the allocation to intermediate districts under subsection (1) is reduced in a fiscal year after 2010-2011 from the amount of that allocation for 2010-2011, that reduced allocation shall not result in an intermediate district's allocation being less than the funding actually received by or paid on behalf of the intermediate district for the 1994-95 fiscal year under former section 146a(1) and section 147(1), as those sections were in effect for the 1994-95 fiscal year.~~

#### Article 9

Sec. 93. From the general fund money appropriated in section 11, there is allocated for ~~2010-2011~~ **2011-2012** an amount not to exceed ~~\$1,500,000.00~~ **\$1,304,300.00** to the library of Michigan for state aid to libraries payments to help support the provision of the Michigan electronic library in public schools and public libraries. The library of Michigan shall distribute the payments to libraries under this section ~~in an amount equal to 25.0% of the allocation each library received under the state aid to libraries appropriation enacted under 2009 PA 115.~~ **PURSUANT TO THE STATE AID TO PUBLIC LIBRARIES ACT, 1977 PA 89, MCL 397.551 TO 397.576.**

Sec. 94a. (1) There is created within the state budget office in the department of technology, management, and budget the center for educational performance and information. The center shall do all of the following:

(a) Coordinate the collection of all data required by state and federal law from districts, intermediate districts, and postsecondary institutions.

(b) Create, maintain, and enhance this state's statewide longitudinal data system and ensure that it meets the requirements of subsection ~~(6)~~:**(4)**.

(c) Collect data in the most efficient manner possible in order to reduce the administrative burden on reporting entities, including, but not limited to, electronic transcript services.

(d) Create, maintain, and enhance this state's web-based educational portal to provide information to school leaders, teachers, researchers, and the public in compliance with all federal and state privacy laws. Data shall include, but are not limited to, all of the following:

(i) Data sets that link teachers to student information, allowing districts to assess individual teacher impact on student performance and consider student growth factors in teacher and principal evaluation systems.

(ii) Data access or, if practical, data sets, provided for regional data warehouses that, in combination with local data, can improve teaching and learning in the classroom.

(iii) Research-ready data sets for researchers to perform research that advances this state's educational performance.

(e) Provide data in a useful manner to allow state and local policymakers to make informed policy decisions.

(f) Provide public reports to the citizens of this state to allow them to assess allocation of resources and the return on their investment in the education system of this state.

(g) Other functions as assigned by the state budget director.

(2) Each state department, officer, or agency that collects information from districts, intermediate districts, or postsecondary institutions as required under state or federal law shall make arrangements with the center to ensure that the state department, officer, or agency is in compliance with subsection (1). This subsection does not apply to information collected by the department of treasury under the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a; the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821; the school bond qualification, approval, and loan act, 2005 PA 92, MCL 388.1921 to 388.1939; or section 1351a of the revised school code, MCL 380.1351a.

~~(3) The state budget director shall appoint a CEPI advisory committee to provide advice to the director. The CEPI advisory committee shall consist of the following members:~~

~~(a) One representative from the house fiscal agency.~~

- (b) One representative from the senate fiscal agency.
  - (c) One representative from the state budget office.
  - (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. These privacy policies shall ensure that a student's social security number is not released to the public for any purpose.
  - (g) Working with stakeholders to develop a state research agenda.
  - (h) Other matters as determined by the state budget director or the director of the center.
- (3) (5) The center may enter into any interlocal agreements necessary to fulfill its functions.
- (4) (6) The center shall ensure that the statewide longitudinal data system required under subsection (1)(b) meets all of the following:
- (a) Includes data at the individual student level from preschool through postsecondary education and into the workforce.
  - (b) Supports interoperability by using standard data structures, data formats, and data definitions to ensure linkage and connectivity in a manner that facilitates the exchange of data among agencies and institutions within the state and between states.
  - (c) Enables the matching of individual teacher and student records so that an individual student may be matched with those teachers providing instruction to that student.
  - (d) Enables the matching of individual teachers with information about their certification and the institutions that prepared and recommended those teachers for state certification.
  - (e) Enables data to be easily generated for continuous improvement and decision-making, including timely reporting to parents, teachers, and school leaders on student achievement.
  - (f) Ensures the reasonable quality, validity, and reliability of data contained in the system.
  - (g) Provides this state with the ability to meet federal and state reporting requirements.
  - (h) For data elements related to preschool through grade 12 and postsecondary, meets all of the following:
    - (i) Contains a unique statewide student identifier that does not permit a student to be individually identified by users of the system, except as allowed by federal and state law.
    - (ii) Contains student-level enrollment, demographic, and program participation information.
    - (iii) Contains student-level information about the points at which students exit, transfer in, transfer out, drop out, or complete education programs.
    - (iv) Has the capacity to communicate with higher education data systems.
  - (i) For data elements related to preschool through grade 12 only, meets all of the following:
    - (i) Contains yearly test records of individual students for assessments approved by DED-OESE for accountability purposes under section 1111(b) of the elementary and secondary education act of 1965, 20 USC 6311, including information on individual students not tested, by grade and subject.
    - (ii) Contains student-level transcript information, including information on courses completed and grades earned.
    - (iii) Contains student-level college readiness test scores.
  - (j) For data elements related to postsecondary education only:
    - (i) Contains data that provide information regarding the extent to which individual students transition successfully from secondary school to postsecondary education, including, but not limited to, all of the following:
      - (A) Enrollment in remedial coursework.
      - (B) Completion of 1 year's worth of college credit applicable to a degree within 2 years of enrollment.

(ii) Contains data that provide other information determined necessary to address alignment and adequate preparation for success in postsecondary education.

(5) ~~(7)~~ From the general fund appropriation in section 11, there is allocated an amount not to exceed \$3,621,100.00 ~~\$5,501,700.00~~ for ~~2010-2011~~ **2011-2012** to the department of technology, management, and budget to support the operations of the center. In addition, from the federal funds appropriated in section 11 there is allocated for ~~2010-2011~~ **2011-2012** the amount necessary, estimated at \$10,067,800.00 for ~~2010-2011~~, **\$2,893,200.00**, to support the operations of the center **AND TO ESTABLISH A LONGITUDINAL DATA SYSTEM AS PROVIDED UNDER THIS SECTION IN COMPLIANCE WITH THE ASSURANCE PROVIDED TO THE UNITED STATES DEPARTMENT OF EDUCATION IN ORDER TO RECEIVE STATE FISCAL STABILIZATION FUNDS**. The center shall cooperate with the 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.

(6) ~~(8)~~ From the federal funds allocated in subsection ~~(7)~~, **(5)**, there is allocated for ~~2010-2011~~ **2011-2012** an amount not to exceed \$850,000.00 funded from the competitive grants of DED-OESE, title II, educational technology funds for the purposes of this subsection. Not later than November 30 of each fiscal year, 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.

~~(9)~~ In addition to the amount allocated under subsection ~~(7)~~ there is also allocated from the general fund money appropriated in section 11 for ~~2010-2011~~ an additional amount not to exceed \$1,800,000.00 for the purpose of establishing a longitudinal data system as provided under this section in compliance with the assurance provided to the federal department of education in order to receive state fiscal stabilization funds. In addition, there is allocated for ~~2010-2011~~ from the state school aid fund money appropriated under section 11 an amount not to exceed \$8,440,000.00 to support the efforts of districts to match individual teacher and student records. The funds shall be distributed to districts in an amount and manner determined by the center.

~~(7)~~ ~~(10)~~ From the federal funds allocated in subsection ~~(7)~~, **(5)**, there is allocated for ~~2010-2011~~ **2011-2012** an amount not to exceed \$242,000.00 to support the efforts of postsecondary institutions to comply with the requirements of this state's statewide longitudinal data system. The funds shall be distributed to postsecondary institutions in an amount and manner determined by the center.

~~(8)~~ ~~(11)~~ The center and the department shall work cooperatively to develop a cost allocation plan that pays for center expenses from the appropriate federal fund and state restricted fund revenues.

~~(9)~~ ~~(12)~~ Funds allocated under this section that are not expended in the fiscal year in which they were allocated may be carried forward to a subsequent fiscal year and are appropriated for the purposes for which the funds were originally allocated.

~~(10)~~ ~~(13)~~ 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 ~~(7)~~ **(5)** to cover the costs associated with salaries, benefits, supplies, materials, and equipment necessary to provide such data, analysis, and reporting services.

~~(11)~~ ~~(14)~~ 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 ~~2010-2011~~ **2011-2012** 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 ~~2010-2011~~ **2011-2012** 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 ~~2010-2011~~ **2011-2012** 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 ~~2010-2011~~ **2011-2012** 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, 2010, 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, ~~2010~~, **OF EACH FISCAL YEAR**, the Michigan virtual university shall provide a report to the house and senate appropriations subcommittees on state school aid, the state budget director, the house and senate fiscal

agencies, and the department that includes at least all of the following information related to the Michigan virtual 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 ~~2010-2011~~ **2011-2012** and from the general fund appropriation in section 11, there is allocated an amount not to exceed \$110,000.00 for ~~2010-2011~~ **2011-2012** 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 ~~2010-2011~~ **2011-2012** 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 ~~2009-2010~~ **THE IMMEDIATELY PRECEDING FISCAL YEAR** shall receive state funding in an amount equal to 100% of the amount it was allocated under this subsection for ~~2009-2010~~ **THE IMMEDIATELY PRECEDING FISCAL YEAR**. If a center declines state funding or a center closes, the remaining money available under this section shall be distributed to the remaining centers, as determined by the department.

(6) From the funds allocated in subsection (1), there is allocated for ~~2010-2011~~ **2011-2012** 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) NOT LATER THAN JULY 1 OF EACH YEAR, A MATHEMATICS AND SCIENCE CENTER THAT RECEIVES FUNDS UNDER THIS SECTION SHALL REPORT TO THE DEPARTMENT IN A FORM AND MANNER PRESCRIBED BY THE DEPARTMENT ON THE FOLLOWING PERFORMANCE MEASURES:**

**(A) STATISTICAL CHANGE IN PRE- AND POST-ASSESSMENT SCORES FOR STUDENTS WHO ENROLLED IN MATHEMATICS AND SCIENCE ACTIVITIES PROVIDED TO DISTRICTS BY THE MATHEMATICS AND SCIENCE CENTER.**

**(B) STATISTICAL CHANGE IN PRE- AND POST-ASSESSMENT SCORES FOR TEACHERS WHO ENROLLED IN PROFESSIONAL DEVELOPMENT ACTIVITIES PROVIDED BY THE MATHEMATICS AND SCIENCE CENTER.**

(12) ~~(H)~~ 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.

~~Article 10~~

Sec. 104. (1) In order to receive state aid under this ~~act~~, **ARTICLE**, a district shall comply with sections 1249, 1278a, 1278b, 1279, 1279g, and 1280b of the revised school code, MCL 380.1249, 380.1278a, 380.1278b, 380.1279, 380.1279g, and 380.1280b, and 1970 PA 38, MCL 388.1081 to 388.1086. Subject to subsection (2), from the state school aid fund money appropriated in section 11, there is allocated for ~~2010-2011~~ **2011-2012** an amount not to exceed ~~\$40,194,400.00~~ **\$35,194,400.00** for payments on behalf of districts for costs associated with complying with those provisions of law. In addition, from the federal funds appropriated in section 11, there is allocated for ~~2010-2011~~ **2011-2012** an amount estimated at ~~\$3,250,000.00~~ **\$8,250,000.00**, funded from DED-OSERS, section 504 of part B of the individuals with disabilities education act, Public Law 94-142, plus any carryover federal funds from previous year appropriations, for the purposes of complying with the federal no child left behind act of 2001, Public Law 107-110.

(2) The results of each test administered as part of the Michigan educational assessment program, including tests administered to high school students, shall include an item analysis that lists all items that are counted for individual pupil scores and the percentage of pupils choosing each possible response.

(3) All federal funds allocated under this section shall be distributed in accordance with federal law and with flexibility provisions outlined in Public Law 107-116, and in the education flexibility partnership act of 1999, Public Law 106-25.

(4) Notwithstanding section 17b, payments on behalf of districts, intermediate districts, and other eligible entities under this section shall be paid on a schedule determined by the department.

(5) As used in this section:

- (a) "DED" means the United States department of education.
- (b) "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 ~~2010-2011~~ **2011-2012** for adult education programs authorized under this section. Funds ~~appropriated~~ **ALLOCATED** under this section are restricted for adult education programs as authorized under this section only. A recipient of funds under this section shall not use those funds for any other purpose.

(2) To be eligible for funding under this section, a program shall employ certificated teachers and qualified administrative staff and shall offer continuing education opportunities for teachers to allow them to maintain certification.

(3) To be eligible to be a participant funded under this section, a person shall be enrolled in an adult basic education program, an adult English as a second language program, a general educational development (G.E.D.) test preparation program, a job or employment related program, or a high school completion program, that meets the requirements of this section, and 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~~ **THE MONEY ALLOCATED UNDER THIS SECTION** shall be distributed as follows:

(a) For districts and consortia that received payments for ~~2009-2010~~ **2010-2011** under this section, the amount allocated to each for ~~2010-2011~~ **2011-2012** shall be based on the number of participants served by the district or consortium for ~~2010-2011~~ **2011-2012**, 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 ~~100%~~ **100.9%** of the amount the district or consortium received for ~~2009-2010~~ **2010-2011** under this section before any reallocations made for ~~2009-2010~~ **2010-2011** under subsection (5).

(b) A district or consortium that received funding in ~~2009-2010~~ **2010-2011** under this section may operate independently of a consortium or join or form a consortium for ~~2010-2011~~ **2011-2012**. The allocation for ~~2010-2011~~ **2011-2012** 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 ~~2009-2010~~ **2010-2011**. A district or consortium described in this subdivision shall notify the department of its intention with regard to ~~2010-2011~~ **2011-2012** by October 1, ~~2010~~ **2011**.

(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 ~~2010-2011~~ **2011-2012** 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 ~~2009-2010~~ **2010-2011** 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 ~~2010-2011~~ **2011-2012** by October 1, ~~2010~~ **2011**.

(5) A district that operated an adult education program in ~~2009-2010~~ **2010-2011** and does not intend to operate a program in ~~2010-2011~~ **2011-2012** shall notify the department by October 1, ~~2010~~ **2011** of its intention. The money intended to be allocated under this section to a district that does not operate a program in ~~2010-2011~~ **2011-2012** 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 ~~2010-2011~~ **2011-2012** 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;~~

~~(6) (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.~~

~~(7) (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)~~ **(11)** until the participant meets 1 of the following:~~

~~(i) The participant is assessed as having attained basic English proficiency as determined by a department-approved assessment.~~

~~(ii) The participant fails to show progress on 2 successive department-approved assessments after having completed at least 450 hours of instruction. The department shall provide information to a funding recipient regarding appropriate assessment instruments for this program.~~

~~(8) (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)~~**(11)** 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.

**(9)** ~~(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)~~**(11)** for a participant in a course offered under this subsection until 1 of the following occurs:

(i) The participant passes the course and earns a high school diploma.

(ii) The participant fails to earn credit in 2 successive semesters or terms in which the participant is enrolled after having completed at least 900 hours of instruction.

**(10)** ~~(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)~~**(11)** 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.

**(11)** ~~(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.

**(12)** ~~(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).

**(13)** ~~(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)~~**(7), (8), (9), OR (10)** may continue to receive adult education services in that program upon the payment of tuition. The tuition level shall be determined by the local or intermediate district conducting the program.

**(14)** ~~(15)~~ An individual who is an inmate in a state correctional facility shall not be counted as a participant under this section.

**(15)** ~~(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.

**(16)** ~~(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.

**(17)** ~~(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.

(18) ~~(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.

(19) ~~(20)~~ As used in this section, "department" means the ~~department of energy, labor, and economic growth~~ **WORKFORCE DEVELOPMENT AGENCY**.

Sec. 109. (1) Subject to subsection (2), in order to receive funds under this act, ~~ARTICLE~~, each district or intermediate district shall provide appropriate instructional services, as determined by the district or intermediate district, to an enrolled pupil who is certified by the pupil's attending physician as having a medical condition that requires the pupil to be hospitalized or confined to his or her home during regular school hours and that is expected to require the hospitalization or confinement for a period longer than 5 school days. The district or intermediate district may provide the services itself or may contract with an intermediate district, a hospital, a treatment center, or another district to provide the services. In choosing a provider for the instructional services, the district or intermediate district shall consider which of those potential providers is best able to deliver the appropriate instructional services. The district or intermediate district shall pay reasonable costs as agreed upon between the district or intermediate district and the provider for services provided to a pupil under this section.

(2) A district or intermediate district is required to provide instructional services under subsection (1) to a pupil placed in a hospital, treatment center, or other treatment facility without the district's or intermediate district's prior knowledge only if the district or intermediate district is notified of the pupil's placement by the hospital, treatment center, facility, or the pupil's parent or legal guardian. Upon being notified, the district or intermediate district shall make arrangements to provide instructional services under subsection (1) within 3 school days after being notified.

(3) Not later than October 15 of each odd-numbered year, the department shall prepare and distribute **ELECTRONICALLY** to each district and intermediate district ~~a written~~ **AND MAKE AVAILABLE ON ITS WEBSITE AN** explanation of the operation of this section and the respective duties of all affected parties. The department shall provide a copy of the explanation **ELECTRONICALLY** to any other person upon request.

~~Article 11~~

~~Article 12~~

~~Article 14~~

Sec. 147. The allocation for 2010-2011 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 technology, management, and budget. ~~The~~ **FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC SCHOOL REPORTING UNIT BEFORE JULY 1, 2010, THE ANNUAL LEVEL PERCENTAGE OF PAYROLL CONTRIBUTION RATE IS ESTIMATED AT 19.41% FOR THE 2010-2011 STATE 15.96% FOR PENSION AND AT 8.50% FOR RETIREE HEALTH CARE FOR THE 2011-2012 FISCAL YEAR. FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC SCHOOL REPORTING UNIT ON OR AFTER JULY 1, 2010, THE ANNUAL LEVEL PERCENTAGE OF PAYROLL CONTRIBUTION RATE IS ESTIMATED AT 14.73% FOR PENSION AND 8.50% FOR RETIREE HEALTH CARE FOR THE 2011-2012 FISCAL YEAR. FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC SCHOOL REPORTING UNIT BEFORE JULY 1, 2010, THE ANNUAL LEVEL PERCENTAGE OF PAYROLL CONTRIBUTION RATE IS ESTIMATED AT 18.62% FOR PENSION AND 8.75% FOR RETIREE HEALTH CARE FOR THE 2012-2013 FISCAL YEAR. FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC SCHOOL REPORTING UNIT ON OR AFTER JULY 1, 2010, THE ANNUAL LEVEL PERCENTAGE OF PAYROLL CONTRIBUTION RATE IS ESTIMATED AT 17.39% FOR PENSION AND 8.75% FOR RETIREE HEALTH CARE FOR THE 2012-2013 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 ~~27-26~~ years for 2010-2011. ~~However, the contribution rate for 2010-2011 may be reduced by an amount approved by the public school employees' retirement system board if reforms in the public school employees' retirement system are enacted and in effect by December 31, 2010-2011-2012.~~ The public school employees' retirement system board shall notify each district and intermediate district by February 28 of each fiscal year of the estimated contribution rate for the next fiscal year.

**SEC. 147A. FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED FOR 2011-2012 ONLY AN AMOUNT NOT TO EXCEED \$155,000,000.00 FOR 1-TIME PAYMENTS TO PARTICIPATING DISTRICTS. THE MONEY ALLOCATED IN THIS SECTION REPRESENTS A PORTION OF THE YEAR-END STATE SCHOOL AID FUND BALANCE FOR 2010-2011. A DISTRICT THAT RECEIVES MONEY UNDER THIS SECTION SHALL USE THAT MONEY SOLELY FOR THE PURPOSE OF OFFSETTING A PORTION OF THE RETIREMENT CONTRIBUTIONS OWED BY THE DISTRICT FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2012. THE AMOUNT ALLOCATED TO EACH PARTICIPATING DISTRICT UNDER THIS SECTION SHALL BE BASED ON EACH PARTICIPATING DISTRICT'S PERCENTAGE OF THE TOTAL STATEWIDE PAYROLL FOR ALL PARTICIPATING DISTRICTS FOR THE STATE FISCAL YEAR ENDING**

SEPTEMBER 30, 2011. AS USED IN THIS SECTION, "PARTICIPATING DISTRICT" MEANS A DISTRICT THAT IS A REPORTING UNIT OF THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM UNDER THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1301 TO 38.1408, AND THAT REPORTS EMPLOYEES TO THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM FOR SEPTEMBER 2011.

SEC. 147B. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$133,000,000.00 FOR 2011-2012 ONLY FOR THE PURPOSES OF THIS SECTION. THE MONEY ALLOCATED IN THIS SECTION REPRESENTS A PORTION OF THE YEAR-END SCHOOL AID FUND BALANCE FOR 2010-2011. MONEY ALLOCATED UNDER THIS SECTION SHALL BE DEPOSITED IN THE MPSERS RETIREMENT OBLIGATION REFORM RESERVE FUND.

(2) THE MPSERS RETIREMENT OBLIGATION REFORM RESERVE 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 MPSERS RETIREMENT OBLIGATION REFORM RESERVE FUND. THE STATE TREASURER SHALL DIRECT THE INVESTMENT OF THE MPSERS RETIREMENT OBLIGATION REFORM RESERVE FUND. THE STATE TREASURER SHALL CREDIT TO THE MPSERS RETIREMENT OBLIGATION REFORM RESERVE FUND INTEREST AND EARNINGS FROM THE MPSERS RETIREMENT OBLIGATION REFORM RESERVE FUND. MONEY IN THE MPSERS RETIREMENT OBLIGATION REFORM RESERVE FUND AT THE CLOSE OF THE FISCAL YEAR SHALL REMAIN IN THE MPSERS RETIREMENT OBLIGATION REFORM RESERVE FUND AND SHALL NOT LAPSE TO THE STATE SCHOOL AID FUND OR TO THE GENERAL FUND. THE DEPARTMENT OF TREASURY SHALL BE THE ADMINISTRATOR OF THE MPSERS RETIREMENT OBLIGATION REFORM RESERVE FUND FOR AUDITING PURPOSES.

(3) IT IS THE INTENT OF THE LEGISLATURE THAT THE SPEAKER OF THE HOUSE OF REPRESENTATIVES OR THE SENATE MAJORITY LEADER, OR BOTH, SHALL CONVENE A WORKGROUP TO EXAMINE RETIREMENT OBLIGATIONS AND POTENTIAL REFORMS TO THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM ESTABLISHED UNDER THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1301 TO 38.1408. THE CHAIR OF THE SENATE APPROPRIATIONS COMMITTEE AND CHAIR OF THE HOUSE APPROPRIATIONS COMMITTEE, OR HIS OR HER DESIGNEE, EACH SHALL BE A MEMBER OF THE WORKGROUP, AND THE WORKGROUP SHALL REPORT TO THE SPEAKER OF THE HOUSE OF REPRESENTATIVES OR THE SENATE MAJORITY LEADER, AS APPLICABLE, BY FEBRUARY 1, 2012, ON REFORMS IDENTIFIED, TIMELINES FOR IMPLEMENTING REFORMS, AND ESTIMATED COSTS AND SAVINGS OF THE IDENTIFIED REFORMS.

#### Article 15

Sec. 152a. (1) As required by the court in the consolidated cases known as Adair v State of Michigan, Michigan supreme court docket nos. 137424 and 137453, from the state school aid fund money appropriated in section 11 there is allocated for ~~2010-2011~~ **2011-2012** an amount not to exceed ~~\$25,624,500.00~~ **\$34,064,500.00** to be used solely for the purpose of paying necessary costs related to the state-mandated collection, maintenance, and reporting of data to this state.

(2) From the allocation in subsection (1), the department shall make payments to districts and intermediate districts in an equal amount per pupil based on the total number of pupils in membership in each district and intermediate district. The department shall not make any adjustment to these payments after the final installment payment under section 17b is made.

#### Article 16

#### Article 17

### ARTICLE II

#### STATE AID TO COMMUNITY COLLEGES

SEC. 201. (1) SUBJECT TO THE CONDITIONS SET FORTH IN THIS ARTICLE, THE AMOUNTS LISTED IN SUBSECTION (2) ARE APPROPRIATED FOR COMMUNITY COLLEGES FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2012, FROM THE FUNDS INDICATED IN THIS SECTION. THE FOLLOWING IS A SUMMARY OF THE APPROPRIATIONS IN SUBSECTION (2):

(A) THE GROSS APPROPRIATION IS \$283,880,500.00. AFTER DEDUCTING TOTAL INTERDEPARTMENTAL GRANTS AND INTRADEPARTMENTAL TRANSFERS IN THE AMOUNT OF \$0.00, THE ADJUSTED GROSS APPROPRIATION IS \$283,880,500.00.

(B) THE SOURCES OF THE ADJUSTED GROSS APPROPRIATION DESCRIBED IN SUBDIVISION (A) ARE AS FOLLOWS:

- (i) TOTAL FEDERAL REVENUES, \$0.00.
- (ii) TOTAL LOCAL REVENUES, \$0.00.
- (iii) TOTAL PRIVATE REVENUES, \$0.00.
- (iv) TOTAL OTHER STATE RESTRICTED REVENUES, \$195,880,500.00.
- (v) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$88,000,000.00.

(2) SUBJECT TO SUBSECTION (3), THE AMOUNT APPROPRIATED FOR COMMUNITY COLLEGE OPERATIONS IS \$283,880,500.00, ALLOCATED AS FOLLOWS:

- (A) ALPENA COMMUNITY COLLEGE, \$4,984,300.00.
- (B) BAY DE NOC COMMUNITY COLLEGE, \$5,040,200.00.
- (C) DELTA COLLEGE, \$13,336,200.00.
- (D) GLEN OAKS COMMUNITY COLLEGE, \$2,320,900.00.
- (E) GOGEBIC COMMUNITY COLLEGE, \$4,140,500.00.
- (F) GRAND RAPIDS COMMUNITY COLLEGE, \$16,649,700.00.
- (G) HENRY FORD COMMUNITY COLLEGE, \$20,145,000.00.
- (H) JACKSON COMMUNITY COLLEGE, \$11,219,700.00.
- (I) KALAMAZOO VALLEY COMMUNITY COLLEGE, \$11,522,700.00.
- (J) KELLOGG COMMUNITY COLLEGE, \$9,047,900.00.
- (K) KIRTLAND COMMUNITY COLLEGE, \$2,872,900.00.
- (L) LAKE MICHIGAN COLLEGE, \$4,937,700.00.
- (M) LANSING COMMUNITY COLLEGE, \$28,651,900.00.
- (N) MACOMB COMMUNITY COLLEGE, \$30,490,300.00.
- (O) MID MICHIGAN COMMUNITY COLLEGE, \$4,266,800.00.
- (P) MONROE COUNTY COMMUNITY COLLEGE, \$4,094,000.00.
- (Q) MONTCALM COMMUNITY COLLEGE, \$2,946,800.00.
- (R) C.S. MOTT COMMUNITY COLLEGE, \$14,526,400.00.
- (S) MUSKEGON COMMUNITY COLLEGE, \$8,256,700.00.
- (T) NORTH CENTRAL MICHIGAN COLLEGE, \$2,886,500.00.
- (U) NORTHWESTERN MICHIGAN COLLEGE, \$8,430,300.00.
- (V) OAKLAND COMMUNITY COLLEGE, \$19,455,900.00.
- (W) ST. CLAIR COUNTY COMMUNITY COLLEGE, \$6,534,100.00.
- (X) SCHOOLCRAFT COLLEGE, \$11,477,300.00.
- (Y) SOUTHWESTERN MICHIGAN COLLEGE, \$6,143,700.00.
- (Z) WASHTENAW COMMUNITY COLLEGE, \$11,827,300.00.
- (AA) WAYNE COUNTY COMMUNITY COLLEGE, \$15,425,900.00.
- (BB) WEST SHORE COMMUNITY COLLEGE, \$2,248,900.00.

(3) THE AMOUNT APPROPRIATED IN SUBSECTION (2) FOR COMMUNITY COLLEGE OPERATIONS IS APPROPRIATED FROM THE FOLLOWING:

- (A) SCHOOL AID FUND, \$195,880,500.00.
- (B) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$88,000,000.00.

SEC. 201A. IT IS THE INTENT OF THE LEGISLATURE TO PROVIDE APPROPRIATIONS FOR THE FISCAL YEAR ENDING ON SEPTEMBER 30, 2013 FOR THE ITEMS LISTED IN SECTION 201. THE FISCAL YEAR 2012-2013 APPROPRIATIONS ARE ANTICIPATED TO BE THE SAME AS THOSE FOR FISCAL YEAR 2011-2012, EXCEPT THAT THE AMOUNTS WILL BE ADJUSTED FOR CHANGES IN CASELOAD AND RELATED COSTS, FEDERAL FUND MATCH RATES, ECONOMIC FACTORS, AND AVAILABLE REVENUE. THESE ADJUSTMENTS WILL BE DETERMINED AFTER THE JANUARY 2012 CONSENSUS REVENUE ESTIMATING CONFERENCE.

SEC. 202. THE APPROPRIATIONS AUTHORIZED UNDER THIS ARTICLE 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 SECTION 201 AND THE WORKFORCE DEVELOPMENT AGENCY SHALL USE THE INTERNET TO FULFILL THE REPORTING REQUIREMENTS OF THIS ARTICLE. 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. 204. FUNDS APPROPRIATED IN SECTION 201 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. 205. THE PRINCIPAL EXECUTIVE OFFICER OF EACH COMMUNITY COLLEGE RECEIVING APPROPRIATIONS IN SECTION 201 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. 206. THE FUNDS APPROPRIATED IN SECTION 201 ARE APPROPRIATED FOR COMMUNITY COLLEGES WITH FISCAL YEARS ENDING JUNE 30, 2012 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, 2011. EACH COMMUNITY COLLEGE SHALL ACCRUE ITS JULY AND AUGUST 2012 PAYMENTS TO ITS INSTITUTIONAL FISCAL YEAR ENDING JUNE 30, 2012. HOWEVER, IF A COMMUNITY COLLEGE FAILS TO SUBMIT ALL VERIFIED MICHIGAN COMMUNITY COLLEGES ACTIVITIES CLASSIFICATION STRUCTURE DATA FOR SCHOOL YEAR 2010-2011 TO THE WORKFORCE DEVELOPMENT AGENCY BY NOVEMBER 1, 2011, THE MONTHLY INSTALLMENTS SHALL BE WITHHELD FROM THAT COMMUNITY COLLEGE UNTIL THOSE DATA ARE SUBMITTED.**

**SEC. 207. (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 FUNDS APPROPRIATED UNDER THIS ARTICLE.**

**(2) A COMMUNITY COLLEGE SHALL NOT PAY AN EMPLOYER'S CONTRIBUTION TO MORE THAN 1 RETIREMENT FUND PROVIDING BENEFITS FOR AN EMPLOYEE.**

**SEC. 208. MONEY APPROPRIATED IN SECTION 201 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. THE APPROPRIATION IN SECTION 201 FOR A COMMUNITY COLLEGE THAT FAILS TO COMPLY WITH JCOS REQUIREMENTS SHALL BE REDUCED BY 1% FOR EACH VIOLATION.**

**SEC. 209. (1) FROM THE FUNDS APPROPRIATED IN SECTION 201, EACH COMMUNITY COLLEGE SHALL DEVELOP, POST, AND MAINTAIN, ON A USER-FRIENDLY AND PUBLICLY ACCESSIBLE INTERNET SITE, A COMPREHENSIVE REPORT CATEGORIZING ALL INSTITUTIONAL GENERAL FUND EXPENDITURES MADE BY THE COMMUNITY COLLEGE WITHIN A FISCAL YEAR. THE REPORT SHALL INCLUDE INSTITUTIONAL GENERAL FUND EXPENDITURE AMOUNTS CATEGORIZED BOTH BY EACH ACADEMIC UNIT, ADMINISTRATIVE UNIT, OR EXTERNAL INITIATIVE WITHIN THE COMMUNITY COLLEGE AND BY MAJOR EXPENDITURE CATEGORY, INCLUDING FACULTY AND STAFF SALARIES AND FRINGE BENEFITS, FACILITY-RELATED COSTS, SUPPLIES AND EQUIPMENT, CONTRACTS, AND TRANSFERS TO AND FROM OTHER COMMUNITY COLLEGE FUNDS. THE REPORT SHALL ALSO INCLUDE A LIST OF ALL EMPLOYEE POSITIONS FUNDED PARTIALLY OR WHOLLY THROUGH INSTITUTIONAL GENERAL FUND REVENUE THAT INCLUDES THE POSITION TITLE, NAME, AND ANNUAL SALARY OR WAGE AMOUNT FOR EACH POSITION. THE COMMUNITY COLLEGE SHALL NOT PROVIDE FINANCIAL INFORMATION ON ITS WEBSITE UNDER THIS SECTION IF DOING SO WOULD VIOLATE A FEDERAL OR STATE LAW, RULE, REGULATION, OR GUIDELINE THAT ESTABLISHES PRIVACY OR SECURITY STANDARDS APPLICABLE TO THAT FINANCIAL INFORMATION.**

**(2) EACH COMMUNITY COLLEGE SHALL REPORT THE FOLLOWING INFORMATION TO THE SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON COMMUNITY COLLEGES, THE SENATE AND HOUSE FISCAL AGENCIES, AND THE STATE BUDGET OFFICE BY NOVEMBER 15, 2011, AND POST THAT INFORMATION ON THE INTERNET WEBSITE REQUIRED UNDER SUBSECTION (1):**

**(A) BUDGETED FISCAL YEAR 2011-2012 GENERAL FUND REVENUE FROM TUITION AND FEES.**

**(B) BUDGETED FISCAL YEAR 2011-2012 GENERAL FUND REVENUE FROM STATE APPROPRIATIONS.**

**(C) BUDGETED FISCAL YEAR 2011-2012 GENERAL FUND REVENUE FROM PROPERTY TAXES.**

**(D) BUDGETED FISCAL YEAR 2011-2012 TOTAL GENERAL FUND REVENUE.**

**(E) BUDGETED FISCAL YEAR 2011-2012 TOTAL GENERAL FUND EXPENDITURES.**

**SEC. 210. (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.

SEC. 210A. (1) A COMMITTEE SHALL BE CREATED TO DEVELOP A PROCESS TO IMPROVE THE TRANSFERABILITY OF CORE COLLEGE COURSES BETWEEN COMMUNITY COLLEGES AND PUBLIC UNIVERSITIES ON A STATEWIDE BASIS. BUILDING OFF OF THE MICHIGAN ASSOCIATION OF COLLEGE REGISTRARS AND ACADEMIC OFFICERS AGREEMENT AND EXISTING ARTICULATION AGREEMENTS IN PLACE BETWEEN INDIVIDUAL INSTITUTIONS, THE COMMITTEE SHALL WORK TO DEVELOP EQUIVALENCY STANDARDS OF CORE COLLEGE COURSES AND IDENTIFY EQUIVALENT COURSES OFFERED BY THE INSTITUTIONS.

(2) THE COMMITTEE SHALL BE COMPOSED OF THE FOLLOWING:

(A) TEN REPRESENTATIVES FROM COMMUNITY COLLEGES SELECTED BY THE MICHIGAN COMMUNITY COLLEGE ASSOCIATION.

(B) TEN REPRESENTATIVES FROM PUBLIC UNIVERSITIES SELECTED BY THE PRESIDENTS COUNCIL, STATE UNIVERSITIES OF MICHIGAN.

(C) ONE MEMBER OF THE HOUSE OF REPRESENTATIVES SELECTED BY THE SPEAKER OF THE HOUSE.

(D) ONE MEMBER OF THE HOUSE OF REPRESENTATIVES SELECTED BY THE MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES.

(E) ONE MEMBER OF THE SENATE SELECTED BY THE SENATE MAJORITY LEADER.

(F) ONE MEMBER OF THE SENATE SELECTED BY THE SENATE MINORITY LEADER.

(3) THE COMMITTEE SHALL SUBMIT AN INTERIM PROJECT STATUS REPORT TO THE SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON COMMUNITY COLLEGES AND HIGHER EDUCATION, THE SENATE AND HOUSE FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR BY MARCH 1, 2012.

SEC. 211. 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. 212. 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.

SEC. 213. IT IS THE INTENT OF THE LEGISLATURE THAT COMMUNITY COLLEGES WORK WITH PUBLIC UNIVERSITIES IN THE STATE TO IMPLEMENT STATEWIDE REVERSE TRANSFER AGREEMENTS TO INCREASE THE NUMBER OF STUDENTS THAT ARE AWARDED CREDENTIALS OF VALUE UPON COMPLETION OF THE NECESSARY CREDITS. IN DOING SO, THE INSTITUTIONS SHOULD WORK COLLABORATIVELY AND COOPERATIVELY TO REMOVE ADMINISTRATIVE BARRIERS THAT RESULT IN UNDERSTATING THE ACADEMIC ATTAINMENT OF MICHIGAN'S CITIZENS. IT IS THE INTENT OF THE LEGISLATURE THAT BY AUGUST 1, 2012, STATEWIDE AGREEMENTS BE IN PLACE BETWEEN COMMUNITY COLLEGES AND PUBLIC UNIVERSITIES THAT ENABLE STUDENTS WHO HAVE EARNED A SIGNIFICANT NUMBER OF CREDITS AT A COMMUNITY COLLEGE AND TRANSFER TO A BACCALAUREATE-GRANTING INSTITUTION BEFORE COMPLETING A DEGREE TO TRANSFER THE CREDITS EARNED AT THE BACCALAUREATE INSTITUTION BACK TO THE COMMUNITY COLLEGE IN ORDER TO BE AWARDED A CREDENTIAL OF VALUE.

SEC. 214. (1) A COMMITTEE SHALL BE CREATED TO DEVELOP A COMMON SET OF SCORES USING THE ACT ASSESSMENT TO DETERMINE PLACEMENT IN DEVELOPMENTAL COURSES AT COMMUNITY

**COLLEGES FOR STUDENTS WHO RECENTLY COMPLETED HIGH SCHOOL. THE COMMITTEE SHALL BE COMPOSED OF THE FOLLOWING:**

**(A) TWO MEMBERS OF THE MICHIGAN HOUSE OF REPRESENTATIVES. ONE MEMBER SHALL BE DESIGNATED BY THE SPEAKER OF THE HOUSE, AND 1 MEMBER SHALL BE DESIGNATED BY THE HOUSE MINORITY LEADER.**

**(B) TWO MEMBERS OF THE MICHIGAN SENATE. ONE MEMBER SHALL BE DESIGNATED BY THE SENATE MAJORITY LEADER, AND 1 MEMBER SHALL BE DESIGNATED BY THE SENATE MINORITY LEADER.**

**(C) FOUR REPRESENTATIVES OF MICHIGAN PUBLIC COMMUNITY COLLEGES DESIGNATED BY THE MICHIGAN COMMUNITY COLLEGES ASSOCIATION.**

**(D) FOUR INDIVIDUALS REPRESENTING K-12 EDUCATION, WITH THE SPEAKER OF THE HOUSE, HOUSE MINORITY LEADER, SENATE MAJORITY LEADER, AND SENATE MINORITY LEADER EACH DESIGNATING 1 MEMBER.**

**(2) BY MARCH 1, 2012, THE COMMITTEE CREATED UNDER SUBSECTION (1) SHALL SUBMIT A REPORT TO THE SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON COMMUNITY COLLEGES, THE SENATE AND HOUSE FISCAL AGENCIES, AND THE STATE BUDGET OFFICE OUTLINING THE PROGRESS TOWARD IMPLEMENTING A COMMON SET OF ACT CUTOFF SCORES FOR PLACEMENT INTO DEVELOPMENTAL EDUCATION AND CREDIT-BEARING COURSES.**

**SEC. 216. (1) IT IS THE INTENT OF THE LEGISLATURE THAT THE SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON COMMUNITY COLLEGES, TOGETHER WITH THE MICHIGAN COMMUNITY COLLEGE ASSOCIATION AND OTHER INTERESTED STAKEHOLDERS, REVIEW ANY STATUTORY MANDATES IMPOSED ON COMMUNITY COLLEGES, INCLUDING THOSE IDENTIFIED BY THE LEGISLATIVE COMMISSION ON STATUTORY MANDATES ESTABLISHED UNDER FORMER CHAPTER 7B OF THE LEGISLATIVE COUNCIL ACT, 1986 PA 268, AND DETERMINE WHETHER THOSE MANDATES ARE NECESSARY FOR THE HEALTH AND SAFETY OF STUDENTS; ARE ESSENTIAL TO THE ACADEMIC INTEGRITY OF THE COMMUNITY COLLEGES; EXCEED ANY APPLICABLE FEDERAL REQUIREMENTS; ARE SUPERFLUOUS TO THE CORE ACADEMIC PROGRAMS OF THE COMMUNITY COLLEGES; AND MATERIALLY IMPACT LOCAL CONTROL AND GOVERNANCE OF THE COLLEGES.**

**(2) THE SENATE AND HOUSE SUBCOMMITTEES ON COMMUNITY COLLEGES SHALL REVIEW THE ESTIMATED COSTS AND BENEFITS OF EACH STATUTORY MANDATE REVIEWED UNDER SUBSECTION (1) AND SHALL REPORT THEIR FINDINGS TO THE STATE BUDGET DIRECTOR.**

**SEC. 217. UNLESS OTHERWISE STATED, ALL DATA ITEMS USED IN DETERMINING STATE AID IN THIS ARTICLE ARE AS DEFINED IN THE "2001 MANUAL FOR UNIFORM FINANCIAL REPORTING, MICHIGAN PUBLIC COMMUNITY COLLEGES", WHICH SHALL BE THE BASIS FOR REPORTING DATA, AND THE "ACTIVITIES CLASSIFICATION STRUCTURE MANUAL FOR MICHIGAN COMMUNITY COLLEGES", AS AMENDED, WHICH SHALL BE USED TO DOCUMENT FINANCIAL NEEDS OF THE COMMUNITY COLLEGES.**

**SEC. 218. A COMMUNITY COLLEGE SHALL NOT INCLUDE IN THE ENROLLMENT DATA REPORTED FOR DETERMINING STATE AID UNDER THIS ARTICLE 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 ARTICLE FOR THE SAME INDIVIDUALS FOR WHOM REIMBURSEMENT IS PROVIDED BY THE STATE CORRECTIONAL SYSTEM.**

**SEC. 219. A COMMUNITY COLLEGE RECEIVING FUNDS IN SECTION 201 SHALL COOPERATE WITH THE STATE'S EFFORTS TO ESTABLISH A STATEWIDE P-20 EDUCATION LONGITUDINAL DATA SYSTEM TO COMPLY WITH THE STATE FISCAL STABILIZATION FUND PROVISIONS OF THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009, PUBLIC LAW 111-5.**

**SEC. 220. (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 WORKFORCE DEVELOPMENT AGENCY, 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. 221. (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. 222. 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 WORKFORCE DEVELOPMENT AGENCY, AND THE STATE BUDGET DIRECTOR BEFORE NOVEMBER 15, 2011. 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". IT IS THE INTENT OF THE LEGISLATURE THAT A COMMUNITY COLLEGE SHALL MAKE THE INFORMATION THE COMMUNITY COLLEGE IS REQUIRED TO PROVIDE UNDER THIS SECTION AVAILABLE TO THE PUBLIC ON ITS INTERNET WEBSITE.**

**SEC. 223. EACH COMMUNITY COLLEGE SHALL REPORT THE FOLLOWING TO THE WORKFORCE DEVELOPMENT AGENCY NO LATER THAN NOVEMBER 1, 2011:**

**(A) THE NUMBER OF NORTH AMERICAN INDIAN STUDENTS ENROLLED EACH TERM FOR THE PREVIOUS FISCAL YEAR, USING GUIDELINES AND PROCEDURES DEVELOPED BY THE WORKFORCE DEVELOPMENT AGENCY 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.**

**SEC. 224. 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. 225. EACH COMMUNITY COLLEGE SHALL REPORT TO THE HOUSE AND SENATE FISCAL AGENCIES, THE STATE BUDGET DIRECTOR, AND THE WORKFORCE DEVELOPMENT AGENCY BY AUGUST 31, 2011, 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 2010-2011 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 2010-2011 ACADEMIC YEAR TUITION AND MANDATORY FEES ADOPTED BY THE COLLEGE GOVERNING BOARD TO THE HOUSE AND SENATE FISCAL AGENCIES, THE STATE BUDGET DIRECTOR, AND THE WORKFORCE DEVELOPMENT AGENCY WITHIN 15 DAYS OF BEING ADOPTED.**

**SEC. 226. EACH COMMUNITY COLLEGE SHALL REPORT TO THE WORKFORCE DEVELOPMENT AGENCY 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, 2011.**

**SEC. 227. FUNDS APPROPRIATED IN SECTION 201 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. 228. A COMMUNITY COLLEGE SHALL NOT TAKE DISCIPLINARY ACTION AGAINST AN EMPLOYEE FOR COMMUNICATING WITH A MEMBER OF THE LEGISLATURE OR HIS OR HER STAFF.**

**SEC. 229. IT IS THE INTENT OF THE LEGISLATURE THAT EACH COMMUNITY COLLEGE RECEIVING AN APPROPRIATION IN SECTION 201 INCLUDE IN ITS ADMISSION APPLICATION PROCESS A SPECIFIC QUESTION AS TO WHETHER AN APPLICANT FOR ADMISSION IS A VETERAN, AN ACTIVE MEMBER OF THE MILITARY, A MEMBER OF THE NATIONAL GUARD OR MILITARY RESERVES, OR THE SPOUSE OR DEPENDENT OF A VETERAN, ACTIVE MEMBER OF THE MILITARY, OR MEMBER OF THE NATIONAL GUARD OR MILITARY RESERVES, IN ORDER TO MORE QUICKLY IDENTIFY POTENTIAL EDUCATIONAL ASSISTANCE AVAILABLE TO THAT APPLICANT. 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.**

**SEC. 230. 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.**

### ARTICLE III

#### STATE AID FOR UNIVERSITIES AND STUDENT FINANCIAL AID

**SEC. 236. (1) SUBJECT TO THE CONDITIONS SET FORTH IN THIS ARTICLE, THE AMOUNTS LISTED IN SUBSECTIONS (2) TO (5) ARE APPROPRIATED FOR HIGHER EDUCATION FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2012, FROM THE FUNDS INDICATED IN THIS SECTION. THE FOLLOWING IS A SUMMARY OF THE APPROPRIATIONS IN SUBSECTIONS (2) TO (5):**

**(A) THE GROSS APPROPRIATION IS \$1,362,278,400.00. AFTER DEDUCTING TOTAL INTERDEPARTMENTAL GRANTS AND INTRADEPARTMENTAL TRANSFERS IN THE AMOUNT OF \$0.00, THE ADJUSTED GROSS APPROPRIATION IS \$1,362,278,400.00.**

**(B) THE SOURCES OF THE ADJUSTED GROSS APPROPRIATION DESCRIBED IN SUBDIVISION (A) ARE AS FOLLOWS:**

**(i) TOTAL FEDERAL REVENUES, \$98,326,400.00.**

**(ii) TOTAL LOCAL REVENUES, \$0.00.**

**(iii) TOTAL PRIVATE REVENUES, \$0.00.**

**(iv) TOTAL OTHER STATE RESTRICTED REVENUES, \$200,219,500.00.**

**(v) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$1,063,732,500.00.**

**(2) AMOUNTS APPROPRIATED FOR PUBLIC UNIVERSITIES ARE AS FOLLOWS:**

**(A) THE APPROPRIATION FOR CENTRAL MICHIGAN UNIVERSITY IS \$68,108,900.00, \$61,431,100.00 FOR OPERATIONS AND \$6,677,800.00 FOR TUITION RESTRAINT INCENTIVE, APPROPRIATED FROM THE FOLLOWING:**

**(i) STATE SCHOOL AID FUND, \$11,284,600.00.**

**(ii) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$56,824,300.00.**

**(B) THE APPROPRIATION FOR EASTERN MICHIGAN UNIVERSITY IS \$64,619,100.00, \$61,319,900.00 FOR OPERATIONS AND \$3,299,200.00 FOR TUITION RESTRAINT INCENTIVE, APPROPRIATED FROM THE FOLLOWING:**

**(i) STATE SCHOOL AID FUND, \$10,706,400.00.**

**(ii) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$53,912,700.00.**

**(C) THE APPROPRIATION FOR FERRIS STATE UNIVERSITY IS \$41,324,300.00, \$37,971,600.00 FOR OPERATIONS AND \$3,352,700.00 FOR TUITION RESTRAINT INCENTIVE, APPROPRIATED FROM THE FOLLOWING:**

**(i) STATE SCHOOL AID FUND, \$6,846,800.00.**

**(ii) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$34,477,500.00.**

**(D) THE APPROPRIATION FOR GRAND VALLEY STATE UNIVERSITY IS \$52,677,400.00, \$48,431,500.00 FOR OPERATIONS AND \$4,245,900.00 FOR TUITION RESTRAINT INCENTIVE, APPROPRIATED FROM THE FOLLOWING:**

**(i) STATE SCHOOL AID FUND, \$8,727,800.00.**

**(ii) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$43,949,600.00.**

**(E) THE APPROPRIATION FOR LAKE SUPERIOR STATE UNIVERSITY IS \$10,789,500.00, \$10,055,100.00 FOR OPERATIONS AND \$734,400.00 FOR TUITION RESTRAINT INCENTIVE, APPROPRIATED FROM THE FOLLOWING:**

**(i) STATE SCHOOL AID FUND, \$1,787,600.00.**

**(ii) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$9,001,900.00.**

**(F) THE APPROPRIATION FOR MICHIGAN STATE UNIVERSITY IS \$293,746,600.00, \$222,796,200.00 FOR OPERATIONS, \$18,324,600.00 FOR TUITION RESTRAINT INCENTIVE, AND \$52,625,800.00 FOR AGRICULTURAL EXPERIMENT AND COOPERATIVE EXTENSION ACTIVITIES, APPROPRIATED FROM THE FOLLOWING:**

**(i) STATE SCHOOL AID FUND, \$39,949,900.00.**

**(ii) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$253,796,700.00.**

**(G) THE APPROPRIATION FOR MICHIGAN TECHNOLOGICAL UNIVERSITY IS \$40,733,600.00, \$37,409,700.00 FOR OPERATIONS AND \$3,323,900.00 FOR TUITION RESTRAINT INCENTIVE, APPROPRIATED FROM THE FOLLOWING:**

**(i) STATE SCHOOL AID FUND, \$6,748,900.00.**

**(ii) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$33,984,700.00.**

**(H) THE APPROPRIATION FOR NORTHERN MICHIGAN UNIVERSITY IS \$38,367,400.00, \$36,225,200.00 FOR OPERATIONS AND \$2,142,200.00 FOR TUITION RESTRAINT INCENTIVE, APPROPRIATED FROM THE FOLLOWING:**

**(i) STATE SCHOOL AID FUND, \$6,356,900.00.**

**(ii) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$32,010,500.00.**

**(I) THE APPROPRIATION FOR OAKLAND UNIVERSITY IS \$43,145,000.00, \$39,313,500.00 FOR OPERATIONS AND \$3,831,500.00 FOR TUITION RESTRAINT INCENTIVE, APPROPRIATED FROM THE FOLLOWING:**

**(i) STATE SCHOOL AID FUND, \$7,148,400.00.**

**(ii) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$35,996,600.00.**

**(J) THE APPROPRIATION FOR SAGINAW VALLEY STATE UNIVERSITY IS \$23,561,500.00, \$21,969,300.00 FOR OPERATIONS AND \$1,592,200.00 FOR TUITION RESTRAINT INCENTIVE, APPROPRIATED FROM THE FOLLOWING:**

**(i) STATE SCHOOL AID FUND, \$3,903,800.00.**

**(ii) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$19,657,700.00.**

**(K) THE APPROPRIATION FOR UNIVERSITY OF MICHIGAN - ANN ARBOR IS \$268,803,300.00, \$254,931,800.00 FOR OPERATIONS AND \$13,871,500.00 FOR TUITION RESTRAINT INCENTIVE, APPROPRIATED FROM THE FOLLOWING:**

**(i) STATE SCHOOL AID FUND, \$44,536,300.00.**

**(ii) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$224,267,000.00.**

**(L) THE APPROPRIATION FOR UNIVERSITY OF MICHIGAN - DEARBORN IS \$21,016,300.00, \$19,627,400.00 FOR OPERATIONS AND \$1,388,900.00 FOR TUITION RESTRAINT INCENTIVE, APPROPRIATED FROM THE FOLLOWING:**

**(i) STATE SCHOOL AID FUND, \$3,482,100.00.**

**(ii) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$17,534,200.00.**

**(M) THE APPROPRIATION FOR UNIVERSITY OF MICHIGAN - FLINT IS \$17,762,400.00, \$16,679,400.00 FOR OPERATIONS AND \$1,083,000.00 FOR TUITION RESTRAINT INCENTIVE, APPROPRIATED FROM THE FOLLOWING:**

**(i) STATE SCHOOL AID FUND, \$2,942,900.00.**

**(ii) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$14,819,500.00.**

**(N) THE APPROPRIATION FOR WAYNE STATE UNIVERSITY IS \$182,036,900.00, \$169,209,400.00 FOR OPERATIONS AND \$12,827,500.00 FOR TUITION RESTRAINT INCENTIVE, APPROPRIATED FROM THE FOLLOWING:**

**(i) STATE SCHOOL AID FUND, \$30,160,600.00.**

**(ii) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$151,876,300.00.**

**(O) THE APPROPRIATION FOR WESTERN MICHIGAN UNIVERSITY IS \$93,168,300.00, \$86,866,700.00 FOR OPERATIONS AND \$6,301,600.00 FOR TUITION RESTRAINT INCENTIVE, APPROPRIATED FROM THE FOLLOWING:**

**(i) STATE SCHOOL AID FUND, \$15,436,500.00.**

**(ii) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$77,731,800.00.**

**(3) THE AMOUNT APPROPRIATED FOR STATE AND REGIONAL PROGRAMS IS \$200,000.00, APPROPRIATED FROM GENERAL FUND/GENERAL PURPOSE MONEY AND ALLOCATED AS FOLLOWS:**

**(A) HIGHER EDUCATION DATABASE MODERNIZATION AND CONVERSION, \$105,000.00.**

**(B) MIDWESTERN HIGHER EDUCATION COMPACT, \$95,000.00.**

**(4) THE AMOUNT APPROPRIATED FOR THE MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA PARKS PROGRAM IS \$2,691,500.00, APPROPRIATED FROM GENERAL FUND/GENERAL PURPOSE MONEY AND ALLOCATED AS FOLLOWS:**

**(A) SELECT STUDENT SUPPORT SERVICES, \$1,956,100.00.**

**(B) MICHIGAN COLLEGE/UNIVERSITY PARTNERSHIP PROGRAM, \$586,800.00.**

(C) MORRIS HOOD, JR. EDUCATOR DEVELOPMENT PROGRAM, \$148,600.00.

(5) SUBJECT TO SUBSECTION (6), THE AMOUNT APPROPRIATED FOR GRANTS AND FINANCIAL AID IS \$99,526,400.00, ALLOCATED AS FOLLOWS:

(A) STATE COMPETITIVE SCHOLARSHIPS, \$19,861,700.00.

(B) TUITION GRANTS, \$31,664,700.00.

(C) TUITION INCENTIVE PROGRAM, \$43,800,000.00.

(D) ROBERT C. BYRD HONORS SCHOLARSHIP PROGRAM, \$1,500,000.00.

(E) CHILDREN OF VETERANS AND OFFICER'S SURVIVOR TUITION GRANT PROGRAMS, \$1,200,000.00.

(F) PROJECT GEAR-UP, \$1,500,000.00.

(6) THE MONEY APPROPRIATED IN SUBSECTION (5) FOR GRANTS AND FINANCIAL AID IS APPROPRIATED FROM THE FOLLOWING:

(A) FEDERAL REVENUES UNDER SUBPART 4 OF PART A OF TITLE IV OF THE HIGHER EDUCATION ACT OF 1965, PUBLIC LAW 89-329, 79 STAT. 1232, \$1,500,000.00.

(B) FEDERAL REVENUES UNDER SUBPART 6 OF PART A OF TITLE IV OF THE HIGHER EDUCATION ACT OF 1965, PUBLIC LAW 89-329, 79 STAT. 1232, \$1,500,000.00.

(C) FEDERAL REVENUES UNDER THE UNITED STATES DEPARTMENT OF EDUCATION, OFFICE OF ELEMENTARY AND SECONDARY EDUCATION, GEAR-UP PROGRAM, \$1,500,000.00.

(D) FEDERAL REVENUES UNDER THE SOCIAL SECURITY ACT, TEMPORARY ASSISTANCE FOR NEEDY FAMILIES, \$93,826,400.00.

(E) CONTRIBUTIONS TO CHILDREN OF VETERANS TUITION GRANT PROGRAM, \$200,000.00.

(F) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$1,000,000.00.

SEC. 236A. IT IS THE INTENT OF THE LEGISLATURE TO PROVIDE APPROPRIATIONS FOR THE FISCAL YEAR ENDING ON SEPTEMBER 30, 2013 FOR THE ITEMS LISTED IN SECTION 236. THE FISCAL YEAR 2012-2013 APPROPRIATIONS ARE ANTICIPATED TO BE THE SAME AS THOSE FOR FISCAL YEAR 2011-2012, EXCEPT THAT THE AMOUNTS WILL BE ADJUSTED FOR CHANGES IN CASELOAD AND RELATED COSTS, FEDERAL FUND MATCH RATES, ECONOMIC FACTORS, AND AVAILABLE REVENUE. THESE ADJUSTMENTS WILL BE DETERMINED AFTER THE JANUARY 2012 CONSENSUS REVENUE ESTIMATING CONFERENCE.

SEC. 237. THE APPROPRIATIONS AUTHORIZED UNDER THIS ARTICLE ARE SUBJECT TO THE MANAGEMENT AND BUDGET ACT, 1984 PA 431, MCL 18.1101 TO 18.1594.

SEC. 237A. AS USED IN THIS ARTICLE, "RESEARCH UNIVERSITY" MEANS A PUBLIC UNIVERSITY CLASSIFIED AS A "DOCTORAL/RESEARCH UNIVERSITY", A "RESEARCH UNIVERSITY (HIGH RESEARCH ACTIVITY)", OR A "RESEARCH UNIVERSITY (VERY HIGH RESEARCH ACTIVITY)" UNDER THE CLASSIFICATION OF INSTITUTIONS OF HIGHER EDUCATION CONDUCTED BY THE CARNEGIE FOUNDATION.

SEC. 238. UNLESS OTHERWISE SPECIFIED, PUBLIC UNIVERSITIES RECEIVING APPROPRIATIONS IN SECTION 236 SHALL USE THE INTERNET TO FULFILL THE REPORTING REQUIREMENTS OF THIS ARTICLE. 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. 239. FUNDS APPROPRIATED IN SECTION 236 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 SHALL 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 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. 239A. IT IS THE INTENT OF THE LEGISLATURE THAT THE FUNDS APPROPRIATED IN SECTION 236 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. 240. THE PRINCIPAL EXECUTIVE OFFICER OF EACH PUBLIC UNIVERSITY RECEIVING APPROPRIATIONS IN SECTION 236 SHALL TAKE ALL REASONABLE STEPS TO ENSURE THAT BUSINESSES IN DEPRIVED AND DEPRESSED COMMUNITIES COMPETE FOR AND PERFORM CONTRACTS TO PROVIDE SERVICES, SUPPLIES, OR BOTH. EACH PRINCIPAL EXECUTIVE OFFICER SHALL STRONGLY ENCOURAGE FIRMS WITH WHICH THE UNIVERSITY CONTRACTS TO SUBCONTRACT WITH BUSINESSES IN DEPRESSED AND DEPRIVED COMMUNITIES FOR SERVICES, SUPPLIES, OR BOTH.

**SEC. 241. (1) THE FUNDS APPROPRIATED IN SECTION 236 TO PUBLIC UNIVERSITIES SHALL BE PAID OUT OF THE STATE TREASURY AND DISTRIBUTED BY THE STATE TREASURER TO THE RESPECTIVE INSTITUTIONS IN 11 EQUAL MONTHLY INSTALLMENTS ON THE SIXTEENTH OF EACH MONTH, OR THE NEXT SUCCEEDING BUSINESS DAY, BEGINNING WITH OCTOBER 16, 2011. EXCEPT FOR WAYNE STATE UNIVERSITY, EACH INSTITUTION SHALL ACCRUE ITS JULY AND AUGUST 2012 PAYMENTS TO ITS INSTITUTIONAL FISCAL YEAR ENDING JUNE 30, 2012.**

**(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, 2011, THESE DATA SHALL BE SUBMITTED TO THE STATE BUDGET DIRECTOR BY OCTOBER 15, 2011. PUBLIC UNIVERSITIES WITH A FISCAL YEAR ENDING SEPTEMBER 30, 2011 SHALL SUBMIT PRELIMINARY HEIDI DATA BY NOVEMBER 15, 2011 AND FINAL DATA BY DECEMBER 15, 2011. 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.**

**SEC. 242. 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. 243. A PUBLIC UNIVERSITY THAT RECEIVES FUNDS UNDER THIS ARTICLE 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. 244. A PUBLIC UNIVERSITY RECEIVING FUNDS IN SECTION 236 SHALL COOPERATE WITH ALL MEASURES TAKEN BY THE STATE TO ESTABLISH A STATEWIDE P-20 EDUCATION LONGITUDINAL DATA SYSTEM TO COMPLY WITH THE STATE FISCAL STABILIZATION FUND PROVISIONS OF THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009, PUBLIC LAW 111-5.**

**SEC. 245. FROM THE FUNDS APPROPRIATED IN SECTION 236, EACH PUBLIC UNIVERSITY SHALL DEVELOP, POST, AND MAINTAIN, ON A USER-FRIENDLY AND PUBLICLY ACCESSIBLE INTERNET SITE, A COMPREHENSIVE REPORT CATEGORIZING ALL INSTITUTIONAL GENERAL FUND EXPENDITURES MADE BY THE UNIVERSITY WITHIN A FISCAL YEAR. THE REPORT SHALL INCLUDE INSTITUTIONAL GENERAL FUND EXPENDITURE AMOUNTS CATEGORIZED BOTH BY EACH ACADEMIC UNIT, ADMINISTRATIVE UNIT, OR EXTERNAL INITIATIVE WITHIN THE UNIVERSITY AND BY MAJOR EXPENDITURE CATEGORY, INCLUDING FACULTY AND STAFF SALARIES AND FRINGE BENEFITS, FACILITY-RELATED COSTS, SUPPLIES AND EQUIPMENT, CONTRACTS, AND TRANSFERS TO AND FROM OTHER UNIVERSITY FUNDS. THE REPORT SHALL ALSO INCLUDE A LIST OF ALL EMPLOYEE POSITIONS FUNDED PARTIALLY OR WHOLLY THROUGH INSTITUTIONAL GENERAL FUND REVENUE THAT INCLUDES THE POSITION TITLE, NAME, AND ANNUAL SALARY OR WAGE AMOUNT FOR EACH POSITION. THE UNIVERSITY SHALL NOT PROVIDE FINANCIAL INFORMATION ON ITS WEBSITE UNDER THIS SECTION IF DOING SO WOULD VIOLATE A FEDERAL OR STATE LAW, RULE, REGULATION, OR GUIDELINE THAT ESTABLISHES PRIVACY OR SECURITY STANDARDS APPLICABLE TO THAT FINANCIAL INFORMATION.**

**SEC. 251. (1) PAYMENTS OF THE AMOUNTS INCLUDED IN SECTION 236 FOR THE STATE COMPETITIVE SCHOLARSHIP PROGRAM SHALL BE DISTRIBUTED PURSUANT TO 1964 PA 208, MCL 390.971 TO 390.981.**

**(2) PURSUANT TO SECTION 6 OF 1964 PA 208, MCL 390.976, THE DEPARTMENT OF TREASURY SHALL DETERMINE AN ACTUAL MAXIMUM STATE COMPETITIVE SCHOLARSHIP AWARD PER STUDENT, WHICH SHALL BE NO LESS THAN \$600.00, THAT ENSURES THAT THE AGGREGATE PAYMENTS FOR THE STATE COMPETITIVE SCHOLARSHIP PROGRAM DO NOT EXCEED THE APPROPRIATION CONTAINED IN SECTION 236 FOR THE STATE COMPETITIVE SCHOLARSHIP PROGRAM. IF THE DEPARTMENT DETERMINES THAT INSUFFICIENT FUNDS ARE AVAILABLE TO ESTABLISH A MAXIMUM AWARD AMOUNT EQUAL TO AT LEAST \$600.00, THE DEPARTMENT SHALL IMMEDIATELY REPORT TO THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION, THE HOUSE AND SENATE FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR REGARDING THE ESTIMATED AMOUNT OF ADDITIONAL FUNDS NECESSARY TO ESTABLISH A \$600.00 MAXIMUM AWARD AMOUNT.**

**(3) THE DEPARTMENT OF TREASURY SHALL IMPLEMENT A PROPORTIONAL COMPETITIVE SCHOLARSHIP MAXIMUM AWARD LEVEL FOR RECIPIENTS ENROLLED LESS THAN FULL-TIME IN A GIVEN SEMESTER OR TERM.**

(4) 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.

(5) IF THE DEPARTMENT OF TREASURY INCREASES THE MAXIMUM AWARD PER ELIGIBLE STUDENT FROM THAT PROVIDED IN THE PREVIOUS FISCAL YEAR, IT SHALL NOT HAVE THE EFFECT OF REDUCING THE NUMBER OF ELIGIBLE STUDENTS RECEIVING AWARDS IN RELATION TO THE TOTAL NUMBER OF ELIGIBLE APPLICANTS. ANY INCREASE IN THE MAXIMUM GRANT SHALL BE PROPORTIONAL FOR ALL ELIGIBLE STUDENTS RECEIVING AWARDS.

(6) VETERANS ADMINISTRATION BENEFITS SHALL NOT BE CONSIDERED IN DETERMINING ELIGIBILITY FOR THE AWARD OF SCHOLARSHIPS UNDER 1964 PA 208, MCL 390.971 TO 390.981.

SEC. 252. (1) THE AMOUNTS APPROPRIATED IN SECTION 236 FOR THE STATE TUITION GRANT PROGRAM SHALL BE DISTRIBUTED PURSUANT TO 1966 PA 313, MCL 390.991 TO 390.997A.

(2) TUITION GRANT AWARDS SHALL BE MADE TO ALL ELIGIBLE MICHIGAN RESIDENTS ENROLLED IN UNDERGRADUATE DEGREE PROGRAMS WHO APPLY BEFORE JULY 1, 2011 AND WHO ARE QUALIFIED.

(3) PURSUANT TO SECTION 5 OF 1966 PA 313, MCL 390.995, AND SUBJECT TO SUBSECTION (7), THE DEPARTMENT OF TREASURY SHALL DETERMINE AN ACTUAL MAXIMUM TUITION GRANT AWARD PER STUDENT, WHICH SHALL BE NO LESS THAN \$1,512.00, THAT ENSURES THAT THE AGGREGATE PAYMENTS FOR THE TUITION GRANT PROGRAM DO NOT EXCEED THE APPROPRIATION CONTAINED IN SECTION 236 FOR THE STATE TUITION GRANT PROGRAM. IF THE DEPARTMENT DETERMINES THAT INSUFFICIENT FUNDS ARE AVAILABLE TO ESTABLISH A MAXIMUM AWARD AMOUNT EQUAL TO AT LEAST \$1,512.00, THE DEPARTMENT SHALL IMMEDIATELY REPORT TO THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION, THE HOUSE AND SENATE FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR REGARDING THE ESTIMATED AMOUNT OF ADDITIONAL FUNDS NECESSARY TO ESTABLISH A \$1,512.00 MAXIMUM AWARD AMOUNT. BY DECEMBER 15, 2011, AND AGAIN BY FEBRUARY 1, 2012, THE DEPARTMENT SHALL ANALYZE THE STATUS OF AWARD COMMITMENTS, SHALL MAKE ANY NECESSARY ADJUSTMENTS, AND SHALL CONFIRM THAT THOSE AWARD COMMITMENTS WILL NOT EXCEED THE APPROPRIATION CONTAINED IN SECTION 236 FOR THE TUITION GRANT PROGRAM. THE DETERMINATION AND ACTIONS SHALL BE REPORTED TO THE STATE BUDGET DIRECTOR AND THE HOUSE AND SENATE FISCAL AGENCIES NO LATER THAN FEBRUARY 15, 2012. 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, 2012 FROM THE AMOUNTS APPROPRIATED IN SECTION 236 FOR THE TUITION GRANT PROGRAM SHALL NOT LAPSE ON SEPTEMBER 30, 2012, BUT SHALL CONTINUE TO BE AVAILABLE FOR EXPENDITURE FOR TUITION GRANTS PROVIDED IN THE 2012-2013 FISCAL YEAR UNDER A WORK PROJECT ACCOUNT. THE USE OF THESE UNEXPENDED FISCAL YEAR 2011-2012 FUNDS SHALL TERMINATE AT THE END OF THE 2012-2013 FISCAL YEAR.

(5) THE DEPARTMENT OF TREASURY SHALL CONTINUE A PROPORTIONAL TUITION GRANT MAXIMUM AWARD LEVEL FOR RECIPIENTS ENROLLED LESS THAN FULL-TIME IN A GIVEN SEMESTER OR TERM.

(6) IF THE DEPARTMENT OF TREASURY INCREASES THE MAXIMUM AWARD PER ELIGIBLE STUDENT FROM THAT PROVIDED IN THE PREVIOUS FISCAL YEAR, IT SHALL NOT HAVE THE EFFECT OF REDUCING THE NUMBER OF ELIGIBLE STUDENTS RECEIVING AWARDS IN RELATION TO THE TOTAL NUMBER OF ELIGIBLE APPLICANTS. ANY INCREASE IN THE MAXIMUM GRANT SHALL BE PROPORTIONAL FOR ALL ELIGIBLE STUDENTS RECEIVING AWARDS FOR FISCAL YEAR 2011-2012.

(7) THE DEPARTMENT OF TREASURY 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. 253. 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 DEPARTMENT OF TREASURY, 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.

SEC. 254. THE SUMS APPROPRIATED IN SECTION 236 FOR THE STATE COMPETITIVE SCHOLARSHIP, TUITION INCENTIVE, TUITION GRANT, AND ROBERT C. BYRD HONORS SCHOLARSHIP PROGRAMS

SHALL BE PAID OUT OF THE STATE TREASURY AND SHALL BE DISTRIBUTED TO THE RESPECTIVE INSTITUTIONS UNDER A QUARTERLY PAYMENT SYSTEM AS FOLLOWS: 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. 255. THE DEPARTMENT OF TREASURY 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. 256. (1) THE FUNDS APPROPRIATED IN SECTION 236 FOR THE TUITION INCENTIVE PROGRAM SHALL BE DISTRIBUTED AS PROVIDED IN THIS SECTION AND PURSUANT TO THE ADMINISTRATIVE PROCEDURES FOR THE TUITION INCENTIVE PROGRAM OF THE DEPARTMENT OF TREASURY.

(2) AS USED IN THIS SECTION:

(A) "PHASE I" MEANS THE FIRST PART OF THE TUITION INCENTIVE ASSISTANCE PROGRAM DEFINED AS THE ACADEMIC PERIOD OF 80 SEMESTER OR 120 TERM CREDITS, OR LESS, LEADING TO AN ASSOCIATE DEGREE OR CERTIFICATE.

(B) "PHASE II" MEANS THE SECOND PART OF THE TUITION INCENTIVE ASSISTANCE PROGRAM WHICH PROVIDES ASSISTANCE IN THE THIRD AND FOURTH YEAR OF 4-YEAR DEGREE PROGRAMS.

(C) "DEPARTMENT" MEANS THE DEPARTMENT OF TREASURY.

(3) 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 NOT BE INCARCERATED AND 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 ELIGIBLE MEDICAID CLIENTS ARE PROVIDED INFORMATION ON THE PROGRAM. THE DEPARTMENT SHALL PROVIDE THE NECESSARY FUNDING AND STAFF TO FULLY OPERATE THE PROGRAM.

SEC. 257. 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. 258. 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 SECTION 236. 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. 261. 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. 262. (1) IT IS THE INTENT OF THE LEGISLATURE THAT EACH PUBLIC UNIVERSITY SHALL DEVELOP POLICIES FOR MINIMIZING THE COST OF TEXTBOOKS AND COURSE MATERIALS USED AT THE UNIVERSITY WHILE MAINTAINING QUALITY OF EDUCATION AND ACADEMIC FREEDOM. THESE POLICIES SHOULD REQUIRE ALL OF THE FOLLOWING:

(A) THAT FACULTY MEMBERS SUBMIT LISTS OF REQUIRED TEXTBOOKS AND COURSE MATERIALS FOR UNIVERSITY REVIEW.

(B) THAT FACULTY MEMBERS CONSIDER THE LEAST COSTLY PRACTICES IN ASSIGNING TEXTBOOKS AND COURSE MATERIALS, SUCH AS ADOPTING THE LEAST EXPENSIVE EDITION OF A TEXTBOOK AVAILABLE WHEN EDUCATIONAL CONTENT IS COMPARABLE TO A MORE COSTLY EDITION.

(C) THAT THE UNIVERSITY REVIEW ANY POTENTIAL FINANCIAL CONFLICT OF INTEREST THAT MAY OCCUR IF A FACULTY MEMBER REQUIRES THE PURCHASE OF ANY TEXTBOOKS OR COURSE MATERIALS HE OR SHE HAS WRITTEN.

(2) BY FEBRUARY 1, 2012, 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 THE POLICIES DEVELOPED PURSUANT TO THIS SECTION.

**SEC. 263. (1) INCLUDED IN THE APPROPRIATION IN SECTION 236 FOR AGRICULTURAL EXPERIMENT AND COOPERATIVE EXTENSION ACTIVITIES IS \$5,628,100.00 FOR PROJECT GREEN. PROJECT GREEN IS INTENDED TO ADDRESS CRITICAL REGULATORY, FOOD SAFETY, ECONOMIC, AND ENVIRONMENTAL PROBLEMS FACED BY THIS STATE'S PLANT-BASED AGRICULTURE, FORESTRY, AND PROCESSING INDUSTRIES. "GREEN" IS AN ACRONYM FOR GENERATING RESEARCH AND EXTENSION TO MEET ENVIRONMENTAL AND ECONOMIC NEEDS.**

**(2) THE DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT AND MICHIGAN STATE UNIVERSITY, IN CONSULTATION WITH AGRICULTURAL COMMODITY GROUPS AND OTHER INTERESTED PARTIES, SHALL DEVELOP PROJECT GREEN AND ITS PROGRAM PRIORITIES.**

**(3) BY SEPTEMBER 30, 2012, MICHIGAN STATE UNIVERSITY SHALL SUBMIT A REPORT TO THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON AGRICULTURE AND ON HIGHER EDUCATION, THE HOUSE AND SENATE STANDING COMMITTEES ON AGRICULTURE, THE HOUSE AND SENATE FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR FOR THE PRECEDING SCHOOL 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 GREEN 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. 263A. (1) ANNUALLY, IN PARTNERSHIP WITH STAKEHOLDERS OF THE AGRICULTURAL EXPERIMENT STATION AND COOPERATIVE EXTENSION SERVICE, MICHIGAN STATE UNIVERSITY SHALL DEVELOP A SET OF RESEARCH AND EXTENSION PRIORITIES. AS A PART OF THIS EFFORT, MICHIGAN STATE UNIVERSITY AND THE DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT, IN PARTNERSHIP WITH THE AGRICULTURE INDUSTRY, SHALL CONVENE A SUMMIT TO SET PRIORITIES FOR RESEARCH AND EXTENSION REGARDING PRODUCTION AGRICULTURE.**

**(2) NOT LATER THAN SEPTEMBER 30, 2012, MICHIGAN STATE UNIVERSITY SHALL SUBMIT A REPORT TO THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON AGRICULTURE AND ON HIGHER EDUCATION, THE HOUSE AND SENATE STANDING COMMITTEES ON AGRICULTURE, THE HOUSE AND SENATE FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR FOR THE PRECEDING SCHOOL FISCAL YEAR DETAILING, BUT NOT LIMITED TO:**

**(A) TOTAL FUNDS EXPENDED BY THE AGRICULTURAL EXPERIMENT STATION AND BY THE COOPERATIVE EXTENSION SERVICE IDENTIFIED BY STATE, LOCAL, PRIVATE, FEDERAL, AND UNIVERSITY FUND SOURCES.**

**(B) A REVIEW OF MAJOR PROGRAMS WITHIN BOTH THE AGRICULTURAL EXPERIMENT STATION AND THE COOPERATIVE EXTENSION SERVICE WITH SPECIFIC REFERENCE TO ACCOMPLISHMENTS AND IMPACTS.**

**SEC. 264. INCLUDED IN THE APPROPRIATION IN SECTION 236 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. 265. (1) THE AMOUNTS APPROPRIATED IN SECTION 236 FOR PUBLIC UNIVERSITY TUITION RESTRAINT INCENTIVES SHALL ONLY BE PAID TO A PUBLIC UNIVERSITY THAT CERTIFIES TO THE STATE BUDGET DIRECTOR BY AUGUST 31, 2011 THAT ITS BOARD DID NOT ADOPT AN INCREASE IN TUITION AND FEE RATES FOR RESIDENT UNDERGRADUATE STUDENTS AFTER FEBRUARY 1, 2011 FOR THE 2010-2011 ACADEMIC YEAR AND THAT ITS BOARD WILL NOT ADOPT AN INCREASE IN TUITION AND FEE RATES FOR RESIDENT UNDERGRADUATE STUDENTS FOR THE 2011-2012 ACADEMIC YEAR THAT IS GREATER THAN THE CALCULATED AVERAGE OF ANNUAL STATEWIDE CHANGES IN TUITION AND FEE**

**RATES FOR ACADEMIC YEARS 2006-2007 THROUGH 2010-2011, AS DETERMINED BY THE STATE BUDGET DIRECTOR. AS USED IN THIS SUBSECTION:**

**(A) "FEE" MEANS ANY BOARD-AUTHORIZED FEE THAT WILL BE PAID BY MORE THAN 1/2 OF ALL RESIDENT UNDERGRADUATE STUDENTS AT LEAST ONCE DURING THEIR ENROLLMENT AT A PUBLIC UNIVERSITY. A UNIVERSITY INCREASING A FEE THAT APPLIES TO A SPECIFIC SUBSET OF STUDENTS OR COURSES SHALL PROVIDE SUFFICIENT INFORMATION TO PROVE THAT THE INCREASE APPLIED TO THAT SUBSET WILL NOT CAUSE THE INCREASE IN THE AVERAGE AMOUNT OF BOARD-AUTHORIZED TOTAL TUITION AND FEES PAID BY RESIDENT UNDERGRADUATE STUDENTS IN THE 2011-2012 ACADEMIC YEAR TO EXCEED THE LIMIT ESTABLISHED IN THIS SUBSECTION.**

**(B) "TUITION AND FEE RATE" MEANS THE AVERAGE OF RATES FOR ALL UNDERGRADUATE CLASSES, BASED ON THE HIGHEST BOARD-AUTHORIZED RATE FOR ANY SEMESTER DURING THE ACADEMIC YEAR.**

**(2) THE STATE BUDGET DIRECTOR SHALL IMPLEMENT UNIFORM REPORTING REQUIREMENTS TO ENSURE THAT A PUBLIC UNIVERSITY RECEIVING AN APPROPRIATION UNDER SECTION 236 HAS SATISFIED THE TUITION RESTRAINT REQUIREMENTS OF THIS SECTION. THE STATE BUDGET DIRECTOR SHALL HAVE THE SOLE AUTHORITY TO DETERMINE IF A PUBLIC UNIVERSITY HAS MET THE REQUIREMENTS OF THIS SECTION. INFORMATION REPORTED BY A PUBLIC UNIVERSITY TO THE STATE BUDGET DIRECTOR UNDER THIS SUBSECTION SHALL ALSO BE REPORTED TO THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION AND THE HOUSE AND SENATE FISCAL AGENCIES.**

**(3) IN CONJUNCTION WITH THE UNIFORM REPORTING REQUIREMENTS ESTABLISHED UNDER SUBSECTION (2), EACH PUBLIC UNIVERSITY SHALL ALSO REPORT THE FOLLOWING INFORMATION TO THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION, THE HOUSE AND SENATE FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR BY AUGUST 31, 2011:**

**(A) ACTUAL FISCAL YEAR 2010-2011 AND BUDGETED FISCAL YEAR 2011-2012 TOTAL GENERAL FUND TUITION AND FEE REVENUE.**

**(B) ACTUAL FISCAL YEAR 2010-2011 AND BUDGETED FISCAL YEAR 2011-2012 TOTAL GENERAL FUND REVENUE.**

**(C) ACTUAL FISCAL YEAR 2010-2011 AND BUDGETED FISCAL YEAR 2011-2012 GENERAL FUND EXPENDITURES FOR STUDENT FINANCIAL AID.**

**(D) ACTUAL FISCAL YEAR 2010-2011 AND BUDGETED FISCAL YEAR 2011-2012 TOTAL GENERAL FUND EXPENDITURES.**

**(E) ACTUAL FISCAL YEAR 2010-2011 AND BUDGETED FISCAL YEAR 2011-2012 TOTAL FISCAL YEAR EQUATED STUDENT ENROLLMENT.**

**SEC. 266. IT IS THE INTENT OF THE LEGISLATURE THAT, IN SUBSEQUENT BUDGET YEARS, PUBLIC UNIVERSITY OPERATIONS FUNDING APPROPRIATED BY THE LEGISLATURE SHALL BE ALLOCATED TO EACH UNIVERSITY USING A FORMULA DEVELOPED AND ENACTED BY THE LEGISLATURE. SUCH A FORMULA SHALL INCENT UNIVERSITIES TO PROVIDE, IN A COST-EFFECTIVE AND TIMELY MANNER, POSTSECONDARY OPPORTUNITIES FOR STUDENTS THAT ARE BOTH ACCESSIBLE AND AFFORDABLE AND THAT RESULT IN A HIGHLY SKILLED WORKFORCE.**

**SEC. 267. ALL PUBLIC UNIVERSITIES SHALL SUBMIT THE AMOUNT OF TUITION AND FEES ACTUALLY CHARGED TO A FULL-TIME RESIDENT UNDERGRADUATE STUDENT FOR ACADEMIC YEAR 2011-2012 AS PART OF THEIR HIGHER EDUCATION INSTITUTIONAL DATA INVENTORY (HEIDI) DATA BY AUGUST 31, 2011. A PUBLIC UNIVERSITY SHALL REPORT ANY REVISIONS FOR ANY SEMESTER OF THE REPORTED ACADEMIC YEAR 2011-2012 TUITION AND FEE CHARGES TO HEIDI WITHIN 15 DAYS OF BEING ADOPTED.**

**SEC. 268. FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2012, 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.**

**SEC. 269. FROM THE AMOUNT APPROPRIATED IN SECTION 236 TO CENTRAL MICHIGAN UNIVERSITY FOR OPERATIONS, \$29,700.00 SHALL BE PAID TO SAGINAW CHIPPEWA TRIBAL COLLEGE FOR THE COSTS OF WAIVING TUITION FOR NORTH AMERICAN INDIANS UNDER 1976 PA 174, MCL 390.1251 TO 390.1253.**

**SEC. 270. FROM THE AMOUNT APPROPRIATED IN SECTION 236 TO LAKE SUPERIOR STATE UNIVERSITY FOR OPERATIONS, \$100,000.00 SHALL BE PAID TO BAY MILLS COMMUNITY COLLEGE FOR THE COSTS OF WAIVING TUITION FOR NORTH AMERICAN INDIANS UNDER 1976 PA 174, MCL 390.1251 TO 390.1253.**

**SEC. 270A. 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 TECHNOLOGY, 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. 271. BY FEBRUARY 15, 2012, EACH PUBLIC UNIVERSITY RECEIVING FUNDS IN SECTION 236 SHALL SUBMIT A REPORT TO THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION, THE HOUSE AND SENATE FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR REGARDING ACADEMIC PROGRAM ACCREDITATION. THE REPORT SHALL INCLUDE A LIST OF ALL INDIVIDUALLY ACCREDITED ACADEMIC PROGRAMS AT THE UNIVERSITY, THE ASSOCIATED ACCREDITING BODIES, AND THE TIME PERIODS FOR WHICH EACH ACCREDITATION IS VALID, AS WELL AS AN ACCOUNTING OF ALL FEES, DUES, AND OTHER DIRECT EXPENDITURES MADE BY THE UNIVERSITY FOR EACH PROGRAM ACCREDITATION PROCESS CONDUCTED IN THE PRIOR YEAR. EXPENDITURE DATA MAY BE REPORTED ON EITHER A CALENDAR YEAR OR FISCAL YEAR BASIS.**

**SEC. 272. BY FEBRUARY 15, 2012, EACH PUBLIC UNIVERSITY RECEIVING FUNDS UNDER SECTION 236 SHALL SUBMIT A REPORT TO THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION, THE HOUSE AND SENATE FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR REGARDING THE REJECTION OF TRANSFER CREDITS BY THE UNIVERSITY IN THE PRIOR YEAR. THE REPORT SHALL INCLUDE INFORMATION ON THE NUMBER OF CREDITS EARNED BY INCOMING STUDENTS AT OTHER POSTSECONDARY INSTITUTIONS, WITH THE EQUIVALENT OF A LETTER GRADE OF C OR HIGHER, THAT WERE REJECTED BY THE UNIVERSITY FOR TRANSFER, REPORTED BY BOTH ACADEMIC PROGRAM AREA AND PRIOR INSTITUTION, ALONG WITH EXPLANATORY INFORMATION REGARDING THE RATIONALE FOR THE REJECTION OF THE CREDITS. DATA MAY BE REPORTED ON EITHER AN ACADEMIC OR CALENDAR YEAR BASIS.**

**SEC. 273. IT IS THE INTENT OF THE LEGISLATURE THAT EACH PUBLIC UNIVERSITY SHALL SUBMIT A REPORT TO THE HOUSE AND SENATE APPROPRIATIONS COMMITTEES, THE HOUSE AND SENATE FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR BY OCTOBER 15, 2011, ON THE UNIVERSITY'S EFFORTS TO ACCOMMODATE THE SINCERELY HELD RELIGIOUS BELIEFS OF STUDENTS ENROLLED IN ACCREDITED COUNSELING DEGREE PROGRAMS AT THE UNIVERSITY.**

**SEC. 274. IT IS THE INTENT OF THE LEGISLATURE THAT EACH PUBLIC UNIVERSITY THAT HAS RECEIVED A DONATION OF HUMAN EMBRYOS THAT IS SUBJECT TO SECTION 27 OF ARTICLE I OF THE STATE CONSTITUTION OF 1963, OR THAT IS CONDUCTING ONGOING RESEARCH USING HUMAN EMBRYONIC STEM CELLS DERIVED FROM DONATED HUMAN EMBRYOS PURSUANT TO SECTION 27 OF ARTICLE I OF THE STATE CONSTITUTION OF 1963, SHALL SUBMIT A REPORT TO THE DIRECTOR OF THE DEPARTMENT OF COMMUNITY HEALTH BY DECEMBER 1, 2011 THAT INCLUDES ALL OF THE FOLLOWING:**

**(A) THE NUMBER OF HUMAN EMBRYOS AND THE NUMBER OF HUMAN EMBRYO STEM CELL LINES RECEIVED BY THE UNIVERSITY DURING FISCAL YEAR 2010-2011.**

**(B) THE NUMBER OF HUMAN EMBRYOS UTILIZED FOR RESEARCH PURPOSES DURING FISCAL YEAR 2010-2011.**

**(C) THE NUMBER OF HUMAN EMBRYO STEM CELL LINES CREATED FROM THE EMBRYOS RECEIVED DURING FISCAL YEAR 2010-2011.**

**(D) THE NUMBER OF DONATED HUMAN EMBRYOS BEING HELD IN STORAGE BY THE UNIVERSITY AS OF SEPTEMBER 30, 2011.**

**(E) THE NUMBER OF RESEARCH PROJECTS USING HUMAN EMBRYONIC STEM CELLS DERIVED FROM DONATED EMBRYOS BEING CONDUCTED BY THE UNIVERSITY.**

**SEC. 274A. (1) IT IS THE INTENT OF THE LEGISLATURE THAT A PUBLIC UNIVERSITY RECEIVING FUNDS IN SECTION 236 NOT PROVIDE HEALTH INSURANCE OR OTHER FRINGE BENEFITS FOR ANY ADULT CORESIDENT OF AN EMPLOYEE OF THE UNIVERSITY WHO IS NOT MARRIED TO OR A DEPENDENT OF THAT EMPLOYEE OR FOR ANY DEPENDENT OF SUCH AN ADULT CORESIDENT.**

**(2) IT IS THE INTENT OF THE LEGISLATURE THAT EACH PUBLIC UNIVERSITY RECEIVING FUNDS IN SECTION 236 SUBMIT A REPORT BY DECEMBER 1, 2011 TO THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION, THE HOUSE AND SENATE FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR CONTAINING THE NUMBER OF INDIVIDUALS DESCRIBED IN SUBSECTION (1)**

**WHO RECEIVED HEALTH INSURANCE OR OTHER FRINGE BENEFITS PROVIDED BY THE UNIVERSITY IN FISCAL YEAR 2010-2011 AND THE COST TO THE UNIVERSITY OF PROVIDING THOSE BENEFITS.**

**SEC. 275. (1) IT IS THE INTENT OF THE LEGISLATURE THAT EACH PUBLIC UNIVERSITY RECEIVING AN APPROPRIATION IN SECTION 236 DO ALL OF THE FOLLOWING:**

**(A) MEET THE PROVISIONS OF SECTION 5003 OF THE POST-911 VETERANS EDUCATIONAL ASSISTANCE ACT OF 2008, 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.**

**(D) INCLUDE IN ITS ADMISSION APPLICATION PROCESS A SPECIFIC QUESTION AS TO WHETHER AN APPLICANT FOR ADMISSION IS A VETERAN, AN ACTIVE MEMBER OF THE MILITARY, A MEMBER OF THE NATIONAL GUARD OR MILITARY RESERVES, OR THE SPOUSE OR DEPENDENT OF A VETERAN, ACTIVE MEMBER OF THE MILITARY, OR MEMBER OF THE NATIONAL GUARD OR MILITARY RESERVES, IN ORDER TO MORE QUICKLY IDENTIFY POTENTIAL EDUCATIONAL ASSISTANCE AVAILABLE TO THAT APPLICANT.**

**(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.**

**SEC. 275A. FUNDS APPROPRIATED IN SECTION 236 SHALL NOT BE USED TO PAY FOR THE CONSTRUCTION OR MAINTENANCE OF A SELF-LIQUIDATING PROJECT. A PUBLIC UNIVERSITY 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. THE APPROPRIATION IN SECTION 236 FOR A PUBLIC UNIVERSITY THAT FAILS TO COMPLY WITH JCOS REPORTING REQUIREMENTS SHALL BE REDUCED BY 1% FOR EACH VIOLATION.**

**SEC. 276. (1) INCLUDED IN THE APPROPRIATION FOR EACH PUBLIC UNIVERSITY IN SECTION 236 IS FUNDING FOR THE MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA PARKS FUTURE FACULTY PROGRAM THAT IS INTENDED TO INCREASE THE POOL OF ACADEMICALLY OR ECONOMICALLY DISADVANTAGED CANDIDATES PURSUING FACULTY TEACHING CAREERS IN POSTSECONDARY EDUCATION. PREFERENCE MAY NOT BE GIVEN TO APPLICANTS ON THE BASIS OF RACE, COLOR, ETHNICITY, GENDER, OR NATIONAL ORIGIN. INSTITUTIONS SHOULD ENCOURAGE APPLICATIONS FROM APPLICANTS WHO WOULD OTHERWISE NOT ADEQUATELY BE REPRESENTED IN THE GRADUATE STUDENT AND FACULTY POPULATIONS. EACH PUBLIC UNIVERSITY SHALL APPLY THE PERCENTAGE CHANGE APPLICABLE TO EVERY PUBLIC UNIVERSITY IN THE CALCULATION OF APPROPRIATIONS IN SECTION 236 TO THE AMOUNT OF FUNDS ALLOCATED TO THE FUTURE FACULTY PROGRAM.**

**(2) THE PROGRAM SHALL BE ADMINISTERED BY EACH PUBLIC UNIVERSITY IN A MANNER PRESCRIBED BY THE WORKFORCE DEVELOPMENT AGENCY. THE WORKFORCE DEVELOPMENT AGENCY SHALL USE A GOOD FAITH EFFORT STANDARD TO EVALUATE WHETHER A FELLOWSHIP IS IN DEFAULT.**

**SEC. 277. (1) INCLUDED IN THE APPROPRIATION FOR EACH PUBLIC UNIVERSITY IN SECTION 236 IS FUNDING FOR THE MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA PARKS COLLEGE DAY PROGRAM THAT IS INTENDED TO INTRODUCE ACADEMICALLY OR ECONOMICALLY DISADVANTAGED SCHOOLCHILDREN TO THE POTENTIAL OF A COLLEGE EDUCATION. PREFERENCE MAY NOT BE GIVEN TO PARTICIPANTS ON THE BASIS OF RACE, COLOR, ETHNICITY, GENDER, OR NATIONAL ORIGIN. PUBLIC UNIVERSITIES SHOULD ENCOURAGE PARTICIPATION FROM THOSE WHO WOULD OTHERWISE NOT ADEQUATELY BE REPRESENTED IN THE STUDENT POPULATION.**

**(2) INDIVIDUAL PROGRAM PLANS OF EACH PUBLIC UNIVERSITY SHALL INCLUDE A BUDGET OF EQUAL CONTRIBUTIONS FROM THIS PROGRAM, THE PARTICIPATING PUBLIC UNIVERSITY, THE PARTICIPATING SCHOOL DISTRICT, AND THE PARTICIPATING INDEPENDENT DEGREE-GRANTING**

**COLLEGE. COLLEGE DAY FUNDS SHALL NOT BE EXPENDED TO COVER INDIRECT COSTS. NOT MORE THAN 20% OF THE UNIVERSITY MATCH SHALL BE ATTRIBUTABLE TO INDIRECT COSTS. EACH PUBLIC UNIVERSITY SHALL APPLY THE PERCENTAGE CHANGE APPLICABLE TO EVERY PUBLIC UNIVERSITY IN THE CALCULATION OF APPROPRIATIONS IN SECTION 236 TO THE AMOUNT OF FUNDS ALLOCATED TO THE COLLEGE DAY PROGRAM.**

**(3) THE PROGRAM DESCRIBED IN THIS SECTION SHALL BE ADMINISTERED BY EACH PUBLIC UNIVERSITY IN A MANNER PRESCRIBED BY THE WORKFORCE DEVELOPMENT AGENCY.**

**SEC. 278. (1) INCLUDED IN SECTION 236 IS FUNDING FOR THE MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA PARKS SELECT STUDENT SUPPORT SERVICES PROGRAM FOR DEVELOPING ACADEMICALLY OR ECONOMICALLY DISADVANTAGED STUDENT RETENTION PROGRAMS FOR 4-YEAR PUBLIC AND INDEPENDENT EDUCATIONAL INSTITUTIONS IN THIS STATE. PREFERENCE MAY NOT BE GIVEN TO PARTICIPANTS ON THE BASIS OF RACE, COLOR, ETHNICITY, GENDER, OR NATIONAL ORIGIN. INSTITUTIONS SHOULD ENCOURAGE PARTICIPATION FROM THOSE WHO WOULD OTHERWISE NOT ADEQUATELY BE REPRESENTED IN THE STUDENT POPULATION.**

**(2) AN AWARD MADE UNDER THIS PROGRAM TO ANY 1 INSTITUTION SHALL NOT BE GREATER THAN \$150,000.00, AND THE AMOUNT AWARDED SHALL BE MATCHED ON A 70% STATE, 30% COLLEGE OR UNIVERSITY BASIS.**

**(3) THE PROGRAM DESCRIBED IN THIS SECTION SHALL BE ADMINISTERED BY THE WORKFORCE DEVELOPMENT AGENCY.**

**SEC. 279. (1) INCLUDED IN SECTION 236 IS FUNDING FOR THE MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA PARKS COLLEGE/UNIVERSITY PARTNERSHIP PROGRAM BETWEEN 4-YEAR PUBLIC AND INDEPENDENT COLLEGES AND UNIVERSITIES AND PUBLIC COMMUNITY COLLEGES, WHICH IS INTENDED TO INCREASE THE NUMBER OF ACADEMICALLY OR ECONOMICALLY DISADVANTAGED STUDENTS WHO TRANSFER FROM COMMUNITY COLLEGES INTO BACCALAUREATE PROGRAMS. PREFERENCE MAY NOT BE GIVEN TO PARTICIPANTS ON THE BASIS OF RACE, COLOR, ETHNICITY, GENDER, OR NATIONAL ORIGIN. INSTITUTIONS SHOULD ENCOURAGE PARTICIPATION FROM THOSE WHO WOULD OTHERWISE NOT ADEQUATELY BE REPRESENTED IN THE TRANSFER STUDENT POPULATION.**

**(2) THE GRANTS SHALL BE MADE UNDER THE PROGRAM DESCRIBED IN THIS SECTION TO MICHIGAN PUBLIC AND INDEPENDENT COLLEGES AND UNIVERSITIES. AN AWARD TO ANY 1 INSTITUTION SHALL NOT BE GREATER THAN \$150,000.00, AND THE AMOUNT AWARDED SHALL BE MATCHED ON A 70% STATE, 30% COLLEGE OR UNIVERSITY BASIS.**

**(3) THE PROGRAM DESCRIBED IN THIS SECTION SHALL BE ADMINISTERED BY THE WORKFORCE DEVELOPMENT AGENCY.**

**SEC. 280. (1) INCLUDED IN THE APPROPRIATION FOR EACH PUBLIC UNIVERSITY IN SECTION 236 IS FUNDING FOR THE MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA PARKS VISITING PROFESSORS PROGRAM WHICH IS INTENDED TO INCREASE THE NUMBER OF INSTRUCTORS IN THE CLASSROOM TO PROVIDE ROLE MODELS FOR ACADEMICALLY OR ECONOMICALLY DISADVANTAGED STUDENTS. PREFERENCE MAY NOT BE GIVEN TO PARTICIPANTS ON THE BASIS OF RACE, COLOR, ETHNICITY, GENDER, OR NATIONAL ORIGIN. PUBLIC UNIVERSITIES SHOULD ENCOURAGE PARTICIPATION FROM THOSE WHO WOULD OTHERWISE NOT ADEQUATELY BE REPRESENTED IN THE STUDENT POPULATION.**

**(2) THE PROGRAM DESCRIBED IN THIS SECTION SHALL BE ADMINISTERED BY THE WORKFORCE DEVELOPMENT AGENCY.**

**SEC. 281. (1) INCLUDED IN THE APPROPRIATION IN SECTION 236 IS FUNDING UNDER THE MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA PARKS INITIATIVE FOR THE MORRIS HOOD, JR. EDUCATOR DEVELOPMENT PROGRAM WHICH IS INTENDED TO INCREASE THE NUMBER OF ACADEMICALLY OR ECONOMICALLY DISADVANTAGED STUDENTS WHO ENROLL IN AND COMPLETE K-12 TEACHER EDUCATION PROGRAMS AT THE BACCALAUREATE LEVEL. PREFERENCE MAY NOT BE GIVEN TO PARTICIPANTS ON THE BASIS OF RACE, COLOR, ETHNICITY, GENDER, OR NATIONAL ORIGIN. INSTITUTIONS SHOULD ENCOURAGE PARTICIPATION FROM THOSE WHO WOULD OTHERWISE NOT ADEQUATELY BE REPRESENTED IN THE TEACHER EDUCATION STUDENT POPULATION.**

**(2) THE PROGRAM DESCRIBED IN THIS SECTION SHALL BE ADMINISTERED BY EACH STATE-APPROVED TEACHER EDUCATION INSTITUTION IN A MANNER PRESCRIBED BY THE WORKFORCE DEVELOPMENT AGENCY.**

**(3) APPROVED TEACHER EDUCATION INSTITUTIONS MAY AND ARE ENCOURAGED TO USE STUDENT SUPPORT SERVICES FUNDING IN COORDINATION WITH THE MORRIS HOOD, JR. FUNDING TO ACHIEVE THE GOALS OF THE PROGRAM DESCRIBED IN THIS SECTION.**

**SEC. 282. EACH INSTITUTION RECEIVING FUNDS UNDER SECTION 278, 279, OR 281 SHALL NOTIFY THE WORKFORCE DEVELOPMENT AGENCY BY APRIL 15, 2012 AS TO WHETHER IT WILL EXPEND BY THE END OF ITS FISCAL YEAR THE FUNDS RECEIVED UNDER SECTION 278, 279, OR 281. NOTWITHSTANDING THE AWARD LIMITATIONS IN SECTIONS 278 AND 279, THE AMOUNT OF FUNDING REPORTED AS NOT BEING EXPENDED WILL BE REALLOCATED TO THE INSTITUTIONS THAT INTEND TO EXPEND ALL FUNDING RECEIVED UNDER SECTION 278, 279, OR 281.**

**SEC. 283. (1) FROM THE AMOUNT APPROPRIATED IN SECTION 236, THE PUBLIC UNIVERSITIES SHALL SYSTEMATICALLY INFORM MICHIGAN HIGH SCHOOLS REGARDING THE ACADEMIC STATUS OF STUDENTS FROM EACH HIGH SCHOOL IN A MANNER PRESCRIBED BY THE PRESIDENTS COUNCIL, STATE UNIVERSITIES OF MICHIGAN IN COOPERATION WITH THE MICHIGAN ASSOCIATION OF SECONDARY SCHOOL PRINCIPALS.**

**(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. 284. FROM THE AMOUNT APPROPRIATED IN SECTION 236, THE PUBLIC UNIVERSITIES SHALL INFORM MICHIGAN COMMUNITY COLLEGES REGARDING THE ACADEMIC STATUS OF COMMUNITY COLLEGE TRANSFER STUDENTS IN A MANNER PRESCRIBED BY THE PRESIDENTS COUNCIL, STATE UNIVERSITIES OF MICHIGAN IN COOPERATION WITH THE MICHIGAN COMMUNITY COLLEGE ASSOCIATION.**

**SEC. 285. PUBLIC UNIVERSITIES SHALL WORK WITH THE STATE COMMUNITY COLLEGES TO ENCOURAGE THE TRANSFER OF STUDENTS FROM THE COMMUNITY COLLEGES TO THE PUBLIC UNIVERSITIES AND TO FACILITATE THE TRANSFER OF CREDITS FROM THE COMMUNITY COLLEGES TO THE PUBLIC UNIVERSITIES.**

**SEC. 286. IT IS THE INTENT OF THE LEGISLATURE THAT PUBLIC UNIVERSITIES WORK WITH COMMUNITY COLLEGES IN THE STATE TO IMPLEMENT STATEWIDE REVERSE TRANSFER AGREEMENTS TO INCREASE THE NUMBER OF STUDENTS THAT ARE AWARDED CREDENTIALS OF VALUE UPON COMPLETION OF THE NECESSARY CREDITS. IN DOING SO, THE INSTITUTIONS SHOULD WORK COLLABORATIVELY AND COOPERATIVELY TO REMOVE ADMINISTRATIVE BARRIERS THAT RESULT IN UNDERSTATING THE ACADEMIC ATTAINMENT OF MICHIGAN'S CITIZENS. IT IS THE INTENT OF THE LEGISLATURE THAT BY AUGUST 1, 2012, STATEWIDE AGREEMENTS ARE IN PLACE BETWEEN COMMUNITY COLLEGES AND PUBLIC UNIVERSITIES THAT ENABLE STUDENTS WHO HAVE EARNED A SIGNIFICANT NUMBER OF CREDITS AT A COMMUNITY COLLEGE AND TRANSFER TO A BACCALAUREATE GRANTING INSTITUTION BEFORE COMPLETING A DEGREE TO TRANSFER THE CREDITS EARNED AT THE BACCALAUREATE INSTITUTION BACK TO THE COMMUNITY COLLEGE IN ORDER TO BE AWARDED A CREDENTIAL OF VALUE.**

**SEC. 289. (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 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, 2012.**

**(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. 290. (1) PURSUANT TO SECTION 289(2)(E), PUBLIC UNIVERSITIES MAY ESTABLISH THE FOLLOWING DEGREE PROGRAMS:**

**(A) BACHELOR'S DEGREE PROGRAMS:**

**CENTRAL MICHIGAN UNIVERSITY, ATHLETIC TRAINING, B.S.A.T.**  
**GRAND VALLEY STATE UNIVERSITY, COMPREHENSIVE SCIENCE AND ARTS FOR TEACHING (CSAT), B.A./B.S.**  
**NORTHERN MICHIGAN UNIVERSITY, FISHERIES AND WILDLIFE MANAGEMENT, B.S.**  
**NORTHERN MICHIGAN UNIVERSITY, GERMAN STUDIES, BACCALAUREATE**  
**OAKLAND UNIVERSITY, BACHELOR OF LIBERAL STUDIES, B.A.**  
**UNIVERSITY OF MICHIGAN-DEARBORN, BIO-ENGINEERING, B.S.E.**  
**UNIVERSITY OF MICHIGAN-DEARBORN, INTEGRATED SCIENCE, B.S.**  
**UNIVERSITY OF MICHIGAN-FLINT, ECONOMICS, B.S.**  
**UNIVERSITY OF MICHIGAN-FLINT, ENERGY AND SUSTAINABLE SYSTEMS, B.S.**  
**UNIVERSITY OF MICHIGAN-FLINT, ENGLISH WITH A SPECIALIZATION IN LINGUISTICS, B.A.**  
**WAYNE STATE UNIVERSITY, ASTRONOMY, B.A.**  
**WAYNE STATE UNIVERSITY, BIOMEDICAL ENGINEERING, B.S.**

**(B) MASTER'S DEGREE PROGRAMS:**

**EASTERN MICHIGAN UNIVERSITY, TEACHING - SECONDARY MATHEMATICS, M.A.**  
**MICHIGAN STATE UNIVERSITY, EDUCATION FOR THE HEALTH PROFESSIONS, M.A.**  
**MICHIGAN STATE UNIVERSITY, MARKETING RESEARCH, M.S.**  
**OAKLAND UNIVERSITY, CLINICAL NURSE LEADERSHIP, M.S.N**  
**OAKLAND UNIVERSITY, MASTER OF ARTS COMMUNICATION, M.A.C**  
**OAKLAND UNIVERSITY, MECHATRONICS, M.S.**  
**UNIVERSITY OF MICHIGAN-ANN ARBOR, ORAL AND MAXILLOFACIAL PATHOLOGY PROGRAM, M.S.**  
**UNIVERSITY OF MICHIGAN-FLINT, MASTER OF PUBLIC HEALTH, M.P.H.**  
**WAYNE STATE UNIVERSITY, ELECTRIC-DRIVE VEHICLE ENGINEERING, M.S.**  
**WESTERN MICHIGAN UNIVERSITY, ENGINEERING (CHEMICAL), M.S.**

**(C) DOCTORAL DEGREE PROGRAMS:**

**CENTRAL MICHIGAN UNIVERSITY, DOCTOR OF MEDICINE, M.D.**  
**MICHIGAN TECHNOLOGICAL UNIVERSITY, ENVIRONMENTAL AND ENERGY POLICY, PH.D.**  
**MICHIGAN TECHNOLOGICAL UNIVERSITY, GEOPHYSICS, PH.D.**  
**OAKLAND UNIVERSITY, DOCTOR OF MEDICINE, M.D.**  
**UNIVERSITY OF MICHIGAN-ANN ARBOR, DOCTOR OF NURSING PRACTICE, D.N.P.**  
**UNIVERSITY OF MICHIGAN-ANN ARBOR, DOCTORAL DEGREE GRANTING PROGRAM IN CANCER BIOLOGY, DOCTORAL**  
**UNIVERSITY OF MICHIGAN-DEARBORN, EDUCATION SPECIALIST, ED.S.**  
**UNIVERSITY OF MICHIGAN-FLINT, DOCTOR OF ANESTHESIA PRACTICE, DR.A.P.**

UNIVERSITY OF MICHIGAN-FLINT, DOCTOR OF OCCUPATIONAL THERAPY, DR.O.T.  
WESTERN MICHIGAN UNIVERSITY, ENGINEERING AND APPLIED SCIENCES, PH.D.

(2) THE LISTING OF DEGREE PROGRAMS IN SUBSECTION (1) DOES NOT CONSTITUTE LEGISLATIVE INTENT TO PROVIDE ADDITIONAL DOLLARS FOR THOSE PROGRAMS.

(3) WHEN SUBMITTING THE LISTING OF NEW DEGREE PROGRAMS FOR PURPOSES OF SECTION 289(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. 291. THE AUDITOR GENERAL MAY CONDUCT PERFORMANCE AUDITS OF PUBLIC UNIVERSITIES RECEIVING FUNDS IN SECTION 236 DURING THE FISCAL YEAR ENDING SEPTEMBER 30, 2012 AS THE AUDITOR GENERAL CONSIDERS NECESSARY.

SEC. 292. A PUBLIC UNIVERSITY RECEIVING FUNDS UNDER SECTION 236 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. 293. A PUBLIC UNIVERSITY RECEIVING FUNDS UNDER THIS ARTICLE 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.

SEC. 294. FOR THE STATE FISCAL YEAR ENDING SEPTEMBER 30, 2012, IN ADDITION TO THE APPROPRIATIONS UNDER SECTION 236, THERE IS APPROPRIATED FROM GENERAL FUND/GENERAL PURPOSE REVENUE, ON A 1-TIME BASIS ONLY, \$1,900,000.00 FOR THE FOLLOWING PURPOSES:

- (A) TO EASTERN MICHIGAN UNIVERSITY, FOR THE AUTISM COLLABORATIVE CENTER, \$500,000.00.
- (B) TO MICHIGAN STATE UNIVERSITY, FOR THE FACILITY FOR RARE ISOTOPE BEAMS, \$1,200,000.00.
- (C) TO WESTERN MICHIGAN UNIVERSITY, FOR ECONOMIC DEVELOPMENT AND COMMERCIALIZATION, \$200,000.00.

#### ARTICLE IV GENERAL PROVISIONS

SEC. 296. (1) IF THE MAXIMUM AMOUNT APPROPRIATED UNDER THIS ACT 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.

(2) IF THE TOTAL MAXIMUM AMOUNT APPROPRIATED UNDER ALL ARTICLES OF THIS ACT FROM THE STATE SCHOOL AID FUND AND THE SCHOOL AID STABILIZATION FUND 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, 56, AND 152A 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 (3). IF PRORATION IS NECESSARY, STATE PAYMENTS UNDER EACH OF THE OTHER SECTIONS OF ARTICLE I FROM ALL STATE FUNDING SOURCES, AND STATE APPROPRIATIONS TO COMMUNITY COLLEGES AND PUBLIC UNIVERSITIES UNDER ARTICLES II AND III FROM THE STATE SCHOOL AID FUND, SHALL BE PRORATED IN THE MANNER PRESCRIBED IN SUBSECTION (3) 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.

(3) IF PRORATION IS NECESSARY UNDER SUBSECTION (2), THE DEPARTMENT SHALL CALCULATE THE PRORATION IN DISTRICT AND INTERMEDIATE DISTRICT PAYMENTS UNDER ARTICLE I THAT IS REQUIRED UNDER SUBSECTION (2), AND THE DEPARTMENT OF TREASURY SHALL CALCULATE THE PRORATION IN COMMUNITY COLLEGE AND PUBLIC UNIVERSITY PAYMENTS UNDER ARTICLES II AND III THAT IS REQUIRED UNDER SUBSECTION (2), AS FOLLOWS:

(A) THE DEPARTMENT AND THE DEPARTMENT OF TREASURY SHALL CALCULATE THE PERCENTAGE OF TOTAL STATE SCHOOL AID FUND MONEY THAT IS APPROPRIATED AND ALLOCATED UNDER THIS ACT FOR THE AFFECTED FISCAL YEAR FOR EACH OF THE FOLLOWING:

(i) DISTRICTS.

(ii) INTERMEDIATE DISTRICTS.

(iii) ENTITIES RECEIVING FUNDING FROM THE STATE SCHOOL AID FUND UNDER ARTICLE I OTHER THAN DISTRICTS OR INTERMEDIATE DISTRICTS.

(iv) COMMUNITY COLLEGES AND PUBLIC UNIVERSITIES THAT RECEIVE FUNDING FROM THE STATE SCHOOL AID FUND.

(B) THE DEPARTMENT SHALL RECOVER A PERCENTAGE OF THE PRORATION AMOUNT REQUIRED UNDER SUBSECTION (2) 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, 53A, AND 152A, BY THAT AMOUNT.

(C) THE DEPARTMENT SHALL RECOVER A PERCENTAGE OF THE PRORATION AMOUNT REQUIRED UNDER SUBSECTION (2) 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, 56, AND 152A, ON AN EQUAL PERCENTAGE BASIS.

(D) THE DEPARTMENT SHALL RECOVER A PERCENTAGE OF THE PRORATION AMOUNT REQUIRED UNDER SUBSECTION (2) THAT IS EQUAL TO THE PERCENTAGE CALCULATED UNDER SUBDIVISION (A)(iii) FOR ENTITIES RECEIVING FUNDING FROM THE STATE SCHOOL AID FUND UNDER ARTICLE I 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.

(E) THE DEPARTMENT OF TREASURY SHALL RECOVER A PERCENTAGE OF THE PRORATION AMOUNT REQUIRED UNDER SUBSECTION (2) THAT IS EQUAL TO THE PERCENTAGE CALCULATED UNDER SUBDIVISION (A)(iv) FOR COMMUNITY COLLEGES AND PUBLIC UNIVERSITIES THAT RECEIVE FUNDING FROM THE STATE SCHOOL AID FUND BY REDUCING THAT PORTION OF THE PAYMENTS UNDER ARTICLES II AND III TO THESE COMMUNITY COLLEGES AND PUBLIC UNIVERSITIES THAT IS FROM THE STATE SCHOOL AID FUND ON AN EQUAL PERCENTAGE BASIS.

Enacting section 1. (1) In accordance with section 30 of article IX of the state constitution of 1963, total state spending on school aid under article I as amended by this amendatory act and in 2010 PA 217 from state sources for fiscal year 2010-2011 is estimated at \$10,775,902,900.00 and state appropriations for school aid to be paid to local units of government for fiscal year 2010-2011 are estimated at \$10,673,832,600.00; and total state spending on school aid under article I as amended by this amendatory act from state sources for fiscal year 2011-2012 is estimated at \$11,005,741,100.00 and state appropriations for school aid to be paid to local units of government for fiscal year 2011-2012 are estimated at \$10,716,987,100.00.

(2) In accordance with section 30 of article IX of the state constitution of 1963, total state spending from state sources for community colleges for fiscal year 2011-2012 under article II as added by this amendatory act is estimated at \$283,880,500.00 and the amount of that state spending from state sources to be paid to local units of government for fiscal year 2011-2012 is estimated at \$283,880,500.00.

(3) In accordance with section 30 of article IX of the state constitution of 1963, total state spending from state sources for higher education for fiscal year 2011-2012 under article III as added by this amendatory act is estimated at \$1,263,952,000.00 and the amount of that state spending from state sources to be paid to local units of government for fiscal year 2011-2012 is estimated at \$0.

Enacting section 2. Sections 11d, 11p, 20j, 20k, 29, 32c, 41, 64, 65, 92, 99i, 99p, 158b, and 166c, of the state school aid act of 1979, 1979 PA 94, MCL 388.1611d, 388.1611p, 388.1620j, 388.1620k, 388.1629, 388.1632c, 388.1641, 388.1664, 388.1665, 388.1692, 388.1699i, 388.1699p, 388.1758b, and 388.1766c, are repealed effective October 1, 2011.

Enacting section 3. (1) Except as otherwise provided in subsection (2), this amendatory act takes effect October 1, 2011.

(2) Sections 11, 11m, 22a, 22b, 51a, 51c, and 74 of the state school aid act of 1979, 1979 PA 94, MCL 388.1611, 388.1611m, 388.1622a, 388.1622b, 388.1651a, 388.1651c, and 388.1674, as amended by this amendatory act, take effect upon enactment of this amendatory act.

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

A bill to amend 1979 PA 94, entitled "An act to make appropriations to aid in the support of the public schools 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 the title and sections 2, 6, 11, 11a, 11g, 11j, 11k, 11m, 15, 18, 20, 20d, 22a, 22b, 22d, 22e, 24, 24a, 24c, 26a, 26b, 31a, 31d, 31f, 32b, 32d, 32j, 39, 39a, 40, 51a, 51c, 51d, 53a, 54, 56, 61a, 62, 74, 81, 93, 94a, 98, 99, 104, 107, 109, 147, and 152a (MCL 388.1602, 388.1606, 388.1611, 388.1611a, 388.1611g, 388.1611j, 388.1611k, 388.1611m, 388.1615, 388.1618, 388.1620, 388.1620d, 388.1622a, 388.1622b, 388.1622d, 388.1622e, 388.1624, 388.1624a, 388.1624c, 388.1626a, 388.1626b, 388.1631a, 388.1631d, 388.1631f, 388.1632b, 388.1632d, 388.1632j, 388.1639, 388.1639a, 388.1640, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1656, 388.1661a, 388.1662, 388.1674, 388.1681, 388.1693, 388.1694a, 388.1698, 388.1699, 388.1704, 388.1707, 388.1709, 388.1747, and 388.1752a), the title as amended by 2003 PA 158, sections 6, 11a, 11g, 11k, 15, 18, 20, 20d, 22b, 22d, 24, 24a, 26b, 31a, 31d, 31f, 32b, 32d, 32j, 39, 51c, 51d, 53a, 54, 61a, 62, 74, 98, 99, 107, and 147 as amended by 2010 PA 110, sections 11, 11m, 22a, 51a, and 56 as amended and section 152a as added by 2010 PA 217, sections 11j, 22e, 24c, 26a, 39a, 81, 94a, and 104 as amended and section 93 as added by 2010 PA 204, section 40 as amended by 2000 PA 297, and section 109 as amended by 1994 PA 283, by amending the heading of article I, and by adding sections 12, 22f, 147a, 147b and articles II, III, and IV; and to repeal acts and parts of acts.

Bill Rogers  
Chuck Moss  
Conferees for the House

Roger Kahn  
John Moolenaar  
Conferees for the Senate

The Speaker announced that under Joint Rule 9 the conference report would lie over one day.

Rep. Stamas moved pursuant to Joint Rule 9, that the Journal printing requirement be suspended, printed copies of the conference report having been made available to each Member.

The motion prevailed.

The question being on the adoption of the conference report,

The conference report was then adopted, a majority of the members serving voting therefor, by yeas and nays, as follows:

#### Roll Call No. 154

#### Yeas—59

Agema	Glardon	Lund	Potvin
Bolger	Goike	Lyons	Price
Bumstead	Haines	MacGregor	Pscholka
Callton	Haveman	MacMaster	Rendon
Cotter	Hooker	McBroom	Rogers
Crawford	Horn	McMillin	Schmidt, W.
Daley	Huuki	Moss	Scott
Damrow	Jacobsen	Nesbitt	Shaughnessy

Denby	Jenkins	O'Brien	Shirkey
Farrington	Johnson	Olson	Stamas
Forlini	Knollenberg	Opsommer	Tyler
Foster	Kowall	Ouimet	Walsh
Franz	Kurtz	Outman	Yonker
Genetski	LaFontaine	Pettalia	Zorn
Gilbert	Lori	Poleski	

### Nays—50

Ananich	Geiss	Lipton	Segal
Barnett	Hammel	Liss	Slavens
Bauer	Heise	McCann	Smiley
Bledsoe	Hobbs	Meadows	Somerville
Brown	Hovey-Wright	Melton	Stallworth
Brunner	Howze	Muxlow	Stanley
Byrum	Hughes	Nathan	Stapleton
Cavanagh	Irwin	Oakes	Switalski
Clemente	Jackson	Olumba	Talabi
Constan	Kandrevas	Rutledge	Tlaib
Darany	Lane	Santana	Townsend
Dillon	LeBlanc	Schmidt, R.	Womack
Durhal	Lindberg		

In The Chair: Walsh

Rep. Geiss, having reserved the right to explain his nay vote, made the following statement:

“Mr. Speaker and members of the House:

Many of my colleagues who voted for this bill have argued that adding more money to education is not the solution. The axiom of this argument must be that they consider less money to be the solution for our education issues. I fully refute that cutting funding for our schools is good for Michigan and her children.

As my son Michael prepares to enter Michigan public schools this fall at Holland Elementary, I am saddened and angry that the system I have paid into for 41 years has decided to shortchange my children and all Michigan’s children with the passage of this bill. This is unfair and will negatively impact the future generations of Michigan’s children.

I respectfully vote no.”

Rep. Tlaib, having reserved the right to explain her nay vote, made the following statement:

“Mr. Speaker and members of the House:

Educating our children must be our top priority if we want to ensure the economic viability of our state and maintain the quality of life for our families. Instead, this budget takes away School Aid funding from our K-12 grade children and gives it to community colleges and higher education. In the history of the Michigan Legislature, this type of raiding of the School Aid Fund has never been done. It goes against the core principal and intent of the School Aid Fund.

Under HB 4325, a total of \$395.9 million will be taken away from funds to educate our children to fund other departments. This budget bill rolls back the foundation allowance by \$470 per student. This would mean only \$6800/per student for Detroit children causing huge class size increases, more school closings, less administrative support and much needed supplement programs. In addition, it provides even deeper cuts by cutting: Declining Enrollment - \$20.0 million; Bilingual Education - \$2.8 million; Middle College Program - \$2.0 million; Precollege Engineering Programs - \$905,100; and Pontiac Positive Behavioral Support Program - \$300,000. As a product of bilingual education, complete elimination of the program is drastic and will cost Michigan more in the future.

Therefore, I voted no.”

**Second Reading of Bills****Senate Bill No. 104, entitled**

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending section 811e (MCL 257.811e), as amended by 2009 PA 99, and by adding section 811r.

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

The substitute (H-1) was not adopted, a majority of the members serving not voting therefor.

Rep. Opsommer moved to substitute (H-3) the bill.

The motion prevailed and the substitute (H-3) was adopted, a majority of the members serving voting therefor.

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

The motion prevailed.

**House Bill No. 4307, entitled**

A bill to amend 1974 PA 154, entitled "Michigan occupational safety and health act," by amending section 4 (MCL 408.1004).

Was read a second time, and the question being on the adoption of the proposed substitute (H-2) previously recommended by the Committee on Regulatory Reform,

The substitute (H-2) was adopted, a majority of the members serving voting therefor.

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

The motion prevailed.

**House Bill No. 4316, entitled**

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending section 705 (MCL 257.705), as amended by 2000 PA 214.

The bill was read a second time.

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

The motion prevailed.

**House Bill No. 4623, entitled**

A bill to amend 1964 PA 284, entitled "City income tax act," by amending sections 3 and 3c of chapter 1 (MCL 141.503 and 141.503c), section 3 as amended by 2007 PA 209 and section 3c as amended by 1998 PA 500.

Was read a second time, and the question being on the adoption of the proposed substitute (H-2) previously recommended by the Committee on Tax Policy,

The substitute (H-2) was adopted, a majority of the members serving voting therefor.

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

The motion prevailed.

**House Bill No. 4624, entitled**

A bill to amend 1990 PA 100, entitled "City utility users tax act," by amending the title and section 2 (MCL 141.1152), the title as amended by 1998 PA 548 and section 2 as amended by 2005 PA 197.

Was read a second time, and the question being on the adoption of the proposed substitute (H-2) previously recommended by the Committee on Tax Policy,

The substitute (H-2) was adopted, a majority of the members serving voting therefor.

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

The motion prevailed.

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Rep. Segal moved that Rep. Hobbs be excused temporarily from today's session.

The motion prevailed.

By unanimous consent the House returned to the order of

**Messages from the Senate**

**House Bill No. 4314, entitled**

A bill to amend 1991 PA 179, entitled “Michigan telecommunications act,” by amending sections 101, 102, 103, 201, 202, 205, 210, 213, 303, 304, 305, 305b, 309, 310a, 313, 315, 316, 353a, 401, 502, and 503 (MCL 484.2101, 484.2102, 484.2103, 484.2201, 484.2202, 484.2205, 484.2210, 484.2213, 484.2303, 484.2304, 484.2305, 484.2305b, 484.2309, 484.2310a, 484.2313, 484.2315, 484.2316, 484.2353a, 484.2401, 484.2502, and 484.2503), sections 101, 102, 103, 201, 202, 205, 210, 213, 303, 304, 305, 309, 315, 316, 401, and 502 as amended and sections 305b, 310a, and 353a as added by 2005 PA 235 and section 503 as amended by 2000 PA 295; and to repeal acts and parts of acts.

The Senate has substituted (S-2) the bill.

The Senate has passed the bill as substituted (S-2), ordered that it be given immediate effect and amended the title to read as follows:

A bill to amend 1991 PA 179, entitled “An act to regulate and insure the availability of certain telecommunication services; to prescribe the powers and duties of certain state agencies and officials; to prescribe penalties; and to repeal acts and parts of acts,” by amending sections 101, 102, 103, 201, 202, 205, 210, 213, 303, 304, 305, 305a, 305b, 309, 310a, 313, 315, 316, 353a, 401, 502, and 503 (MCL 484.2101, 484.2102, 484.2103, 484.2201, 484.2202, 484.2205, 484.2210, 484.2213, 484.2303, 484.2304, 484.2305, 484.2305a, 484.2305b, 484.2309, 484.2310a, 484.2313, 484.2315, 484.2316, 484.2353a, 484.2401, 484.2502, and 484.2503), sections 101, 102, 103, 201, 202, 205, 210, 213, 303, 304, 305, 309, 315, 316, 401, and 502 as amended and sections 305a, 305b, 310a, and 353a as added by 2005 PA 235 and section 503 as amended by 2000 PA 295, and by adding section 305c; and to repeal acts and parts of acts.

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

Rep. Stamas moved that Rule 42 be suspended.

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

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

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

**Roll Call No. 155**

**Yeas—105**

Agema	Gilbert	Lori	Rendon
Ananich	Glardon	Lund	Rogers
Bauer	Goike	Lyons	Rutledge
Bledsoe	Haines	MacGregor	Santana
Bolger	Hammel	MacMaster	Schmidt, R.
Brown	Haveman	McBroom	Schmidt, W.
Brunner	Heise	McCann	Scott
Bumstead	Hooker	McMillin	Segal
Byrum	Horn	Meadows	Shaughnessy
Callton	Hovey-Wright	Melton	Shirkey
Cavanagh	Howze	Moss	Slavens
Clemente	Hughes	Muxlow	Smiley
Constan	Huuki	Nathan	Somerville
Cotter	Jackson	Nesbitt	Stallworth
Crawford	Jacobsen	O’Brien	Stamas
Daley	Jenkins	Oakes	Stanley
Damrow	Johnson	Olson	Stapleton
Darany	Kandrevas	Olumba	Switalski
Denby	Knollenberg	Opsommer	Talabi
Dillon	Kowall	Quimet	Tlaib
Durhal	Kurtz	Outman	Townsend
Farrington	LaFontaine	Pettalia	Tyler
Forlini	Lane	Poleski	Walsh
Foster	LeBlanc	Potvin	Womack
Franz	Lindberg	Price	Yonker
Geiss	Lipton	Pscholka	Zorn
Genetski			

**Nays—3**

Barnett

Irwin

Liss

In The Chair: Walsh

The House agreed to the title as amended.

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

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

By unanimous consent the House returned to the order of

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

The Clerk announced that the following Senate bills had been received on Wednesday, May 25:

**Senate Bill Nos. 287 346**

The Clerk announced the enrollment printing and presentation to the Governor on Thursday, May 26, for his approval of the following bills:

**Enrolled House Bill No. 4152 at 1:02 p.m.**

**Enrolled House Bill No. 4389 at 1:04 p.m.**

The Clerk announced that the following bills and joint resolution had been printed and placed upon the files of the members on Thursday, May 26:

**House Bill Nos. 4679 4680 4681 4682 4683**

**House Joint Resolution CC**

**Reports of Standing Committees**

The Committee on Local, Intergovernmental, and Regional Affairs, by Rep. Ouimet, Chair, reported

**Senate Bill No. 212, entitled**

A bill to provide firefighter training programs to certain individuals; and to provide for certain firefighter examinations. Without amendment and with the recommendation that the bill pass.

The bill was referred to the order of Second Reading of Bills.

**Favorable Roll Call**

To Report Out:

Yeas: Reps. Ouimet, Pettalia, Crawford, Daley, Hughes, LaFontaine, Shaughnessy, Rendon, Stanley, Constan, Townsend, Stapleton, Rutledge and Lane

Nays: None

**COMMITTEE ATTENDANCE REPORT**

The following report, submitted by Rep. Ouimet, Chair, of the Committee on Local, Intergovernmental, and Regional Affairs, was received and read:

Meeting held on: Thursday, May 26, 2011

Present: Reps. Ouimet, Pettalia, Crawford, Daley, Hughes, LaFontaine, Shaughnessy, Rendon, Stanley, Constan, Townsend, Stapleton, Rutledge and Lane

Absent: Rep. Price  
Excused: Rep. Price

The Committee on Oversight, Reform, and Ethics, by Rep. McMillin, Chair, reported

**House Bill No. 4420, entitled**

A bill to amend 1980 PA 300, entitled "The public school employees retirement act of 1979," by amending sections 6 and 7 (MCL 38.1306 and 38.1307), as amended by 1995 PA 272.

With the recommendation that the bill be referred to the Committee on Education.

Favorable Roll Call

To Report Out:

Yeas: Reps. McMillin, Jacobsen, Denby, Price, Bledsoe and Brown

Nays: None

The recommendation was concurred in and the bill was referred to the Committee on Education.

COMMITTEE ATTENDANCE REPORT

The following report, submitted by Rep. McMillin, Chair, of the Committee on Oversight, Reform, and Ethics, was received and read:

Meeting held on: Thursday, May 26, 2011

Present: Reps. McMillin, Jacobsen, Denby, Price, Bledsoe and Brown

COMMITTEE ATTENDANCE REPORT

The following report, submitted by Rep. Haines, Chair, of the Committee on Health Policy, was received and read:

Meeting held on: Thursday, May 26, 2011

Present: Reps. Haines, Callton, Opsommer, Kurtz, Wayne Schmidt, Shirkey, Hooker, Huuki, Muxlow, Yonker, Liss, Stallworth, Darany, Segal, Womack and Hovey-Wright

Absent: Rep. Scott

Excused: Rep. Scott

COMMITTEE ATTENDANCE REPORT

The following report, submitted by Rep. Walsh, Chair, of the Committee on Judiciary, was received and read:

Meeting held on: Thursday, May 26, 2011

Present: Reps. Walsh, Heise, Horn, Scott, Damrow, Muxlow, Jacobsen, Pettalia, Somerville, Constan, Brown, Irwin, Cavanagh and Olumba

Absent: Reps. Gilbert, Meadows and Oakes

Excused: Reps. Gilbert, Meadows and Oakes

**Messages from the Senate**

**House Bill No. 4441, entitled**

A bill to amend 1978 PA 368, entitled "Public health code," by amending sections 22208 and 22210 (MCL 333.22208 and 333.22210), section 22208 as amended by 1993 PA 88 and section 22210 as amended by 2006 PA 195.

The Senate has passed the bill, ordered that it be given immediate effect and pursuant to Joint Rule 20, inserted the full title.

The House agreed to the full title.

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

**House Bill No. 4442, entitled**

A bill to amend 1969 PA 306, entitled "Administrative procedures act of 1969," by amending section 7 (MCL 24.207), as amended by 2000 PA 216.

The Senate has passed the bill, ordered that it be given immediate effect and pursuant to Joint Rule 20, inserted the full title.

The House agreed to the full title.

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

**House Bill No. 4443, entitled**

A bill to amend 1939 PA 280, entitled "The social welfare act," by amending section 109 (MCL 400.109), as amended by 2006 PA 576.

The Senate has passed the bill, ordered that it be given immediate effect and pursuant to Joint Rule 20, inserted the full title.

The House agreed to the full title.

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

**Senate Bill No. 287, entitled**

A bill to amend 1933 PA 254, entitled "The motor carrier act," by amending section 2 of article V (MCL 479.2), as amended by 2008 PA 584.

The Senate has passed the bill.

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

**Senate Bill No. 346, entitled**

A bill to amend 1953 PA 232, entitled "Corrections code of 1953," by amending section 33d (MCL 791.233d), as amended by 2001 PA 86.

The Senate has passed the bill.

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

By unanimous consent the House returned to the order of

**Reports of Select Committees****Senate Bill No. 172, entitled**

A bill 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, 2012; to provide for the expenditure of those appropriations; to provide anticipated appropriations for the fiscal year ending September 30, 2013; 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 Senate has adopted the report of the Committee of Conference and ordered that the bill be given immediate effect.

The Conference Report was read as follows:

**First Conference Report**

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

**Senate Bill No. 172, entitled**

A bill 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, 2012; to provide for the expenditure of those appropriations; to provide anticipated appropriations for the fiscal year ending September 30, 2013; 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.

Recommends:

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

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

A bill 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, 2012; to provide for the expenditure of those appropriations; to provide anticipated appropriations for the fiscal year ending September 30, 2013; 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**

**FOR FISCAL YEAR 2011-2012**

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, 2012, 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 .....	3,634.2	
Average population .....	893.0	
<b>GROSS APPROPRIATION .....</b>		<b>\$ 14,241,316,400</b>
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....	6,569,400	
<b>ADJUSTED GROSS APPROPRIATION .....</b>		<b>\$ 14,234,747,000</b>
Federal revenues:		
Total federal revenues.....	8,986,611,000	
Special revenue funds:		
Total local revenues .....	250,605,900	
Total private revenues .....	96,494,700	
Merit award trust fund.....	86,744,500	
Total other state restricted revenues .....	2,043,107,400	
State general fund/general purpose .....		<b>\$ 2,771,183,500</b>

**Sec. 102. DEPARTMENTWIDE ADMINISTRATION**

Full-time equated unclassified positions.....	6.0	
Full-time equated classified positions .....	175.2	
Director and other unclassified—6.0 FTE positions .....		<b>\$ 583,900</b>
Departmental administration and management—165.2 FTE positions .....		21,787,400
Worker’s compensation program .....		8,754,700
Rent and building occupancy .....		9,252,200
Developmental disabilities council and projects—10.0 FTE positions .....		2,855,700
<b>GROSS APPROPRIATION .....</b>		<b>\$ 43,233,900</b>

Appropriated from:

Federal revenues:		
Total federal revenues.....	13,632,700	
Special revenue funds:		
Total private revenues .....	35,100	
Total other state restricted revenues .....	749,500	
State general fund/general purpose .....		<b>\$ 28,816,600</b>

**Sec. 103. MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION AND SPECIAL PROJECTS**

Full-time equated classified positions .....	111.5	
Mental health/substance abuse program administration—110.5 FTE positions.....		<b>\$ 17,586,800</b>
Gambling addiction—1.0 FTE position .....		3,000,000
Protection and advocacy services support.....		194,400
Community residential and support services.....		1,777,200
Federal and other special projects .....		2,497,200
Family support subsidy .....		19,470,500
Housing and support services.....		9,306,800
<b>GROSS APPROPRIATION .....</b>		<b>\$ 53,832,900</b>

For Fiscal Year  
Ending Sept. 30,  
2012

Appropriated from:	
Federal revenues:	
Total federal revenues.....	37,101,600
Special revenue funds:	
Total private revenues.....	390,000
Total other state restricted revenues.....	3,000,000
State general fund/general purpose .....	\$ 13,341,300

**Sec. 104. COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES**

**PROGRAMS**

Full-time equated classified positions .....	9.5	
Medicaid mental health services .....		\$ 2,149,977,900
Community mental health non-Medicaid services .....		273,908,100
Medicaid adult benefits waiver.....		32,056,100
Mental health services for special populations .....		5,842,800
Medicaid substance abuse services.....		46,709,700
CMHSP, purchase of state services contracts.....		134,201,900
Civil service charges .....		1,499,300
Federal mental health block grant—2.5 FTE positions.....		15,397,500
State disability assistance program substance abuse services .....		2,018,800
Community substance abuse prevention, education, and treatment programs .....		81,737,500
Children’s waiver home care program.....		18,944,800
Nursing home PAS/ARR-OBRA—7.0 FTE positions.....		12,179,300
Children with serious emotional disturbance waiver.....		8,188,000
<b>GROSS APPROPRIATION.....</b>		<b>\$ 2,782,661,700</b>

Appropriated from:

Interdepartmental grant revenues:	
Interdepartmental grant from the department of human services.....	2,769,000
Federal revenues:	
Total federal revenues.....	1,584,568,500
Special revenue funds:	
Total local revenues.....	25,228,900
Total other state restricted revenues .....	22,314,900
State general fund/general purpose .....	\$ 1,147,780,400

**Sec. 105. STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL HEALTH SERVICES**

Total average population.....	893.0	
Full-time equated classified positions .....	2,194.2	
Caro regional mental health center - psychiatric hospital - adult—468.3 FTE positions.....		\$ 56,772,200
Average population .....	185.0	
Kalamazoo psychiatric hospital - adult—483.1 FTE positions.....		54,782,400
Average population .....	189.0	
Walter P. Reuther psychiatric hospital - adult—433.3 FTE positions.....		52,297,800
Average population .....	234.0	
Hawthorn center - psychiatric hospital - children and adolescents—230.9 FTE positions.....		27,075,900
Average population .....	75.0	
Center for forensic psychiatry—578.6 FTE positions.....		66,767,900
Average population .....	210.0	
Revenue recapture .....		750,000
IDEA, federal special education.....		120,000
Special maintenance .....		332,500
Purchase of medical services for residents of hospitals and centers.....		445,600
Gifts and bequests for patient living and treatment environment .....		1,000,000
<b>GROSS APPROPRIATION.....</b>		<b>\$ 260,344,300</b>

Appropriated from:

Interdepartmental grant revenues:	
Federal revenues:	
Total federal revenues.....	29,921,200

For Fiscal Year  
Ending Sept. 30,  
2012

Special revenue funds:	
CMHSP, purchase of state services contracts.....	134,201,900
Other local revenues .....	17,494,500
Total private revenues .....	1,000,000
Total other state restricted revenues .....	15,948,400
State general fund/general purpose .....	\$ 61,778,300

**Sec. 106. PUBLIC HEALTH ADMINISTRATION**

Full-time equated classified positions .....	91.7
Public health administration—7.3 FTE positions.....	\$ 1,557,200
Healthy Michigan fund programs.....	5,000,000
Minority health grants and contracts—3.0 FTE positions .....	612,700
Promotion of healthy behaviors.....	975,900
Vital records and health statistics—81.4 FTE positions .....	9,442,800
GROSS APPROPRIATION .....	\$ 17,588,600

Appropriated from:

Interdepartmental grant revenues:

Interdepartmental grant from the department of human services.....	1,171,500
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Federal revenues:

Total federal revenues.....	4,887,900
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Special revenue funds:

Total private revenues.....	300,000
Total other state restricted revenues .....	9,974,700
State general fund/general purpose .....	\$ 1,254,500

**Sec. 107. HEALTH POLICY**

Full-time equated classified positions .....	66.8
Emergency medical services program state staff—23.0 FTE positions .....	\$ 4,850,300
Emergency medical services grants and services .....	660,000
Health policy administration—24.4 FTE positions .....	4,150,800
Nurse education and research program—3.0 FTE positions .....	744,200
Certificate of need program administration—14.0 FTE positions .....	2,071,100
Rural health services—1.0 FTE position .....	1,410,300
Michigan essential health provider.....	872,700
Primary care services—1.4 FTE positions .....	2,886,900
GROSS APPROPRIATION .....	\$ 17,646,300

Appropriated from:

Interdepartmental grant revenues:

Interdepartmental grant from the department of treasury, Michigan state hospital finance authority.....	116,300
Interdepartmental grant from the department of licensing and regulatory affairs.....	2,040,700

Federal revenues:

Total federal revenues.....	5,432,600
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Special revenue funds:

Total local revenues.....	100,000
Total private revenues.....	255,000
Total other state restricted revenues .....	6,232,600
State general fund/general purpose .....	\$ 3,469,100

**Sec. 108. INFECTIOUS DISEASE CONTROL**

Full-time equated classified positions .....	50.7
AIDS prevention, testing, and care programs—12.7 FTE positions .....	\$ 59,449,300
Immunization local agreements.....	11,975,200
Immunization program management and field support—15.0 FTE positions.....	1,786,300
Pediatric AIDS prevention and control—1.0 FTE position.....	1,231,400
Sexually transmitted disease control local agreements .....	3,360,700
Sexually transmitted disease control management and field support—22.0 FTE positions .....	3,743,300
GROSS APPROPRIATION .....	\$ 81,546,200

For Fiscal Year  
Ending Sept. 30,  
2012

Appropriated from:	
Federal revenues:	
Total federal revenues.....	43,541,200
Special revenue funds:	
Total private revenues.....	27,707,700
Total other state restricted revenues .....	7,470,600
State general fund/general purpose .....	\$ 2,826,700
<b>Sec. 109. LABORATORY SERVICES</b>	
Full-time equated classified positions .....	111.0
Laboratory services—111.0 FTE positions .....	\$ 17,183,900
GROSS APPROPRIATION .....	\$ 17,183,900
Appropriated from:	
Interdepartmental grant revenues:	
Interdepartmental grant from the department of environmental quality .....	471,900
Federal revenues:	
Total federal revenues.....	2,092,300
Special revenue funds:	
Total other state restricted revenues .....	8,267,600
State general fund/general purpose .....	\$ 6,352,100
<b>Sec. 110. EPIDEMIOLOGY</b>	
Full-time equated classified positions .....	126.7
AIDS surveillance and prevention program .....	\$ 2,254,100
Asthma prevention and control—2.6 FTE positions .....	856,900
Bioterrorism preparedness—66.6 FTE positions.....	49,286,900
Epidemiology administration—40.0 FTE positions .....	8,202,000
Lead abatement program—7.0 FTE positions.....	2,647,700
Newborn screening follow-up and treatment services—10.5 FTE positions .....	5,337,800
Tuberculosis control and prevention.....	867,000
GROSS APPROPRIATION .....	\$ 69,452,400
Appropriated from:	
Federal revenues:	
Total federal revenues.....	61,271,300
Special revenue funds:	
Total private revenues.....	25,000
Total other state restricted revenues .....	6,367,900
State general fund/general purpose .....	\$ 1,788,200
<b>Sec. 111. LOCAL HEALTH ADMINISTRATION AND GRANTS</b>	
Full-time equated classified positions .....	2.0
Essential local public health services.....	\$ 37,386,100
Implementation of 1993 PA 133, MCL 333.17015 .....	20,000
Local health services—2.0 FTE positions.....	500,000
Medicaid outreach cost reimbursement to local health departments.....	9,000,000
GROSS APPROPRIATION .....	\$ 46,906,100
Appropriated from:	
Federal revenues:	
Total federal revenues.....	9,500,000
Special revenue funds:	
Total local revenues.....	5,150,000
State general fund/general purpose .....	\$ 32,256,100
<b>Sec. 112. CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION</b>	
Full-time equated classified positions .....	75.5
Cancer prevention and control program—12.0 FTE positions.....	\$ 14,298,200
Chronic disease control and health promotion administration—33.4 FTE positions.....	5,950,100
Diabetes and kidney program—12.2 FTE positions.....	1,777,600
Public health traffic safety coordination—1.0 FTE position.....	87,500

	For Fiscal Year Ending Sept. 30, 2012
Smoking prevention program—14.0 FTE positions .....	2,075,000
Violence prevention—2.9 FTE positions.....	2,123,200
GROSS APPROPRIATION .....	\$ 26,311,600
Appropriated from:	
Federal revenues:	
Total federal revenues.....	23,884,200
Special revenue funds:	
Total private revenues.....	61,600
Total other state restricted revenues .....	649,700
State general fund/general purpose .....	\$ 1,716,100
<b>Sec. 113. FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES</b>	
Full-time equated classified positions .....	55.1
Childhood lead program—6.0 FTE positions.....	\$ 1,598,400
Dental programs—3.0 FTE positions.....	992,000
Dental program for persons with developmental disabilities .....	151,000
Family, maternal, and children's health services administration—43.6 FTE positions .....	6,047,700
Family planning local agreements.....	9,085,700
Local MCH services.....	7,018,100
Pregnancy prevention program .....	602,100
Prenatal care outreach and service delivery support .....	3,794,200
Special projects—2.5 FTE positions .....	8,397,800
Sudden infant death syndrome program.....	321,300
GROSS APPROPRIATION .....	\$ 38,008,300
Appropriated from:	
Federal revenues:	
Total federal revenues.....	32,846,800
Special revenue funds:	
Total local revenues.....	75,000
State general fund/general purpose .....	\$ 5,086,500
<b>Sec. 114. WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAM</b>	
Full-time equated classified positions .....	45.0
Women, infants, and children program administration and special projects—45.0 FTE positions..	\$ 15,900,800
Women, infants, and children program local agreements and food costs .....	253,825,500
GROSS APPROPRIATION .....	\$ 269,726,300
Appropriated from:	
Federal revenues:	
Total federal revenues.....	211,112,500
Special revenue funds:	
Total private revenues.....	58,613,800
State general fund/general purpose .....	\$ 0
<b>Sec. 115. CHILDREN'S SPECIAL HEALTH CARE SERVICES</b>	
Full-time equated classified positions .....	47.8
Children's special health care services administration—45.0 FTE positions.....	\$ 5,245,700
Bequests for care and services—2.8 FTE positions .....	1,511,400
Outreach and advocacy.....	3,773,500
Nonemergency medical transportation .....	2,679,300
Medical care and treatment .....	294,056,500
GROSS APPROPRIATION .....	\$ 307,266,400
Appropriated from:	
Federal revenues:	
Total federal revenues.....	175,308,200
Special revenue funds:	
Total private revenues.....	996,800
Total other state restricted revenues .....	3,843,600
State general fund/general purpose .....	\$ 127,117,800

For Fiscal Year  
Ending Sept. 30,  
2012

<b>Sec. 116. CRIME VICTIM SERVICES COMMISSION</b>	
Full-time equated classified positions .....	13.0
Grants administration services—13.0 FTE positions .....	\$ 1,811,300
Justice assistance grants .....	19,106,100
Crime victim rights services grants .....	16,570,000
<b>GROSS APPROPRIATION</b> .....	<u>\$ 37,487,400</u>
Appropriated from:	
Federal revenues:	
Total federal revenues.....	23,467,200
Special revenue funds:	
Total other state restricted revenues .....	14,020,200
State general fund/general purpose .....	\$ 0
<b>Sec. 117. OFFICE OF SERVICES TO THE AGING</b>	
Full-time equated classified positions .....	43.5
Office of services to aging administration—43.5 FTE positions .....	\$ 6,408,800
Community services .....	35,314,400
Nutrition services .....	35,430,200
Foster grandparent volunteer program.....	2,233,600
Retired and senior volunteer program .....	627,300
Senior companion volunteer program .....	1,604,400
Employment assistance.....	3,792,500
Respite care program.....	5,868,700
<b>GROSS APPROPRIATION</b> .....	<u>\$ 91,279,900</u>
Appropriated from:	
Federal revenues:	
Total federal revenues.....	57,159,200
Special revenue funds:	
Total private revenues.....	677,500
Merit award trust fund.....	4,468,700
Total other state restricted revenues .....	1,400,000
State general fund/general purpose .....	\$ 27,574,500
<b>Sec. 118. MEDICAL SERVICES ADMINISTRATION</b>	
Full-time equated classified positions .....	415.0
Medical services administration—415.0 FTE positions.....	\$ 65,057,000
Facility inspection contract .....	132,800
MiChild administration .....	4,327,800
<b>GROSS APPROPRIATION</b> .....	<u>\$ 69,517,600</u>
Appropriated from:	
Federal revenues:	
Total federal revenues.....	47,476,900
Special revenue funds:	
Total local revenues.....	105,900
Total private revenues.....	100,000
Total other state restricted revenues .....	110,100
State general fund/general purpose .....	\$ 21,724,700
<b>Sec. 119. MEDICAL SERVICES</b>	
Hospital services and therapy.....	\$ 1,273,299,300
Hospital disproportionate share payments.....	45,000,000
Physician services.....	303,223,900
Medicare premium payments .....	409,169,400
Pharmaceutical services.....	338,717,500
Home health services.....	6,791,100
Hospice services.....	139,637,700
Transportation.....	16,009,800
Auxiliary medical services .....	6,252,100
Dental services .....	162,930,800

	For Fiscal Year Ending Sept. 30, 2012
Ambulance services .....	10,900,000
Long-term care services .....	1,686,454,600
Medicaid home- and community-based services waiver .....	229,921,000
Adult home help services .....	289,032,800
Personal care services.....	14,421,500
Program of all-inclusive care for the elderly .....	30,707,800
Health plan services .....	4,093,812,400
MIChild program.....	51,753,100
Plan first family planning waiver .....	13,089,200
Medicaid adult benefits waiver.....	105,877,700
Special indigent care payments .....	88,518,500
Federal Medicare pharmaceutical program .....	185,599,300
Maternal and child health.....	20,279,500
Subtotal basic medical services program .....	9,521,399,000
School-based services.....	91,296,500
Special Medicaid reimbursement.....	339,382,000
Subtotal special medical services payments.....	430,678,500
GROSS APPROPRIATION .....	\$ 9,952,077,500
Appropriated from:	
Federal revenues:	
Total federal revenues.....	6,579,215,500
Special revenue funds:	
Total local revenues .....	68,249,700
Total private revenues .....	6,332,200
Merit award trust fund.....	82,275,800
Total other state restricted revenues .....	1,940,891,700
State general fund/general purpose .....	\$ 1,275,112,600
<b>Sec. 120. INFORMATION TECHNOLOGY</b>	
Information technology services and projects.....	\$ 33,521,400
Michigan Medicaid information system .....	25,723,700
GROSS APPROPRIATION .....	\$ 59,245,100
Appropriated from:	
Federal revenues:	
Total federal revenues.....	44,191,200
Special revenue funds:	
Total other state restricted revenues .....	1,865,900
State general fund/general purpose .....	\$ 13,188,000

PART 2  
PROVISIONS CONCERNING APPROPRIATIONS  
FOR FISCAL YEAR 2011-2012

**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 2011-2012 is \$4,901,035,400.00 and state spending from state resources to be paid to local units of government for fiscal year 2011-2012 is \$1,417,739,700.00. 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.....	\$ 258,500
Housing and support services.....	599,800
<b>COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS</b>	
State disability assistance program substance abuse services .....	\$ 2,018,000
Community substance abuse prevention, education, and treatment programs .....	14,576,700
Medicaid mental health services .....	702,753,600
Community mental health non-Medicaid services .....	273,908,100
Mental health services for special populations .....	5,842,800

Medicaid adult benefits waiver.....	10,854,200
Medicaid substance abuse services.....	15,815,900
Children’s waiver home care program.....	5,906,800
Nursing home PASARR .....	2,717,200
<b>HEALTH POLICY, REGULATION, AND PROFESSIONS</b>	
Primary care services .....	\$ 88,900
<b>INFECTIOUS DISEASE CONTROL</b>	
AIDS prevention, testing, and care programs .....	\$ 1,000,000
Sexually transmitted disease control local agreements .....	175,200
<b>LABORATORY SERVICES</b>	
Laboratory services .....	\$ 13,700
<b>LOCAL HEALTH ADMINISTRATION AND GRANTS</b>	
Implementation of 1993 PA 133, MCL 333.17015 .....	\$ 8,000
Essential local public health services.....	32,256,100
<b>CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION</b>	
Cancer prevention and control program .....	\$ 450,000
Chronic disease control and health promotion administration .....	75,000
<b>FAMILY, MATERNAL, AND CHILDREN’S HEALTH SERVICES</b>	
Childhood lead program.....	\$ 51,100
Prenatal care outreach and service delivery support .....	1,500,000
<b>CHILDREN’S SPECIAL HEALTH CARE SERVICES</b>	
Medical care and treatment .....	\$ 1,409,900
Outreach and advocacy.....	1,237,500
<b>MEDICAL SERVICES</b>	
Dental services .....	\$ 2,536,000
Long-term care services .....	285,952,300
Transportation.....	2,971,900
Medicaid adult benefits waiver.....	6,246,800
Hospital services and therapy.....	4,965,500
Physician services.....	3,774,800
<b>OFFICE OF SERVICES TO THE AGING</b>	
Community services .....	\$ 12,233,500
Nutrition services .....	8,787,000
Foster grandparent volunteer program.....	679,800
Retired and senior volunteer program.....	175,000
Senior companion volunteer program .....	215,000
Respite care program.....	5,384,800
<b>CRIME VICTIM SERVICES COMMISSION</b>	
Crime victim rights services grants.....	\$ 10,300,000
<b>TOTAL OF PAYMENTS TO LOCAL UNITS OF GOVERNMENT .....</b>	<b>\$ 1,417,739,700</b>

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

Sec. 203. As used in this act:

- (a) “AIDS” means acquired immunodeficiency syndrome.
- (b) “CMHSP” means a community mental health services program as that term is defined in section 100a of the mental health code, 1974 PA 258, MCL 330.1100a.
- (c) “Current fiscal year” means the fiscal year ending September 30, 2012.
- (d) “Department” means the department of community health.
- (e) “Director” means the director of the department.
- (f) “DSH” means disproportionate share hospital.
- (g) “EPSDT” means early and periodic screening, diagnosis, and treatment.
- (h) “Federal health care reform legislation” means the patient protection and affordable care act, Public Law 111-148, and the health care and education reconciliation act of 2010, Public Law 111-152.
- (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) “GME” means graduate medical education.
- (k) “Health plan” means, at a minimum, an organization that meets the criteria for delivering the comprehensive package of services under the department’s comprehensive health plan.
- (l) “HEDIS” means healthcare effectiveness data and information set.

(m) "HIV" means human immunodeficiency virus.

(n) "HMO" means health maintenance organization.

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

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

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

(r) "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, and 42 USC 1396r.

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

(t) "Title XVIII" and "Medicare" mean title XVIII of the social security act, 42 USC 1395 to 1395kkk.

(u) "Title XIX" and "Medicaid" mean title XIX of the social security act, 42 USC 1396 to 1396w-5.

(v) "Title XX" means title XX of the social security act, 42 USC 1397 to 1397m-5.

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

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$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 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. 208. Unless otherwise specified, the departments 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 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. If the revenue collected by the department from fees and collections exceeds the amount appropriated in part 1, the revenue may be carried forward with the approval of the state budget director into the subsequent fiscal year. The revenue carried forward under this section shall be used as the first source of funds in the subsequent fiscal year.

Sec. 212. (1) On or before February 1 of the current fiscal year, the department shall report to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director on the detailed name and amounts of federal, restricted, private, and local sources of revenue that support the appropriations in each of the line items in part 1.

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

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

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

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

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

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

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

Sec. 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 of the current fiscal year 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.

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

(a) Immunizations.

(b) Communicable disease control.

(c) Sexually transmitted disease control.

(d) Tuberculosis control.

(e) Prevention of gonorrhea eye infection in newborns.

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

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

(h) Prenatal care.

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

(a) A detailed description of each funded project.

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

(c) The expected project duration.

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

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

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

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

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

(2) The department shall provide written or verbal biannual reports to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies summarizing the status of any new or ongoing discussions

with the centers for Medicare and Medicaid services or the federal department of health and human services regarding potential or future Medicaid waiver applications.

Sec. 265. The department and agencies receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. Federal and state guidelines for short-term and long-term retention of records shall be followed. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 266. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2012 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.

Sec. 267. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 270. Within 180 days after receipt of the notification from the attorney general's office of a legal action in which expenses had been recovered pursuant to section 106(4) of the social welfare act, 1939 PA 280, MCL 400.106, or any other statute under which the department has the right to recover expenses, the department shall submit a written report to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget office which includes, at a minimum, all of the following:

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

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

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

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

Sec. 276. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those 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 and the Salvation Army harbor light program that receive payment or reimbursement from funds appropriated under section 104.

(b) Area agencies on aging and local providers 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. 287. Not later than November 15, 2011, 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 previous fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the office of the state budget, the chairpersons of the senate and house of representatives standing appropriations committees, and the senate and house fiscal agencies.

Sec. 292. (1) The department shall maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following:

(a) Fiscal year-to-date expenditures by category.

(b) Fiscal year-to-date expenditures by appropriation unit.

(c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.

(d) The number of active department employees by job classification.

(e) Job specifications and wage rates.

(2) The department may develop and operate its own website to provide this information or may reference the state's central transparency website as the source for this information.

Sec. 294. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of technology, management, and budget. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 295. The department shall explore program and other service areas, including eligibility determination, where privatization may lead to increased efficiencies and budgetary savings.

Sec. 296. Within 14 days after the release of the executive budget recommendation, the department shall provide the state budget director, the senate and house appropriations chairs, the senate and house appropriations subcommittees on community health, respectively, and the senate and house fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2011 and September 30, 2012.

#### **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 mental health services for special populations, 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 mental health services for special populations shall not be utilized for services provided to illegal immigrants, fugitive felons, and individuals who are not residents of this state. The department shall maintain contracts with recipients of multicultural services grants that mandate grantees establish that recipients of services are legally residing in the United States. An exception to the contractual provision shall be allowed to address individuals presenting with emergent mental health conditions.

(3) The department shall require an annual report from the independent organizations that receive mental health services for special populations funding. The annual report, due January 1 of the current fiscal year, shall include specific information on services and programs provided, the client base to which the services and programs were provided, information on any wrap around services provided, and the expenditures for those services. The department shall provide the annual reports to the senate and house appropriations subcommittees on community health 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 individuals in the service delivery system who have requested and are clinically appropriate for different services.

(h) Lapses and carryforwards during the immediately preceding fiscal year for CMHSPs 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. 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 coordinating agency fee schedules 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 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. The department shall report to the legislature by April 1 of the current fiscal year on any such discussions.

Sec. 408. (1) By April 1 of the current fiscal year, the department shall report the following data from the prior fiscal year on substance 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. 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 individuals with serious mental illness, serious emotional disturbance, or developmental disability from possible jail incarceration when appropriate.

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

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

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

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

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

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

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

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

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

Sec. 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. 462. (1) With the exception of administrative costs, in order to implement the fiscal year 2011-2012 funding reduction to the community mental health non-Medicaid services line, the department shall further implement the funding formula that was partially implemented during fiscal year 2009-2010 in which the funding reduction does not exceed 4% for each CMHSP.

(2) The department may convene a workgroup including CMHSPs regarding the allocation of the current fiscal year administrative reduction of up to \$3,400,000.00.

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 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. 490. (1) The department shall continue a workgroup to develop a plan to maximize uniformity and consistency in the standards required of providers contracting directly with PIHPs, CMHSPs, and substance abuse coordinating agencies. These standards shall apply to community living supports, personal care services, substance abuse services, skill-building services, and other similar supports and services providers who contract with PIHPs, CMHSPs, and substance abuse coordinating agencies or their contractors.

(2) The workgroup shall include representatives of the department, PIHPs, CMHSPs, substance abuse coordinating agencies, and affected providers. The standards shall include, but are not limited to, contract language, training requirements for direct support staff, performance indicators, financial and program audits, and billing procedures.

(3) The department shall provide a status report on the workgroup's efforts to the senate and house appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director by June 1 of the current fiscal year.

Sec. 491. The department shall explore changes in program policy in the habilitation supports waiver for persons with developmental disabilities that would permit the movement of a slot that has become available to a county that has demonstrated a greater need for the services.

Sec. 492. If a CMHSP has entered into an agreement with a county or county sheriff to provide mental health services to the inmates of the county jail, the department shall not prohibit the use of state general fund/general purpose dollars by CMHSPs to provide mental health services to inmates of a county jail.

Sec. 494. (1) In order to avoid duplication of efforts, the department shall utilize applicable national accreditation review criteria to determine compliance with corresponding state requirements for CMHSPs, PIHPs, or subcontracting provider agencies that have been reviewed and accredited by a national accrediting entity for behavioral health care services.

(2) Upon a coordinated submission by the CMHSPs, PIHPs, or subcontracting provider agencies, a listing of program requirements that are part of the state program review criteria but are not reviewed by an applicable national accrediting entity, the department shall review the listing and provide a recommendation to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget office as to whether or not state program review should continue. The CMHSPs, PIHPs, or subcontracting agencies may request the department to convene a workgroup to fulfill this section.

(3) The department shall continue to comply with state and federal law and shall not initiate an action that negatively impacts beneficiary safety.

(4) As used in this section, "national accrediting entity" means the joint commission on accreditation of healthcare organizations, the commission on accreditation of rehabilitation facilities, the council of accreditation, or other appropriate entity, as approved by the department.

(5) By July 1 of the current fiscal year, the department shall provide a progress report to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget office on implementation of this section.

Sec. 495. It is the intent of the legislature that the department begin working with the centers for Medicare and Medicaid services to develop a program that creates a medical home for the individuals receiving Medicaid mental health benefits.

Sec. 496. CMHSPs and PIHPs are permitted to offset state funding reductions by limiting the administrative component of their contracts with providers and case management to a maximum of 9%.

Sec. 497. The population data used in determining the distribution of substance abuse block grant funds shall be from the most recent federal census.

#### **STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL HEALTH SERVICES**

Sec. 601. The department shall continue a revenue recapture project to generate additional revenues from third parties related to cases that have been closed or are inactive. A portion of revenues collected through project efforts may be used for departmental costs and contractual fees associated with these retroactive collections and to improve ongoing departmental reimbursement management functions.

Sec. 602. 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. 605. (1) The department shall not implement any closures or consolidations of state hospitals, centers, or agencies until CMHSPs or PIHPs have programs and services in place for those individuals currently in those facilities and a plan for service provision for those individuals who would have been admitted to those facilities.

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

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

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

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

Sec. 608. Effective October 1, 2011, the department, in consultation with the department of technology, management, and budget, may maintain a bid process to identify 1 or more private contractors to provide food service and custodial services for the administrative areas at any state hospital identified by the department as capable of generating savings through the outsourcing of such services.

**PUBLIC HEALTH ADMINISTRATION**

Sec. 650. The department shall report to the senate and house appropriations subcommittees on community health by April 1 of the current fiscal year on its criteria and methodology used to derive the information provided to residents in the annual Michigan fish advisory.

Sec. 653. The department shall maintain plans to address potential state public health emergencies.

**HEALTH POLICY**

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

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

**INFECTIOUS DISEASE CONTROL**

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.

**LOCAL HEALTH ADMINISTRATION AND GRANTS**

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

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

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

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

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

**CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION**

Sec. 1004. It is the intent of the legislature that the department continue to collaborate with the county of St. Clair and the city of Detroit southwest community to investigate and evaluate cancer rates.

**FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES**

Sec. 1103. Beginning January 3, 2012, the department shall annually issue to the legislature, and to the public on the Internet, a report providing estimated public funds administered by the department for family planning, sexually transmitted infection prevention and treatment, and pregnancies and births, as well as demographics collected by the department as self-reported by individuals utilizing those services.

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

(a) Funding allocations.

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

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

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

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

Sec. 1106. Each family planning program receiving federal title X family planning funds under 42 USC 300 to 300a-8 shall be in compliance with all performance and quality assurance indicators that the office of 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. 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. 1117. Contingent upon the availability of federal or state restricted funds, the department may pursue efforts to reduce the incidence of stillbirth. Efforts shall include the establishment of a program to increase public awareness of stillbirth, promote education to monitor fetal movements counting kicks, promote a uniform definition of stillbirth, standardize data collection of stillbirths, and collaborate with appropriate federal agencies and statewide organizations. The department shall seek federal or other grant funds to assist in implementing this program.

Sec. 1119. From the funds appropriated in part 1 for family planning local agreements or pregnancy prevention programs, no state funds shall be used to encourage or support abortion services.

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) If funds become available, provision of the school health education curriculum, such as the Michigan model for health or another comprehensive school health education curriculum, shall be in accordance with the health education goals established by the Michigan model steering committee. The steering committee shall be composed 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 mental health and substance abuse administration 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.

#### **WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAM**

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

- (a) Provide special formula for eligible clients with specified metabolic and allergic disorders.
- (b) Provide medical care and treatment to eligible patients with cystic fibrosis who are 21 years of age or older.
- (c) Provide medical care and treatment to eligible patients with hereditary coagulation defects, commonly known as hemophilia, who are 21 years of age or older.
- (d) Provide human growth hormone to eligible patients.

Sec. 1204. By October 1, 2011, the department shall report to the senate and house appropriations committees on community health and the senate and house fiscal agencies on its plan for enrolling Medicaid eligible children's special health care services recipients in the Medicaid health plans. The report shall include information on which Medicaid health plans are participating, the methods used to assure continuity of care and continuity of ongoing relationships with providers, and projected savings from the implementation of the proposal.

#### **CRIME VICTIM SERVICES COMMISSION**

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

**OFFICE OF SERVICES TO THE AGING**

Sec. 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. 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. 1420. If funds become available, the department shall create a pilot project to establish an aging care management services program with services provided solely by nurses. This pilot project shall be established in a county with a population greater than 150,000 but less than 250,000.

**MEDICAL SERVICES**

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

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

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

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

(4) The department shall modify program policies to permit individuals eligible for the transitional medical assistance plus program, as structured in fiscal year 2009-2010, to access medical assistance coverage through a 100% cost share.

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

Sec. 1606. For the purpose of guardian and conservator charges, the department 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. 1611. (1) For care provided to medical services recipients with other third-party sources of payment, medical services reimbursement shall not exceed, in combination with such other resources, including Medicare, those amounts established for medical services-only patients. The medical services payment rate shall be accepted as payment in full. Other than an approved medical services co-payment, no portion of a provider's charge shall be billed to the recipient or any person acting on behalf of the recipient. Nothing in this section shall be considered to affect the level of payment from a third-party source other than the medical services program. The department shall require a nonenrolled provider to accept medical services payments as payment in full.

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

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

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

Sec. 1627. (1) The department shall use procedures and rebate 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, and children's special health care services.

(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. Medicaid coverage for adult dental and podiatric 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.

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

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

- (a) Two dollars for a physician office visit.
- (b) Three dollars for a hospital emergency room visit.
- (c) Fifty dollars for the first day of an inpatient hospital stay.
- (d) One dollar for an outpatient hospital visit.

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

Sec. 1642. The department shall allow ambulatory surgery centers in this state to fully participate in the Medicaid program.

Sec. 1657. (1) Reimbursement for medical services to screen and stabilize a Medicaid recipient, including stabilization of a psychiatric crisis, in a hospital emergency room shall not be made contingent on obtaining prior authorization from the recipient's HMO. If the recipient is discharged from the emergency room, the hospital shall notify the recipient's HMO within 24 hours of the diagnosis and treatment received.

(2) If the treating hospital determines that the recipient will require further medical service or hospitalization beyond the point of stabilization, that hospital shall receive authorization from the recipient's HMO prior to admitting the recipient.

(3) Subsections (1) and (2) do not require an alteration to an existing agreement between an HMO and its contracting hospitals and do not require an HMO to reimburse for services that are not considered to be medically necessary.

Sec. 1659. The following sections of this 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: 404, 411, 418, 428, 474, 494, 1607, 1657, 1662, 1689, 1699, 1740, 1764, 1787, 1815, 1820, 1835, 1850, and 1853.

Sec. 1662. (1) The department shall assure that an external quality review of each contracting HMO is performed that results in an analysis and evaluation of aggregated information on quality, timeliness, and access to health care services that the HMO or its contractors furnish to Medicaid beneficiaries.

(2) The department shall require Medicaid HMOs to provide EPSDT utilization data through the encounter data system, and HEDIS well child health measures in accordance with the national committee for quality assurance prescribed methodology.

(3) The department shall provide a copy of the analysis of the Medicaid HMO annual audited HEDIS reports and the annual external quality review report to the senate and house of representatives appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director, within 30 days of the department's receipt of the final reports from the contractors.

Sec. 1670. (1) The appropriation in part 1 for the MICHild program is to be used to provide comprehensive health care to all children under age 19 who reside in families with income at or below 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. 1673. The department may establish premiums for MICHild eligible individuals in families with income above 150% of the federal poverty level. The monthly premiums shall not be less than \$10.00 or exceed \$15.00 for a family.

Sec. 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/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. 1684. The department shall submit a report by September 30 of the current fiscal year 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, shall 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. 1689. (1) Priority in enrolling additional individuals 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 individuals are admitted to nursing homes who would be more appropriately served by the Medicaid home- and community-based services waiver program. It is the intent of the legislature that when an individual is transferred from a nursing home to the home- and community-based services waiver program, the funding to cover that individual's home- and community-based services waiver program costs shall be transferred from the long-term care services line item to the Medicaid home- and community-based services waiver line item. 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) Within 60 days of the end of each fiscal year, 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 year. 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) The department shall maintain 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. 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. 1699. (1) The department may make separate payments in the amount of \$45,000,000.00 directly to qualifying hospitals serving a disproportionate share of indigent patients and to hospitals providing GME training programs. If direct payment for GME and DSH is made to qualifying hospitals for services to Medicaid clients, hospitals shall not include GME costs or DSH payments in their contracts with HMOs.

(2) The department shall allocate \$45,000,000.00 in DSH funding using the distribution methodology used in fiscal year 2003-2004.

(3) By September 30 of the current fiscal year, the department shall report to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies on the new distribution of funding to each eligible hospital from the GME and DSH pools.

(4) The department shall form a workgroup on DSH funding consisting of representatives from hospitals and hospital systems receiving DSH funding and the Michigan health and hospital association. The workgroup shall work to derive

a new DSH formula or formulas designed to provide equitable payments to qualifying hospitals. The department shall report to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies on the results of the workgroup's efforts by March 1 of the current fiscal year.

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, emergency medical technician 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. 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. 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. 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 may disapprove requests or discontinue interim payments that result in financial risk to this state. The department shall make reasonable efforts to ensure that the interim payments are as similar in amount to expected cost-settled payments.

Sec. 1756. The department shall develop a plan to expand and improve the beneficiary monitoring program. 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. 1757. The department shall direct the department of human services to obtain proof from all Medicaid recipients that they are legal United States citizens or otherwise legally residing in this country and that they are residents of this state before approving Medicaid eligibility.

Sec. 1764. The department shall annually certify rates paid to Medicaid health plans 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. 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. 1775. If the state's application for a waiver to implement managed care for dual Medicare/Medicaid eligible is approved by the federal government, by April 1, 2012 the department shall provide a report to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies. This report shall include information on the amount of Medicare funding that would be provided to the state, the number of individuals who would be enrolled in the program, which health plans would be among those providing the services, and the estimated savings from the new program.

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. 1787. The department shall require the managed care enrollment broker to maintain telephone numbers of Medicaid beneficiaries and provide each Medicaid health plan with the telephone number of that health plan's enrollees on a monthly basis.

Sec. 1793. The department shall consider the development of a pilot project that focuses on the prevention of preventable hospitalizations from nursing homes.

Sec. 1804. The department, in cooperation with the department of human services, shall work with the federal public assistance reporting information system to identify Medicaid recipients who are veterans and who may be eligible for federal veterans health care benefits or other benefits.

Sec. 1815. From the funds appropriated in part 1 for health plan services, the department shall not implement a capitation withhold as part of the overall capitation rate schedule that exceeds the 0.19% withhold administered during fiscal year 2008-2009.

Sec. 1820. (1) In order to avoid duplication of efforts, the department shall utilize applicable national accreditation review criteria to determine compliance with corresponding state requirements for Medicaid health plans that have been reviewed and accredited by a national accrediting entity for health care services.

(2) Upon submission by Medicaid health plans of a listing of program requirements that are part of the state program review criteria but are not reviewed by an applicable national accrediting entity, the department shall review the listing and provide a recommendation to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget office as to whether or not state program review should continue. The Medicaid health plans may request the department to convene a workgroup to fulfill this section.

(3) The department shall continue to comply with state and federal law and shall not initiate an action that negatively impacts beneficiary safety.

(4) As used in this section, "national accrediting entity" means the national committee for quality assurance, the utilization review accreditation committee, or other appropriate entity, as approved by the department.

(5) By July 1 of the current fiscal year, the department shall provide a progress report to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget office on implementation of this section.

Sec. 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. 1832. (1) The department shall continue efforts to standardize billing formats, referral forms, electronic credentialing, primary source verification, electronic billing and attachments, claims status, eligibility verification, and reporting of accepted and rejected encounter records received in the department data warehouse.

(2) The department shall convene a workgroup on making e-billing mandatory for the Medicaid program. The workgroup shall include representatives from medical provider organizations, Medicaid HMOs, and the department. The department shall report to the legislature on the findings of the workgroup by April 1 of the current fiscal year.

(3) The department shall provide a report by April 1 of the current fiscal year to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies detailing the percentage of claims for Medicaid reimbursement provided to the department that were initially rejected in the first quarter of fiscal year 2011-2012.

Sec. 1835. The department shall develop and implement processes to report rejected and accepted encounters to Medicaid health plans. The department shall further enhance encounter data reporting processes and program rules that make each health plan's encounter data as complete as possible, provide a fair measure of acuity for each health plan's enrolled population for risk adjustment purposes, and minimize health plan administrative expenses.

Sec. 1836. In addition to the guidelines established in Medical Services Administration Bulletin MSA 09-28, medically necessary optical devices and other treatment services for adult Medicaid patients shall be covered when conventional treatments do not provide functional vision correction. Such ocular conditions include, but are not limited to, congenital or acquired ocular disease or eye trauma.

Sec. 1837. The department shall explore utilization of telemedicine and telepsychiatry as strategies to increase access to services for Medicaid recipients in medically underserved areas.

Sec. 1842. (1) Subject to the availability of funds, the department shall adjust the hospital outpatient Medicaid reimbursement rate for qualifying hospitals as provided in this section. The Medicaid reimbursement rate for qualifying hospitals shall be adjusted to provide each qualifying hospital with its actual cost of delivering outpatient services to Medicaid recipients.

(2) As used in this section, "qualifying hospital" means a hospital that has not more than 50 staffed beds and is either located outside a metropolitan statistical area or in a metropolitan statistical area but within a city, village, or township with a population of not more than 12,000 according to the official 2000 federal decennial census and within a county with a population of not more than 165,000 according to the official 2000 federal decennial census.

Sec. 1846. (1) The department shall establish a workgroup on graduate medical education funding. The workgroup shall include representatives of teaching hospitals, the Michigan health and hospital association, and other interested parties.

(2) The workgroup shall do all of the following:

(a) Identify physician specialties where there is a current or potential shortage of practitioners and identify the geographic areas of this state where those shortages exist or potentially could develop.

(b) Research efforts by other states to address practitioner shortages by adjusting their graduate medical education payments.

(c) Recommend potential policy changes to the graduate medical education program to help reduce practitioner shortages.

(3) The department shall report the results of the workgroup’s efforts to the senate and house appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director by April 1 of the current fiscal year.

(4) It is the intent of the legislature that the report required under subsection (3) be used as a possible basis for the establishment of new graduate medical education funding formulas in fiscal year 2012-2013.

Sec. 1847. The department shall meet with the Michigan association of ambulance services to discuss the possible structure of an ambulance quality assurance assessment program.

Sec. 1849. (1) The department shall use at least 50% of the funds allocated for voluntary in-home visiting services for evidence-based models or models that conform to a promising approach that are in the process of being evaluated through a process that meets the requirements described in subsection (2) with the goal of being evidence-based by January 1, 2013.

(2) As used in this section:

(a) “Evidence-based” means a model or practice that meets all of the following requirements:

(i) The model or practice is governed by a program manual or protocol that specifies the purpose, rigorous evaluation requirements, and duration and frequency of service that constitutes the model.

(ii) Scientific research using methods that meet scientific standards, evaluated using either randomized controlled research designs, or quasi-experimental research designs with equivalent comparison groups. The effects of such programs must have been demonstrated with 2 or more separate client samples that the program improves client outcomes central to the purpose of the program; and the model or practice monitors program implementation for fidelity to the specified model.

(b) “In-home visiting services” means a service delivery strategy that is carried out in the homes of families or children from conception to school age that provides culturally sensitive face-to-face visits by nurses, or other professional or paraprofessionals trained to promote positive parenting practices, enhance the socio-emotional and cognitive development of children, improve health of the family, and empower the family to be self-sufficient.

(3) By February 1 of the current fiscal year, the department shall submit to the house and senate appropriations subcommittees on community health an annual report on evidence-based voluntary in-home visiting services, including a full accounting of administrative expenditures from the prior fiscal year, and a summary detailing the demographic characteristics of Medicaid families served.

(4) No later than September 30, 2011, the department shall submit a report to the senate and house appropriations subcommittees on community health on its plan to establish an integrated benefit for Medicaid evidence-based home visitation services to be provided by Medicaid health plans for eligible beneficiaries. The report shall include information on the potential methods used to assure continuity of care and continuity of ongoing relationships with providers and their potential effectiveness. It is the intent of the legislature that the integrated benefit must be provided by evidence-based service delivery models or practices in a manner that achieves fidelity to the evidence-based model.

Sec. 1850. The department may allow Medicaid health plans to assist with the redetermination process through outreach activities to ensure continuation of Medicaid eligibility and enrollment in managed care. This may include mailings, telephone contact, or face-to-face contact with beneficiaries enrolled in the individual Medicaid health plan. Health plans may offer assistance in completing paperwork for beneficiaries enrolled in their plan.

Sec. 1853. The department shall form a workgroup composed of representatives from the Medicaid HMOs and the Michigan association of health plans to develop revisions to the process of automatically assigning new Medicaid recipients to HMOs if they do not choose an HMO upon enrollment. The department shall report on the results of the workgroup’s findings to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies by March 1 of the current fiscal year.

Sec. 1854. The department may work with a provider of kidney dialysis services and renal care as authorized under section 2703 of the patient protection and affordable care act, Public Law 111-148, to develop a chronic condition health home program for Medicaid enrollees identified with chronic kidney disease and who are beginning dialysis. If initiated, the department shall develop metrics that evaluate program effectiveness and submit a report to the senate and house appropriations subcommittees on community health. Metrics shall include cost savings and clinical outcomes.

Sec. 1855. The department may consider the feasibility of a revenue-neutral, financially risk-averse Medicaid patient optimization solution for the support of emergency department redirection for non-emergent patients.

Sec. 1857. It is the intent of the legislature that the department not reduce Medicaid reimbursement for wheelchairs.

**ONE-TIME BASIS ONLY**

Sec. 1901. For the state fiscal year ending September 30, 2012, there is appropriated from general fund/general purpose revenue, on a 1-time basis only, \$22,100,000.00 and federal revenue for the following purposes:

Mental health services for special populations .....	\$	3,000,000
Healthy Michigan fund programs.....		3,000,000
Primary care services – island health clinics .....		300,000
Hospital services and therapy – graduate medical education.....		17,129,400
Hospital services and therapy – rural and sole community hospitals .....		29,533,400
GROSS APPROPRIATION .....	\$	52,962,800

Appropriated from:

Federal revenues:

Federal revenues .....	30,862,800
State general fund/general purpose .....	\$ 22,100,000

Sec. 1902. From the funds appropriated in section 1901 for healthy Michigan fund programs, \$900,000.00 shall be allocated for cancer prevention and control.

Sec. 1903. (1) From the funds appropriated in section 1901 for hospital services and therapy – rural and sole community hospitals, \$10,000,000.00 general fund/general purpose revenue and any associated federal match shall be awarded to hospitals that meet criteria established by the department for services to low-income rural residents.

(2) No hospital or hospital system shall receive more than 5.0% of the total funding referenced in subsection (1).

(3) The department shall report to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies on the distribution of funds referenced in subsection (1) by April 1 of the current fiscal year.

PART 2A  
PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS  
FOR FISCAL YEAR 2012-2013

**GENERAL SECTIONS**

Sec. 2001. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, 2013 for the line items listed in part 1. The fiscal year 2012-2013 appropriations are anticipated to be the same as those for fiscal year 2011-2012, except that the line items will be adjusted for changes in caseload and related costs, federal fund match rates, economic factors, and available revenue. These adjustments will be determined after the January 2012 consensus revenue estimating conference.

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

A bill 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, 2012; to provide for the expenditure of those appropriations; to provide anticipated appropriations for the fiscal year ending September 30, 2013; 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.

John Moolenaar  
Roger Kahn  
Conferees for the Senate

Matt Lori  
Peter MacGregor  
Conferees for the House

The Speaker announced that under Joint Rule 9 the conference report would lie over one day.

**Senate Bill No. 173, entitled**

A bill to make appropriations for the department of corrections and certain state purposes related to corrections for the fiscal year ending September 30, 2012; to provide for the expenditure of the appropriations; to provide anticipated appropriations for the fiscal year ending September 30, 2013; 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 Senate has adopted the report of the Committee of Conference and ordered that the bill be given immediate effect.

The Conference Report was read as follows:

**First Conference Report**

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

**Senate Bill No. 173, entitled**

A bill to make appropriations for the department of corrections and certain state purposes related to corrections for the fiscal year ending September 30, 2012; to provide for the expenditure of the appropriations; to provide anticipated appropriations for the fiscal year ending September 30, 2013; 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.

Recommends:

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

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

A bill to make appropriations for the department of corrections and certain state purposes related to corrections for the fiscal year ending September 30, 2012; to provide for the expenditure of the appropriations; to provide anticipated appropriations for the fiscal year ending September 30, 2013; 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**

**FOR FISCAL YEAR 2011-2012**

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, 2012, 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 .....	45,917	
Full-time equated unclassified positions.....	16.0	
Full-time equated classified positions .....	15,552.8	
<b>GROSS APPROPRIATION</b> .....		<b>\$ 1,936,573,800</b>
Appropriated from:		
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....	943,800	
<b>ADJUSTED GROSS APPROPRIATION</b> .....		<b>\$ 1,935,630,000</b>
Federal revenues:		
Total federal revenues.....	7,995,100	
Special revenue funds:		
Total local revenues .....	447,300	
Total private revenues.....	0	
Total other state restricted revenues .....	52,351,400	
State general fund/general purpose .....		<b>\$ 1,874,836,200</b>

**Sec. 102. EXECUTIVE**

Full-time equated unclassified positions.....	16.0	
Full-time equated classified positions .....	46.0	
Unclassified positions—16.0 FTE positions .....		<b>\$ 1,192,600</b>
Executive direction—46.0 FTE positions.....		<b>5,411,100</b>
Neal, et al. settlement agreement .....		<b>15,000,000</b>
<b>GROSS APPROPRIATION</b> .....		<b>\$ 21,603,700</b>
Appropriated from:		
State general fund/general purpose .....		<b>\$ 21,603,700</b>

**Sec. 103. PLANNING AND COMMUNITY SUPPORT**

Full-time equated classified positions .....	12.0	
MPRI residential stability.....		<b>\$ 7,251,300</b>
MPRI employment readiness.....		<b>7,265,100</b>
MPRI social support.....		<b>4,861,000</b>
MPRI health and behavioral health .....		<b>3,357,700</b>
MPRI operations support.....		<b>3,848,400</b>
MPRI reintegration, training, and employment.....		<b>600,000</b>
MPRI other projects .....		<b>26,726,200</b>
MPRI federal grants .....		<b>1,035,000</b>
Substance abuse testing and treatment services—12.0 FTE positions .....		<b>24,070,900</b>
Residential services .....		<b>18,075,500</b>
Community corrections comprehensive plans and services .....		<b>13,958,000</b>

	For Fiscal Year Ending Sept. 30, 2012
Regional jail program.....	100
Felony drunk driver jail reduction and community treatment program .....	1,440,100
County jail reimbursement program.....	17,072,100
GROSS APPROPRIATION.....	\$ 129,561,400
Appropriated from:	
Federal revenues:	
DOJ, office of justice programs, RSAT.....	143,900
DOJ, prisoner reintegration .....	1,035,000
Special revenue funds:	
Jail reimbursement program fund.....	5,900,000
State general fund/general purpose .....	\$ 122,482,500
<b>Sec. 104. OPERATIONS SUPPORT ADMINISTRATION</b>	
Full-time equated classified positions .....	152.9
Operations support administration—45.0 FTE positions .....	\$ 4,110,700
New custody staff training .....	4,094,100
Compensatory buyout and union leave bank.....	100
Worker’s compensation.....	16,278,900
Bureau of fiscal management—90.9 FTE positions.....	8,448,300
Office of legal services—6.0 FTE positions .....	2,345,100
Internal affairs—11.0 FTE positions .....	1,219,300
Rent .....	2,095,200
Equipment and special maintenance.....	2,425,500
Administrative hearings officers.....	2,682,900
Judicial data warehouse user fees .....	50,000
Interdepartmental grant to judiciary .....	1,000,000
Interdepartmental grant to corrections ombudsman .....	250,000
Sheriffs’ coordinating and training office .....	500,000
Prosecutorial and detainer expenses.....	4,051,000
GROSS APPROPRIATION.....	\$ 49,551,100
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDSP, Michigan justice training fund.....	313,200
Special revenue funds:	
Local corrections officer training fund.....	500,000
Correctional industries revolving fund .....	534,600
State general fund/general purpose .....	\$ 48,203,300
<b>Sec. 105. FIELD OPERATIONS ADMINISTRATION</b>	
Full-time equated classified positions .....	2,161.9
Field operations—2,007.9 FTE positions.....	\$ 184,553,200
Parole board operations—45.0 FTE positions.....	4,517,400
Parole/probation services.....	2,243,500
Community re-entry centers—48.0 FTE positions.....	14,269,300
Electronic monitoring center—61.0 FTE positions.....	16,570,200
GROSS APPROPRIATION.....	\$ 222,153,600
Appropriated from:	
Special revenue funds:	
Local - community tether program reimbursement.....	447,300
Re-entry center offender reimbursements.....	141,600
Parole and probation oversight fees .....	6,300,000
Parole and probation oversight fees set-aside .....	2,649,500
Tether program participant contributions .....	2,033,800
State general fund/general purpose .....	\$ 210,581,400
<b>Sec. 106. CORRECTIONAL FACILITIES-ADMINISTRATION</b>	
Average population.....	1,750
Full-time equated classified positions .....	1,249.1
Correctional facilities administration—29.0 FTE positions .....	\$ 8,186,400

	For Fiscal Year Ending Sept. 30, 2012
Prison food service—394.0 FTE positions.....	56,718,200
Transportation—211.6 FTE positions.....	19,043,600
Central records—53.5 FTE positions.....	3,906,100
Inmate legal services.....	715,900
Loans to parolees.....	179,400
Housing inmates in federal institutions.....	793,900
Prison store operations—75.0 FTE positions.....	1,467,100
Prison industries operations—189.0 FTE positions.....	21,325,400
Federal school lunch program.....	712,800
Leased beds and alternatives to leased beds.....	10,000,100
Public works programs.....	10,000,000
Cost-effective housing initiative.....	47,906,300
Average population..... 1,750	
Inmate housing fund.....	(79,232,700)
Education program—252.0 FTE positions.....	31,279,600
<b>GROSS APPROPRIATION</b> .....	<b>\$ 133,002,100</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDCH, forensic center food service.....	630,600
Federal revenues:	
DAG-FNS, national school lunch.....	712,800
DED-OESE, title 1.....	533,500
DED-OVAE, adult education.....	911,200
DED-OSERS.....	110,200
DED, vocational education equipment.....	283,100
DED, youthful offender/Specter grant.....	1,318,400
DOJ-BOP, federal prisoner reimbursement.....	211,100
DOJ-OJP, serious and violent offender reintegration initiative.....	10,400
DOJ, prison rape elimination act grant.....	1,037,900
SSA-SSI, incentive payment.....	144,300
Special revenue funds:	
Correctional industries revolving fund.....	21,325,400
Public works user fees.....	10,000,000
Resident stores.....	1,467,100
State general fund/general purpose.....	\$ 94,306,100
<b>Sec. 107. HEALTH CARE</b>	
Full-time equated classified positions..... 1,690.0	
Health care administration—14.0 FTE positions.....	\$ 3,236,200
Prisoner health care services.....	93,095,500
Vaccination program.....	691,200
Interdepartmental grant to human services, eligibility specialists.....	100,000
Mental health services and support—546.0 FTE positions.....	55,069,200
Northern region clinical complexes—366.6 FTE positions.....	43,198,100
Southern region clinical complexes—763.4 FTE positions.....	116,384,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 311,774,200</b>
Appropriated from:	
Special revenue funds:	
Prisoner health care copayments.....	354,900
State general fund/general purpose.....	\$ 311,419,300
<b>Sec. 108. NORTHERN REGION CORRECTIONAL FACILITIES</b>	
Average population..... 18,983	
Full-time equated classified positions..... 4,282.9	
Alger maximum correctional facility - Munising—265.0 FTE positions.....	\$ 27,249,700
Average population..... 889	
Baraga maximum correctional facility - Baraga—325.1 FTE positions.....	31,829,200
Average population..... 884	

	For Fiscal Year Ending Sept. 30, 2012
Earnest C. Brooks correctional facility - Muskegon—447.0 FTE positions .....	45,545,500
Average population .....	2,440
Chippewa correctional facility - Kincheloe—467.4 FTE positions.....	47,846,400
Average population .....	2,282
Kinross correctional facility - Kincheloe—339.0 FTE positions .....	35,237,600
Average population .....	1,799
Marquette branch prison - Marquette—339.6 FTE positions.....	37,544,000
Average population .....	1,201
Newberry correctional facility - Newberry—263.9 FTE positions .....	26,091,500
Average population .....	978
Oaks correctional facility - Eastlake—306.0 FTE positions .....	34,317,200
Average population .....	1,156
Ojibway correctional facility - Marenisco—205.9 FTE positions .....	19,053,300
Average population .....	1,090
Central Michigan correctional facility - St. Louis—416.9 FTE positions .....	40,278,900
Average population .....	2,400
Pugsley correctional facility - Kingsley—216.0 FTE positions .....	20,464,400
Average population .....	1,158
Saginaw correctional facility - Freeland—312.8 FTE positions .....	31,952,400
Average population .....	1,480
St. Louis correctional facility - St. Louis—320.3 FTE positions .....	32,541,300
Average population .....	1,226
Northern region administration and support—58.0 FTE positions .....	4,304,300
GROSS APPROPRIATION .....	\$ 434,255,700
Appropriated from:	
Special revenue funds:	
State general fund/general purpose .....	\$ 434,255,700
<b>Sec. 109. SOUTHERN REGION CORRECTIONAL FACILITIES</b>	
Average population .....	25,184
Full-time equated classified positions .....	5,958.0
Bellamy Creek correctional facility - Ionia—394.4 FTE positions .....	\$ 39,857,300
Average population .....	1,850
Carson City correctional facility - Carson City—455.1 FTE positions .....	47,496,100
Average population .....	2,440
Cooper street correctional facility - Jackson—260.9 FTE positions.....	28,092,100
Average population .....	1,799
G. Robert Cotton correctional facility - Jackson—402.5 FTE positions .....	39,548,100
Average population .....	1,841
Charles E. Egeler correctional facility - Jackson—355.3 FTE positions.....	39,929,200
Average population .....	1,376
Richard A. Handlon correctional facility - Ionia—233.4 FTE positions .....	24,033,900
Average population .....	1,373
Gus Harrison correctional facility - Adrian—444.7 FTE positions .....	45,738,200
Average population .....	2,342
Huron Valley correctional complex - Ypsilanti—559.7 FTE positions .....	58,478,700
Average population .....	1,872
Ionia maximum correctional facility - Ionia—304.7 FTE positions .....	30,890,400
Average population .....	654
Lakeland correctional facility - Coldwater—262.8 FTE positions.....	24,877,200
Average population .....	1,336
Macomb correctional facility - New Haven—304.3 FTE positions.....	30,406,800
Average population .....	1,228
Maxey/Woodland Center correctional facility - Whitmore Lake—272.2 FTE positions .....	26,084,800
Average population .....	328
Michigan reformatory - Ionia—320.1 FTE positions.....	34,309,700
Average population .....	1,338

	For Fiscal Year Ending Sept. 30, 2012
Mound correctional facility - Detroit—283.4 FTE positions .....	26,010,600
Average population .....	1,062
Parnall correctional facility - Jackson—266.2 FTE positions .....	27,548,800
Average population .....	1,678
Ryan correctional facility - Detroit—281.8 FTE positions .....	29,198,600
Average population .....	1,048
Thumb correctional facility - Lapeer—292.5 FTE positions .....	30,251,400
Average population .....	1,219
Special alternative incarceration program (Camp Cassidy Lake)—120.0 FTE positions .....	10,149,700
Average population .....	400
Southern region administration and support—144.0 FTE positions .....	19,946,000
GROSS APPROPRIATION .....	\$ 612,847,600
Appropriated from:	
Federal revenues:	
DOJ, state criminal alien assistance program.....	1,543,300
Special revenue funds:	
Public works user fees.....	358,700
State general fund/general purpose .....	\$ 610,945,600
<b>Sec. 110. INFORMATION TECHNOLOGY</b>	
Information technology services and projects .....	\$ 21,824,400
GROSS APPROPRIATION .....	\$ 21,824,400
Appropriated from:	
Special revenue funds:	
Correctional industries revolving fund .....	159,600
Parole and probation oversight fees set-aside .....	626,200
State general fund/general purpose .....	\$ 21,038,600

PART 2  
PROVISIONS CONCERNING APPROPRIATIONS  
FOR FISCAL YEAR 2011-2012

**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 2011-2012 is \$1,927,187,600.00 and state spending from state resources to be paid to local units of government for fiscal year 2011-2012 is \$89,893,500.00. 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.....	\$ 53,642,400
Public service work projects .....	707,800
Community corrections comprehensive plans and services .....	13,958,000
Community corrections residential services .....	18,075,500
Community corrections public education and training.....	50,000
Felony drunk driver jail reduction and community treatment program .....	1,440,100
Community re-entry centers .....	2,019,600
Regional jail program.....	100
TOTAL.....	\$ 89,893,500

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) “Administrative segregation” means confinement for maintenance of order or discipline to a cell or room apart from accommodations provided for inmates who are participating in programs of the facility.
- (b) “Cost per prisoner” means the sum total of the funds appropriated under part 1 for the following, divided by the projected prisoner population in fiscal year 2010-2011:
  - (i) Northern and southern region correctional facilities.
  - (ii) Northern and southern region administration and support.
  - (iii) Northern and southern region clinical complexes.
  - (iv) Prisoner health care services.
  - (v) Health care administration.

- (vi) Vaccination program.
- (vii) Prison food service and federal school lunch program.
- (viii) Transportation.
- (ix) Inmate legal services.
- (x) Correctional facilities administration.
- (xi) Central records.
- (xii) DOJ psychiatric plan.
- (xiii) Worker's compensation.
- (xiv) New custody staff training.
- (xv) Prison store operations.
- (xvi) Education services and federal education grants.
- (xvii) Education program.
- (c) "DAG" means the United States department of agriculture.
- (d) "DAG-FNS" means the DAG food and nutrition service.
- (e) "DED" means the United States department of education.
- (f) "DED-OESE" means the DED office of elementary and secondary education.
- (g) "DED-OSERS" means the DED office of special education and rehabilitative services.
- (h) "DED-OVAE" means the DED office of vocational and adult education.
- (i) "Department" or "MDOC" means the Michigan department of corrections.
- (j) "DOJ" means the United States department of justice.
- (k) "DOJ-BOP" means the DOJ bureau of prisons.
- (l) "DOJ-OJP" means the DOJ office of justice programs.
- (m) "Evidence-based practices" or "EBP" means a decision-making process that integrates the best available research, clinician expertise, and client characteristics.
- (n) "FTE" means full-time equated.
- (o) "GED" means general educational development certificate.
- (p) "Goal" means the intended or projected result of a comprehensive corrections plan or community corrections program to reduce repeat offending, criminogenic and high-risk behaviors, prison commitment rates, to reduce the length of stay in a jail, or to improve the utilization of a jail.
- (q) "GPS" means global positioning system.
- (r) "HIV" means human immunodeficiency virus.
- (s) "IDG" means interdepartmental grant.
- (t) "IDT" means intradepartmental transfer.
- (u) "Jail" means a facility operated by a local unit of government for the physical detention and correction of persons charged with or convicted of criminal offenses.
- (v) "MDCH" means the Michigan department of community health.
- (w) "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.
- (x) "MDSP" means the Michigan department of state police.
- (y) "MPRI" means the Michigan prisoner reentry initiative.
- (z) "Objective risk and needs assessment" means an evaluation of an offender's criminal history; the offender's noncriminal history; and any other factors relevant to the risk the offender would present to the public safety, including, but not limited to, having demonstrated a pattern of violent behavior, and a criminal record that indicates a pattern of violent offenses.
  - (aa) "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.
  - (bb) "Offender 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) Not sent or returned to prison for the conviction of a new crime or the revocation of probation or parole.
    - (iv) Not been sentenced to a jail term for a new criminal offense.
    - (v) Obtained employment, has enrolled or participated in a program of education or job training, or has investigated all bona fide employment opportunities.
    - (vi) Obtained housing.
  - (cc) "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.

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

(i) A felon or misdemeanor who receives a sentencing disposition that appears to be in place of incarceration in a state correctional facility or jail, according to historical local sentencing patterns.

(ii) A currently incarcerated felon or misdemeanor who is granted early release from incarceration to a community corrections program or who is granted early release from incarceration as a result of a community corrections program.

(ee) "Programmatic success" means that the department program or initiative has ensured that the offender has accomplished all of the following:

(i) Obtained employment, has enrolled or participated in a program of education or job training, or has investigated all bona fide employment opportunities.

(ii) Obtained housing.

(iii) Obtained a state identification card.

(ff) "Recidivism" means any of the following:

(i) The arrest and conviction of a supervised individual for a new offense while under community supervision.

(ii) The adjudication of a supervised individual for a violation of the conditions of supervision while under community supervision.

(iii) A sanction resulting from a violation of terms of supervision that results in a return to prison without being adjudicated.

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

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

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

(jj) "SSA" means the United States social security administration.

(kk) "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 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. 204a. (1) The department shall collaborate with the civil service commission and the department of civil service to review the compensation rates for health care professionals who provide direct health care services to prisoners within the corrections system, including, but not limited to, doctors, all nursing professionals, pharmacists, pharmacy technicians, and psychologists. The review shall include health care professionals employed by the state as well as those employed through state contractors. These rates shall be compared to available data on compensation rates for comparable medical professionals in the private sectors who provide services to the general public to estimate any disparity in compensation.

(2) Following the review, the department shall make recommendations on changes needed to the state compensation plan for health care professional positions and to department contracts with health care providers so that compensation levels are sufficient to ensure that needed health care professional positions with vacancies are filled, that the department experiences adequate retention levels for these positions, and that necessary health care services are delivered in a timely manner to the prisoner population. A report outlining these recommendations shall be submitted to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget office by May 1, 2011.

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

Sec. 207. State employees shall be given the opportunity to 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. 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 should be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 211. (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, union steward activities, and public works programs and services provided to local units of government. The revenues and fees collected are appropriated for all expenses associated with these services and activities.

(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.

(3) By April 1, 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 the collection of fees under this section. At minimum, this report shall include a categorical accounting of all fees collected under this section.

Sec. 212. On a quarterly basis, each executive branch department and agency receiving appropriations in part 1 shall report on the number of full-time equated positions in pay status by civil service classification to the senate and house appropriations subcommittees on corrections and the senate and house fiscal agencies. This report shall include a detailed accounting of the long-term vacancies that exist within each department. As used in this subsection, "long-term vacancy" means any full-time equated position that has not been filled at any time during the past 24 calendar months.

Sec. 213. By February 15, 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 2009-2010, the amount by which the revenue exceeded any applicable appropriated fund source, the amount spent during fiscal year 2009-2010, the account balance at the close of fiscal year 2009-2010, and the projected revenues and expenditures for fiscal year 2010-2011.

Sec. 214. From the funds appropriated in part 1 for information technology, the department shall pay user fees to the department of technology, management, and budget 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 technology, management, and budget. It is the intent of the legislature that the department consider using third-party software and information technologies before contracting for such services through the department of technology, management, and budget.

Sec. 215. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of technology, management, and budget. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 216. (1) Due to the current budgetary problems of this state, out-of-state travel for the fiscal year ending September 30, 2012 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) 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.

Sec. 218. The department and agencies receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. Federal and state guidelines for short-term and long-term retention of records shall be followed. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 219. 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. 220. Not later than November 15, 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 of representatives standing committees on appropriations, and the senate and house fiscal agencies.

Sec. 221. (1) The department shall maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following:

- (a) Fiscal year-to-date expenditures by category.
  - (b) Fiscal year-to-date expenditures by appropriation unit.
  - (c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.
  - (d) The number of active department employees by job classification.
  - (e) Job specifications and wage rates.
- (2) The department may develop and operate its own website to provide this information or may reference the state's central transparency website as the source for this information.

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, 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. 229. Within 14 days after the release of the executive budget recommendation, the department shall provide the state budget director, the senate and house appropriations chairs, the senate and house appropriations subcommittees on corrections, respectively, and the senate and house fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2011 and September 30, 2012.

Sec. 235. It is the intent of the legislature that the department reduce expenditures using the following strategies:

(a) Following the recommendations outlined in audit report 471-0130-08 of June 2009 issued by the Michigan office of the auditor general, which found \$7,534,039.00 in known savings that would have been achieved through cost-neutral operation of the bureau of correctional industries, as follows:

(i) Finding 1 indicates that the bureau of correctional industries has consistently failed to maintain profitable or cost-neutral operations.

(ii) Finding 2 indicates that the bureau of correctional industries had not developed or implemented a comprehensive business plan.

(iii) Finding 3 indicates that the bureau of correctional industries did not efficiently schedule and utilize its trucks and drivers for delivery of products and services.

(iv) Finding 4 indicates that the bureau of correctional industries had not established comprehensive policies and procedures for setting prices and discounts for products and services.

(b) Continuing the supply chain transformation (SCT) with the new fiscal year beginning October 1, 2011. The SCT shall address all goods and services delivered into the department, with special focus in the following areas: food service, offender transport, warehousing, prisoner stores, laundries, textiles, transportation, reverse logistics, education, sex offender programming, assaultive offender programming, Michigan state industries manufacturing and related material, and capital and service purchase contracts under development or due to expire. The department shall continually detail its supply chain strategy and implementation plan including tasks, timing, resources, costs, and benefits to be achieved. The department shall provide quarterly cost and benefit savings report information. The department shall contract with a world-class supply chain external resource with the following capabilities: demonstrated success working in a department of corrections environment in the targeted supply chain areas of focus; demonstrated expertise in defining, developing, and implementing cross-functional infrastructures; continuous quality improvement teams; stakeholder and communications

outreach programs; six sigma/lean tools and templates; hands-on supply chain; continuous quality improvement and six sigma tool training; and positive working relations and measurable, documented client satisfaction results.

(c) Following the recommendations outlined in audit report 471-0620-07L of October 2008 issued by the Michigan office of the auditor general, which found \$14,800,000.00 in estimated savings that could be achieved through reforms of the department's staffing and purchasing policies, as follows:

(i) Finding 1 indicates that the department needs to improve its administration of custody officer staffing.

(ii) Finding 2 indicates that the department needs to pursue additional cost-saving measures through future contract negotiations and review of its organizational structure.

(iii) Finding 3 indicates that the department did not have a formal process in place to negotiate prices for goods and services purchased from Michigan state industries.

(d) Following the recommendations outlined in audit report 471-0623-07L of December 2008 issued by the Michigan office of the auditor general, which found significant but indeterminate savings could be achieved through reforms of prisoner transportation policies, specifically, finding 4 indicates that the department should continue to seek the cooperation of the state court administrative office and its medical service providers to fully use existing technology to conduct videoconferencing for court and medical appointments.

Sec. 236. It is the intent of the legislature that from the revenue resulting from the sale of the former Scott correctional facility sufficient funds shall be appropriated to the department to reimburse Michigan state industries for costs related to the construction of the Industries Building, which was operated by Michigan state industries on the site of the Scott correctional facility.

Sec. 237. The department shall observe all requirements set forth in statute and administrative rules related to procurement requests and shall ensure that proper communication is maintained with the department of technology, management, and budget regarding the use of delegated purchasing authority granted by the department of technology, management, and budget. The department shall not pursue the procurement of any good or service on its own that falls outside its delegated authority from the department of technology, management, and budget. If any requests for proposal or requests for qualifications are delayed due to the department's improper use of purchasing authority under statute and administrative rules, the department shall report on the improper use to the house and senate appropriations subcommittees on corrections within 15 days after determining that the improper use occurred. The report shall review the purpose of the relevant procurement effort, explain why the improper use of delegated authority occurred, and outline steps being taken to ensure that improper use of delegated authority does not occur again in the future.

Sec. 238. It is the intent of the legislature that the department make additional efforts to sell, rent, or otherwise repurpose closed correctional facilities.

Sec. 239. It is the intent of the legislature that the department establish and maintain a management-to-staff ratio of 1 supervisor for each 5 employees at the department's central office in Lansing and at both the northern and southern region administration offices.

Sec. 240. On or before March 1, 2012, the department shall solicit and evaluate proposals for services related to the audit of vendor and contract payments and the recovery of improper payments. The period covered by the proposed audit shall be not less than 3 prior fiscal years. On or before September 1, 2012, the department shall provide to the house and senate committees on appropriations and the house and senate fiscal agencies a complete report on the results of the proposal solicitation and findings and amounts recovered from subsequent recovery audits.

#### **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 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. The department shall provide a report 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 by May 1, reviewing actions taken to implement the recommendations of the mental health study required under section 302 of 2007 PA 124 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. 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, 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 concurrent with submission of the executive budget 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, 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 planned expenditures for each project funded and for each project to be funded, itemized by service to be provided and service provider. The department shall provide an amended report at least 60 days before making revisions to allocations or planned expenditures.

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, 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, 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 2010-2011 and projected for fiscal year 2011-2012. 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, 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 success and programmatic success as those terms are defined in section 203.

Sec. 405a. The department shall work cooperatively with MDCH and substance abuse coordinating agencies in referring offenders as appropriate to intensive substance abuse services, including residential services.

Sec. 406. As a condition for expending any money appropriated in part 1 for reinvestment in prisoner re-entry programs, the department shall establish a pilot program with an allocation of at least \$2,000,000.00 from the funding appropriated to prisoner reintegration programs to contract with faith-based nonprofit agencies with established programs that assist prisoners exiting the prison system to reintegrate into the community. The department shall report to the house and senate appropriations subcommittees on corrections, the house and senate fiscal agencies, and the state budget director by December 1 on the contracts awarded under the pilot program, including the faith-based, nonprofit agencies selected and the contract amounts awarded to each agency. The department shall analyze and compare the success and failure rates of prisoners served under the pilot program and those served through other department reintegration programs and shall report this information to the legislature during budget hearings on the fiscal year 2012-2013 budget.

Sec. 407. (1) By June 30, the department shall place the 2011 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 2010, the statistical report be placed on an Internet site within 6 months after the end of each calendar year.

Sec. 408. The department shall measure the recidivism rates of offenders using at least a 3-year period following their release from prison. Any time spent in a county jail or otherwise incarcerated shall be included in the recidivism rates.

Sec. 409. The office of community alternatives 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.

Sec. 410. (1) The funds included in part 1 for community corrections comprehensive plans and services are to encourage the development through technical assistance grants, implementation, and operation of community corrections programs that enhance offender success and that also may serve as an alternative to incarceration in a state facility or jail. The comprehensive corrections plans shall include an explanation of how the public safety will be maintained, the goals for the local jurisdiction, offender target populations intended to be affected, offender eligibility criteria for purposes outlined in the plan, and how the plans will meet the following objectives, consistent with section 8(4) of the community corrections act, 1988 PA 511, MCL 791.408:

(a) Reduce admissions to prison of offenders who would likely be sentenced to imprisonment, including probation violators.

(b) Improve the appropriate utilization of jail facilities, the first priority of which is to open jail beds intended to house otherwise prison-bound felons, and the second priority being to appropriately utilize jail beds so that jail crowding does not occur.

(c) Open jail beds through the increase of pretrial release options.

(d) Reduce the readmission to prison of parole violators.

(e) Reduce the admission or readmission to prison of offenders, including probation violators and parole violators, for substance abuse violations.

(f) Contribute to offender success, as that term is defined in section 203.

(2) The award of community corrections comprehensive plans and residential services funds shall be based on criteria that include, but are not limited to, the prison commitment rate by category of offenders, trends in prison commitment rates and jail utilization, historical trends in community corrections program capacity and program utilization, and the projected impact and outcome of annual policies and procedures of programs on offender success, prison commitment rates, and jail utilization.

(3) Funds awarded for residential services in part 1 shall provide for a per diem reimbursement of not more than \$47.50 for nonaccredited facilities, or of not more than \$48.50 for facilities that have been accredited by the American corrections association or a similar organization as approved by the department.

Sec. 411. The comprehensive corrections plans shall also include, where appropriate, descriptive information on the full range of sanctions and services that are available and utilized within the local jurisdiction and an explanation of how jail beds, residential services, the special alternative incarceration program, probation detention centers, the electronic monitoring program for probationers, and treatment and rehabilitative services will be utilized to support the objectives and priorities of the comprehensive corrections plans and the purposes and priorities of section 8(4) of the community corrections act, 1988 PA 511, MCL 791.408, that contribute to the success of offenders. The plans shall also include, where appropriate, provisions that detail how the local communities plan to respond to sentencing guidelines found in chapter XVII of the code of criminal procedure, 1927 PA 175, MCL 777.1 to 777.69, and use the county jail reimbursement program under section 414. The state community corrections board shall encourage local community corrections advisory boards to include in their comprehensive corrections plans strategies to collaborate with local alcohol and drug treatment agencies of the MDCH for the provision of alcohol and drug screening, assessment, case management planning, and delivery of treatment to alcohol- and drug-involved offenders.

Sec. 412. (1) As part of the March biannual report specified in section 12(2) of the community corrections act, 1988 PA 511, MCL 791.412, that requires an analysis of the impact of that act on prison admissions and jail utilization, the department shall submit to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director the following information for each county and counties consolidated for comprehensive corrections plans:

(a) Approved technical assistance grants and comprehensive corrections plans including each program and level of funding, the utilization level of each program, and profile information of enrolled offenders.

(b) If federal funds are made available, the number of participants funded, the number served, the number successfully completing the program, and a summary of the program activity.

(c) Status of the community corrections information system and the jail population information system.

(d) Data on residential services, including participant data, participant sentencing guideline scores, program expenditures, average length of stay, and bed utilization data.

(e) Offender disposition data by sentencing guideline range, by disposition type, by prior record variable score, by number and percent statewide and by county, current year, and comparisons to the previous 3 years.

(f) Data on the use of funding made available under the felony drunk driver jail reduction and community treatment program.

(2) The report required under subsection (1) shall include the total funding allocated, program expenditures, required program data, and year-to-date totals.

Sec. 413. (1) The department shall identify and coordinate information regarding the availability of and the demand for community corrections programs, jail-based community corrections programs, jail-based probation violation sanctions, and all state-required jail data.

(2) The department is responsible for the collection, analysis, and reporting of all state-required jail data.

(3) As a prerequisite to participation in the programs and services offered through the department, counties shall provide necessary jail data to the department.

Sec. 414. (1) The department shall administer a county jail reimbursement program from the funds appropriated in part 1 for the purpose of reimbursing counties for housing in jails certain felons who otherwise would have been sentenced to prison.

(2) The county jail reimbursement program shall reimburse counties for convicted felons in the custody of the sheriff if the conviction was for a crime committed on or after January 1, 1999 and 1 of the following applies:

(a) The felon's sentencing guidelines recommended range upper limit is more than 18 months, the felon's sentencing guidelines recommended range lower limit is 12 months or less, the felon's prior record variable score is 35 or more points, and the felon's sentence is not for commission of a crime in crime class G or crime class H or a nonperson crime in crime class F under chapter XVII of the code of criminal procedure, 1927 PA 175, MCL 777.1 to 777.69.

(b) The felon's minimum sentencing guidelines range minimum is more than 12 months under the sentencing guidelines described in subdivision (a).

(c) The felon was sentenced to jail for a felony committed while he or she was on parole and under the jurisdiction of the parole board and for which the sentencing guidelines recommended range for the minimum sentence has an upper limit of more than 18 months.

(3) State reimbursement under this subsection shall be \$60.00 per diem per diverted offender for offenders with a presumptive prison guideline score, \$50.00 per diem per diverted offender for offenders with a straddle cell guideline for a group 1 crime, and \$35.00 per diem per diverted offender for offenders with a straddle cell guideline for a group 2 crime. Reimbursements shall be paid for sentences up to a 1-year total.

(4) As used in this subsection:

(a) "Group 1 crime" means a crime in 1 or more of the following offense categories: arson, assault, assaultive other, burglary, criminal sexual conduct, homicide or resulting in death, other sex offenses, robbery, and weapon possession as determined by the department of corrections based on specific crimes for which counties received reimbursement under the county jail reimbursement program in fiscal year 2007 and fiscal year 2008, and listed in the county jail reimbursement program document titled "FY 2007 and FY 2008 Group One Crimes Reimbursed", dated March 31, 2009.

(b) "Group 2 crime" means a crime that is not a group 1 crime, including larceny, fraud, forgery, embezzlement, motor vehicle, malicious destruction of property, controlled substance offense, felony drunk driving, and other nonassaultive offenses.

(c) "In the custody of the sheriff" means that the convicted felon has been sentenced to the county jail and is either housed in the county jail or has been released from jail and is being monitored through the use of the sheriff's electronic monitoring system.

(5) County jail reimbursement program expenditures shall not exceed the amount appropriated in part 1 for the county jail reimbursement program. Payments to counties under the county jail reimbursement program shall be made in the order in which properly documented requests for reimbursements are received. A request shall be considered to be properly documented if it meets MDOC requirements for documentation. By October 15, 2011, the department shall distribute the documentation requirements to all counties.

(6) Of the funds appropriated in part 1 for the county jail reimbursement program, \$500,000.00 shall be utilized to reimburse county jails for housing individuals who violate terms of probation under the swift-and-sure sanctions pilot program.

Sec. 415. (1) The department shall create a database for use by the department and MPRI service providers. The database shall be available to both the department and the service provider in real time. The department, in consultation with the service providers, shall issue a policy defining each field in the database so that there will be common usage of all terms and fields.

(2) The department, in consultation with the service providers, shall publish financial guidelines for administration of this program.

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 or the lower limit of the sentencing range is 1 year or less and the upper limit of the range is more than 18 months and the prior record variable is less than 35 points, 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, 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 collaborate with the state court administrative office on facilitating changes to Michigan court rules that would require the court to collect at the time of sentencing the state operator's license, state identification card, or other documentation used to establish the identity of the individual to be admitted to the department. The department shall maintain those documents in the prisoner's personal file.

(2) The department shall collaborate with the Michigan department of state to ensure that an achievable list of documents necessary to obtain a state operator's license or state identification card upon parole or release is developed and presented to the prisoner so that application for identification can begin 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.

(3) The department shall cooperate with MDCH to create and maintain a process by which prisoners can obtain their Michigan birth certificates if necessary. The department shall describe a process for obtaining birth certificates from other states, and in situations where the prisoner's effort fails, the department shall assist in obtaining the birth certificate.

(4) By March 1, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, the legislative corrections ombudsman, and the state budget director on the plan for implementing all necessary processes and policy changes in order to ensure compliance with the requirements of 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, 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. 422. It is the intent of the legislature that MPRI programs from prisoner entry into the corrections system to reentry into the community and as measured by offender success and programmatic success as those terms are defined in section 203 shall be maintained as standard operating procedure in the department. In particular, services should be

focused on moderate- to high-risk individuals. Special in-prison programming shall be directed to those prisoners who were paroled and have returned to prison and who will subsequently be eligible for parole again in the future. In addition, MPRI services provided to prisoners shall include basic computer skills training.

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, 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. The money appropriated in part 1 for prisoner reintegration, training, and employment programs shall be distributed to 1 or more Michigan-chartered 501(c)(3) nonprofit corporations to expand existing business models, create new business enterprises, or purchase capital equipment for expansion of current business operations. Qualifying nonprofits must hire new employees through the funding provided in this section, must include at least 45% returning citizens, must have documented entrepreneurial social enterprise expertise in creating employment opportunities for parolees, and must presently have established public utility asset recovery recycling programs. The programs shall be administered by 1 or more Michigan-chartered corporations that are exempt from taxation under section 501(c)(3) of the internal revenue code, 26 USC 501(c)(3).

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 and March 2011.

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, 2012, April 1, 2012, July 1, 2012, and September 30, 2012 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) It is the intent of the legislature that the department, in coordination with the department of licensing and regulatory affairs, Michigan state housing development authority, nonprofit and faith-based organizations, and local government officials, implement employment-related projects targeted toward at-risk young adults who are disconnected from school and employment, and probationers and parolees in high-crime neighborhoods where the adult incarceration rate is at least 45%.

(2) The department shall identify high-crime neighborhoods where the adult incarceration rate is at least 45% and in consultation with the department of human services, the superintendent of public instruction, and nonprofit and faith-based organizations shall develop programs for recommendation to the legislature that offer academic, counseling, and social support to children of incarcerated parents.

#### **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 licensing and regulatory affairs 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 licensing and regulatory affairs 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.

Sec. 506. Of the funds appropriated in part 1, \$250,000.00 is appropriated to provide an interdepartmental grant to the legislative corrections ombudsman for oversight activities.

Sec. 507. Of the funds appropriated in part 1, \$1,000,000.00 is appropriated as an interdepartmental grant to the judiciary for the establishment of a pilot program for the use of swift-and-sure jail sanctions as a response to certain probation violations.

#### **FIELD OPERATIONS ADMINISTRATION**

Sec. 601. (1) From the funds appropriated in part 1, the department shall conduct a statewide caseload audit of field agents. The audit shall address public protection issues and assess the ability of the field agents to complete their professional duties. The complete audit shall be submitted to the senate and house appropriations subcommittees on corrections and the senate and house fiscal agencies, and the state budget office by March 1.

(2) It is the intent of the legislature that the department maintain a number of field agents sufficient to meet supervision and workload standards.

Sec. 602. (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, 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, 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, 2011 individual reports for the community re-entry program, the electronic tether program, and the special alternative to incarceration program. The reports shall be submitted to the 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. 615. After the parole board has reviewed the cases of all inmates sentenced to life with the possibility of parole who have good institutional records and pose low-risk to the community, the parole board shall provide the legislature with a detailed explanation of why an inmate who scores "high probability of release" is not being paroled. A report containing this explanation shall be submitted to the house and senate appropriations subcommittees on corrections, the house and senate fiscal agencies, and the state budget director by January 1.

#### **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. 803. For mental health contracts entered into by the department, including those with the Michigan department of community health, recognized performance standards and measures of quality shall be utilized to conduct periodic performance reviews. At least once every 3 years, the department shall renegotiate all mental health contracts entered into under this section with the goals of improving care and reducing costs.

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, 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, 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 due to refusal of treatment.

(b) Cost and duration of treatment by offender as allowable by privacy law.

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 at least a 30-day supply of medication and a prescription for refills 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, 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 parolees and offenders discharged on the maximum sentence who are HIV or hepatitis C positive by paroling office as reported to the state department of community health for referral to the local public health department.

Sec. 810. As a condition of expending appropriations in part 1, the department shall ensure each prisoner serving a sentence in a state correctional facility, and each probationer placed at the special alternative incarceration program under the special alternative incarceration act, 1988 PA 287, MCL 798.11 to 798.18, provides a sample for DNA identification

profiling. The department shall implement the requirements of this section in accordance with the provisions of any relevant legislation enacted by the legislature.

Sec. 812. (1) The department shall provide the department of human services with a monthly list of prisoners newly committed to the department of corrections. The department and the department of human services shall enter into an interagency agreement under which the department of human services provides the department of corrections with monthly lists of newly committed prisoners who are eligible for Medicaid benefits in order to maintain the process by which Medicaid benefits are suspended rather than terminated. The department shall assist prisoners who may be eligible for Medicaid benefits after release from prison with the Medicaid enrollment process prior to release from prison.

(2) The department shall provide the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director with quarterly updates on the utilization of Medicaid benefits for prisoners.

Sec. 813. The department shall monitor and document drug utilization by department for prisoner health care services. As part of this effort, the department shall examine drug utilization patterns and cost-cutting strategies used by corrections systems in other states. By March 1, 2011, the department shall provide a report to the legislature detailing the department's drug utilizations and drug utilization statistics for corrections systems in other states.

Sec. 816. By April 1, the department shall provide the members of the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, the state budget director, and the legislative corrections ombudsman with a report on pharmaceutical expenditures and prescribing practices. In particular, the report shall provide the following information:

- (a) A detailed accounting of expenditures on antipsychotic medications.
- (b) Any changes that have been made to the prescription drug formularies.
- (c) A progress report on the department's efforts to address various findings outlined in audit report 471-0325-09L issued in March 2011 by the Michigan office of the auditor general.

#### **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) Savings in the inmate housing fund shall be achieved through competitive bidding of facility operations or other measures to reduce the custody, treatment, clinical, and administrative costs associated with the housing of prisoners. Savings shall be distributed as necessary into separate accounts created to separately identify savings through specific cost savings measures.

(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. It is the intent of the legislature that the department maintain or expand upon existing public works programming by contracting with local units of government or private organizations. Any local unit of government or private organization that contracts with the department for public works services shall be responsible for financing the entire cost of such an agreement.

Sec. 907. The department shall report by March 1 to the senate and house appropriations subcommittees on corrections, the 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. 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. By March 1, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, the legislative corrections ombudsman, and the state budget director the number of critical incidents occurring each month by type and the number and severity of assaults occurring each month at each facility during calendar year 2011.

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 on the ratio of correctional officers to prisoners for each correctional institution, the ratio of shift command staff to line custody staff, and the ratio of noncustody institutional staff to prisoners for each correctional institution.

Sec. 913. (1) It is the intent of the legislature that any prisoner required to complete an assaultive offender program, sexual offender program, or other program as a condition of parole shall be transferred to a facility where that program is available in order to accomplish timely completion of that program prior to the expiration of his or her minimum sentence and eligibility for parole. Nothing in this section should be deemed to make parole denial appealable in court.

(2) The department shall submit a quarterly report to the members of the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, the state budget director, and the legislative corrections ombudsman detailing enrollment in sex offender programming and assaultive offender programming. At a minimum, the report shall include the following:

(a) A full accounting of the number of individuals who are required to complete either sex offender programming or assaultive offender programming, but have not yet done so.

(b) The number of individuals who have reached their earliest release date, but who have not completed required sex offender and/or assaultive offender programming.

(c) A plan of action for addressing any waiting lists or backlogs for sex offender programming or assaultive offender programming that may exist.

Sec. 916. The department shall report by February 1 to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the number of computers available for use by prisoners within each prison facility. The report shall summarize the purpose and frequency of use of these computers within each facility.

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 March 1, 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 January 1, 2009 and April 1, 2011 as a result of closing correctional facilities and correctional camps between January 1, 2009 and January 1, 2012, itemized by correctional facility or correctional camp.

(b) The projected fiscal year 2011-2012 savings by closing correctional facilities and correctional camps between January 1, 2009 and January 1, 2012, 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 January 1, 2009 and January 1, 2012.

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. (1) 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, 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.

(2) The department shall make efforts to encourage retired school teachers to provide education services in correctional facilities through volunteerism.

Sec. 924. The department shall evaluate all prisoners at intake for substance abuse disorders, developmental disorders, serious mental illness, and other mental health disorders. Prisoners with serious mental illness shall not be confined in administrative segregation due to 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 therapeutic seclusion shall be evaluated every 12 hours by a mental health professional in order to remain in therapeutic seclusion.

Sec. 925. By March 1, 2012, 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, 2011, and the annual number of prisoners in administrative segregation between October 1, 2003 and September 30, 2011 who at any time during the current or prior prison term were diagnosed with serious mental illness or have a developmental disorder and the number of days each of the prisoners with serious mental illness or a developmental disorder have been confined to administrative segregation.

Sec. 927. The department of corrections and the department of human services shall enter 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 Maxey/Woodland center correctional facility. 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. The department shall report by February 1, 2012 to the house and senate appropriations subcommittees on corrections, the house and senate fiscal agencies, and the state budget director on distributions to each separate control account and the expenditures charged against each control account during the previous fiscal year.

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. By April 1, 2012, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the training curriculum used and the number and types of staff receiving training under such curriculum since October 2009.

(b) Provide appropriate placement for prisoners less than 19 years of age who have serious mental illness, serious emotional disturbance, or a developmental disorder and need to be housed separately from the general population. Prisoners less than 19 years of age who have serious mental illness, serious emotional disturbance, or a developmental disorder shall not be placed in administrative segregation due to serious mental illness or serious emotional disturbance. Under the supervision of a mental health professional, a prisoner less than 19 years of age with serious mental illness or serious emotional disturbance may be secluded in a therapeutic environment for the safety of the prisoner or others. A prisoner in therapeutic seclusion shall be evaluated every 12 hours by a mental health professional in order to remain in therapeutic seclusion.

(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. 932. From the funds appropriated in part 1 for mental health services and support, \$100,000.00 is appropriated to permit the department to contract with a board-certified child and adolescent psychiatrist to provide psychiatric services to individuals who are less than 19 years of age and are incarcerated in a department facility.

Sec. 934. From the funds appropriated in part 1 for prison industries operations, the department shall provide a report on the pilot program for the manufacturing of textiles and clothing established in at least 1 state correctional facility under section 934 of 2010 PA 188.

Sec. 935. When the department determines that the closure of a correctional facility is warranted and is determining which facility should be subject to closure, it is the intent of the legislature that the department fully consider the potential economic impact of each prison closure being considered on the community in which the facility resides. The department shall make it a high priority to close a facility for which the local economic impact is minimized.

Sec. 936. The department shall contract with third-party providers to complete an assessment of energy utilization at each state correctional facility. In particular, the department shall endeavor to identify and implement energy-saving initiatives in the various correctional facilities. By April 1, the department shall provide the members of the senate and

house appropriations subcommittees on corrections, the senate and house fiscal agencies, the state budget director, and the legislative corrections ombudsman with a report on these efforts.

Sec. 937. The funds appropriated in part 1 for the cost-effective housing initiative shall be utilized to ensure more cost-effective housing of prisoners. The department shall use this funding to house prisoners in the most cost-effective manner possible. This shall include exploring the use of public-private partnerships, the use of privately owned facilities in Michigan, and the use of state facilities by third-party contractors. The use of cost-effective housing from this initiative shall be used to achieve general prison operations savings budgeted in the inmate housing fund line item. The department shall work cooperatively with the chairpersons of the senate and house appropriations subcommittees on corrections in identifying appropriate reductions to prison facility line items to achieve the budgeted savings in the inmate housing fund line item.

Sec. 938. A contractor that provides food service for a correctional facility should be encouraged to provide those services using fresh food that is grown or produced locally.

Sec. 939. By January 1, the department shall release a request for proposal seeking competitive bids for the privatization of the special alternative incarceration facility.

Sec. 940. For the purpose of procuring drug testing services at correctional facilities, the department shall enter into a contract with a Michigan-based company that provides laboratory oral fluid drug testing.

Sec. 941. The department shall ensure that any contract with a public or private party to operate the special alternative incarceration facility at camp Cassidy Lake includes a provision to require that public works program services continue to be provided to the St. Louis Center in Chelsea at rates consistent with the rate structure in place as of May 1, 2011.

Sec. 942. The department shall ensure that any contract with a public or private party to operate a facility to house state prisoners includes a provision to allow access by both the office of the legislative auditor general and the office of the legislative corrections ombudsman to the facility and to appropriate records and documents related to the operation of the facility. These access rights for both offices shall be the same for the contracted facility as for a general state-operated correctional facility.

PART 2A  
PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS  
FOR FISCAL YEAR 2012-2013

**GENERAL SECTIONS**

Sec. 1201. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, 2013 for the line items listed in part 1. The fiscal year 2012-2013 appropriations are anticipated to be the same as those for fiscal year 2011-2012, except that the line items will be adjusted for changes in caseload and related costs, federal fund match rates, economic factors, and available revenue. These adjustments will be determined after the January 2012 consensus revenue estimating conference.

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

A bill to make appropriations for the department of corrections and certain state purposes related to corrections for the fiscal year ending September 30, 2012; to provide for the expenditure of the appropriations; to provide anticipated appropriations for the fiscal year ending September 30, 2013; 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.

John Proos  
Roger Kahn  
Conferees for the Senate

Joe Haveman  
Greg MacMaster  
Conferees for the House

The Speaker announced that under Joint Rule 9 the conference report would lie over one day.

**Senate Bill No. 177, entitled**

A bill to make, supplement, and adjust appropriations for the departments of attorney general, civil rights, state, technology, management, and budget, and treasury, the executive office, and the legislative branch for the fiscal years ending September 30, 2012; to provide for the expenditure of these appropriations; to provide anticipated appropriations for the fiscal year ending September 30, 2013; 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 Senate has adopted the report of the Committee of Conference and ordered that the bill be given immediate effect.

The Conference Report was read as follows:

**First Conference Report**

The Committee of Conference on the matters of difference between the two Houses concerning **Senate Bill No. 177, entitled**

A bill to make, supplement, and adjust appropriations for the departments of attorney general, civil rights, state, technology, management, and budget, and treasury, the executive office, and the legislative branch for the fiscal year ending September 30, 2012; to provide for the expenditure of these appropriations; to provide anticipated appropriations for the fiscal year ending September 30, 2013; 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.

Recommends:

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

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

A bill to make, supplement, and adjust appropriations for the departments of attorney general, civil rights, state, technology, management, and budget, and treasury, the executive office, and the legislative branch for the fiscal year ending September 30, 2012; to provide for the expenditure of these appropriations; to provide anticipated appropriations for the fiscal year ending September 30, 2013; 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  
FOR FISCAL YEAR 2011-2012

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, state, technology, management, and budget, and treasury, the executive office, the legislative branch, and certain other state purposes, for the fiscal year ending September 30, 2012, 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 .....	43.0	
Full-time equated classified positions .....	8,116.2	
<b>GROSS APPROPRIATION .....</b>		<b>\$ 3,897,242,100</b>
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....	669,027,400	
<b>ADJUSTED GROSS APPROPRIATION .....</b>		<b>\$ 3,228,214,700</b>
Federal revenues:		
Total federal revenues.....	768,099,400	
Special revenue funds:		
Total local revenues .....	7,989,300	
Total private revenues .....	979,400	
Total other state restricted revenues .....	1,726,410,300	
State general fund/general purpose .....		\$ 724,736,300

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

**(1) APPROPRIATION SUMMARY**

Full-time equated unclassified positions.....	6.0	
Full-time equated classified positions .....	514.0	
<b>GROSS APPROPRIATION .....</b>		<b>\$ 74,590,900</b>

	For Fiscal Year Ending Sept. 30, 2012
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers .....	21,885,400
ADJUSTED GROSS APPROPRIATION .....	\$ 52,705,500
Federal revenues:	
Total federal revenues.....	8,848,800
Special revenue funds:	
Total local revenues.....	0
Total private revenues.....	0
Total other state restricted revenues.....	15,489,100
State general fund/general purpose .....	\$ 28,367,600
<b>(2) ATTORNEY GENERAL OPERATIONS</b>	
Full-time equated unclassified positions.....	6.0
Full-time equated classified positions .....	514.0
Attorney general.....	\$ 112,500
Unclassified positions—5.0 FTE positions .....	476,300
Attorney general operations—477.0 FTE positions .....	68,330,700
Child support enforcement—25.0 FTE positions.....	3,008,000
Prosecuting attorneys coordinating council—12.0 FTE positions .....	1,881,800
GROSS APPROPRIATION .....	\$ 73,809,300
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDCH, health services .....	2,062,400
IDG from MDCH, WIC .....	77,000
IDG from department of corrections.....	527,700
IDG from MDE.....	317,000
IDG from MDEQ.....	1,917,700
IDG from MDHS.....	3,617,000
IDG from Michigan state housing development authority.....	540,200
IDG from MDLARA, children’s protection registry.....	39,100
IDG from MDLARA, financial and insurance regulation.....	1,154,400
IDG from MDLARA, licensing and regulation fees.....	197,800
IDG from MDLARA, Michigan occupational safety and health administration .....	100,800
IDG from MDLARA, remonumentation fees.....	85,000
IDG from MDMVA.....	131,500
IDG from MDOT, comprehensive transportation fund.....	177,200
IDG from MDOT, state aeronautics fund.....	165,900
IDG from MDOT, state trunkline fund .....	2,817,500
IDG from MDSP.....	322,300
IDG from MDSP, Michigan justice training fund.....	139,000
IDG from MDTMB .....	208,000
IDG from MDTMB, civil service commission .....	300,600
IDG from MDTMB, risk management revolving fund .....	1,419,300
IDG from MSF, workforce development agency .....	205,400
IDG from treasury .....	5,220,000
IDG from treasury, Michigan strategic fund .....	142,600
Federal revenues:	
DAG, state administrative match grant/food stamps.....	413,300
Federal funds.....	2,645,200
HHS, medical assistance, medigrant .....	645,100
HHS-OS, state Medicaid fraud control units .....	5,045,200
National criminal history improvement program .....	100,000
Special revenue funds:	
Antitrust enforcement collections.....	656,600
Assigned claims assessments.....	132,800
Attorney general’s operations fund .....	985,600
Auto repair facilities fees .....	261,300

	For Fiscal Year Ending Sept. 30, 2012
Franchise fees .....	331,700
Game and fish protection fund .....	797,100
Liquor purchase revolving fund .....	1,165,700
Manufactured housing fees.....	217,200
Merit award trust fund.....	408,600
Michigan employment security act - administrative fund .....	1,785,800
Prisoner reimbursement .....	515,200
Prosecuting attorneys training fees.....	375,000
Public utility assessments.....	1,888,800
Real estate enforcement fund .....	549,100
Reinstatement fees.....	175,400
Retirement funds .....	832,100
Second injury fund .....	913,600
Self-insurers security fund.....	640,800
Silicosis and dust disease fund.....	210,900
State building authority revenue.....	104,200
State casino gaming fund .....	1,235,200
State lottery fund.....	275,600
Utility consumers fund.....	623,700
Waterways fund .....	111,800
Worker's compensation administrative revolving fund .....	295,300
State general fund/general purpose .....	\$ 27,586,000
<b>(3) INFORMATION TECHNOLOGY</b>	
Information technology services and projects .....	\$ 781,600
GROSS APPROPRIATION .....	\$ 781,600
Appropriated from:	
State general fund/general purpose .....	\$ 781,600
<b>Sec. 103. DEPARTMENT OF CIVIL RIGHTS</b>	
<b>(1) APPROPRIATION SUMMARY</b>	
Full-time equated unclassified positions.....	5.0
Full-time equated classified positions .....	121.0
GROSS APPROPRIATION .....	\$ 13,730,200
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers .....	0
ADJUSTED GROSS APPROPRIATION .....	\$ 13,730,200
Federal revenues:	
Total federal revenues.....	2,880,600
Special revenue funds:	
Total local revenues.....	0
Total private revenues.....	18,700
Total other state restricted revenues .....	151,900
State general fund/general purpose .....	\$ 10,679,000
<b>(2) CIVIL RIGHTS OPERATIONS</b>	
Full-time equated unclassified positions.....	5.0
Full-time equated classified positions .....	121.0
Unclassified positions—5.0 FTE positions .....	\$ 267,100
Civil rights operations—113.0 FTE positions .....	11,454,100
Commission on disability concerns—7.0 FTE positions .....	1,186,100
Hispanic/Latino commission of Michigan—1.0 FTE positions .....	206,700
GROSS APPROPRIATION .....	\$ 13,114,000
Appropriated from:	
Federal revenues:	
EEOC, state and local antidiscrimination agency contracts.....	885,000
HUD, grant .....	1,313,200
Federal revenues.....	667,400

	For Fiscal Year Ending Sept. 30, 2012
Special revenue funds:	
Private revenues.....	18,700
Division on deafness fund.....	93,400
State restricted indirect funds.....	58,500
State general fund/general purpose .....	\$ 10,077,800
<b>(3) INFORMATION TECHNOLOGY</b>	
Information technology services and projects.....	\$ 616,200
<b>GROSS APPROPRIATION</b> .....	<u>\$ 616,200</u>
Appropriated from:	
Federal revenues:	
EEOC, state and local antidiscrimination agency contracts.....	15,000
State general fund/general purpose .....	\$ 601,200
<b>Sec. 104. EXECUTIVE OFFICE</b>	
<b>(1) APPROPRIATION SUMMARY</b>	
Full-time equated unclassified positions.....	10.0
Full-time equated classified positions .....	74.2
<b>GROSS APPROPRIATION</b> .....	\$ 4,399,200
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers .....	0
<b>ADJUSTED GROSS APPROPRIATION</b> .....	\$ 4,399,200
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 .....	\$ 4,399,200
<b>(2) EXECUTIVE OFFICE OPERATIONS</b>	
Full-time equated unclassified positions.....	10.0
Full-time equated classified positions .....	74.2
Governor.....	\$ 159,300
Lieutenant governor.....	111,600
Executive office—74.2 FTE positions.....	3,278,500
Unclassified positions—8.0 FTE positions .....	849,800
<b>GROSS APPROPRIATION</b> .....	<u>\$ 4,399,200</u>
Appropriated from:	
State general fund/general purpose .....	\$ 4,399,200
<b>Sec. 105. LEGISLATURE</b>	
<b>(1) APPROPRIATION SUMMARY</b>	
<b>GROSS APPROPRIATION</b> .....	\$ 115,971,600
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers .....	3,751,500
<b>ADJUSTED GROSS APPROPRIATION</b> .....	\$ 112,220,100
Federal revenues:	
Total federal revenues.....	0
Special revenue funds:	
Total local revenues.....	0
Total private revenues.....	400,000
Total other state restricted revenues .....	2,649,700
State general fund/general purpose .....	\$ 109,170,400
<b>(2) LEGISLATURE</b>	
Senate .....	\$ 24,598,800
Senate automated data processing.....	2,156,800
Senate fiscal agency .....	2,687,800
House of representatives.....	39,087,800

	For Fiscal Year Ending Sept. 30, 2012
House automated data processing .....	1,712,300
House fiscal agency .....	2,687,800
GROSS APPROPRIATION .....	\$ 72,931,300
Appropriated from:	
State general fund/general purpose .....	\$ 72,931,300
<b>(3) LEGISLATIVE COUNCIL</b>	
Legislative council.....	\$ 8,446,700
Legislative service bureau automated data processing .....	1,163,600
Worker's compensation.....	126,300
National association dues .....	141,500
Legislative corrections ombudsman.....	606,200
GROSS APPROPRIATION .....	\$ 10,484,300
Appropriated from:	
Interdepartmental grant revenues:	
IDG from Michigan department of corrections.....	250,000
Special revenue funds:	
Private - gifts and bequests revenues .....	400,000
State general fund/general purpose .....	\$ 9,834,300
<b>(4) LEGISLATIVE RETIREMENT SYSTEM</b>	
General nonretirement expenses.....	\$ 4,233,300
GROSS APPROPRIATION .....	\$ 4,233,300
Appropriated from:	
Special revenue funds:	
Court fees .....	1,109,800
State general fund/general purpose .....	\$ 3,123,500
<b>(5) PROPERTY MANAGEMENT</b>	
Capitol building.....	\$ 2,552,800
Cora Anderson building .....	8,315,800
Farnum building and other properties .....	1,815,700
GROSS APPROPRIATION .....	\$ 12,684,300
Appropriated from:	
State general fund/general purpose .....	\$ 12,684,300
<b>(6) OFFICE OF THE AUDITOR GENERAL</b>	
Unclassified positions.....	\$ 313,500
Field operations .....	15,324,900
GROSS APPROPRIATION .....	\$ 15,638,400
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDLARA, 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 MDTMB, civil service commission .....	107,900
IDG from MDOT, state trunkline fund .....	474,600
IDG, single audit act .....	2,658,600
Special revenue funds:	
21st century jobs trust fund.....	50,000
Clean Michigan initiative implementation bond fund.....	38,300
Commercial mobile radio system emergency telephone fund.....	38,300
Contract audit administration fees.....	53,900
Correctional industries revolving fund .....	32,000
Fee adequacy, air quality delegated authority .....	9,600
Game and fish protection fund.....	22,000
Legislative retirement system .....	19,100
Michigan economic development corporation.....	54,400
Michigan education trust fund.....	30,700

	For Fiscal Year Ending Sept. 30, 2012
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
Motor transport revolving fund .....	5,200
Office services revolving fund .....	6,900
State disbursement unit, office of child support.....	27,600
State services fee fund.....	952,100
Waterways fund .....	7,600
State general fund/general purpose .....	\$ 10,597,000
<b>Sec. 106. DEPARTMENT OF STATE</b>	
<b>(1) APPROPRIATION SUMMARY</b>	
Full-time equated unclassified positions.....	6.0
Full-time equated classified positions .....	1,809.0
GROSS APPROPRIATION .....	\$ 211,885,000
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers .....	20,000,000
ADJUSTED GROSS APPROPRIATION .....	\$ 191,885,000
Federal revenues:	
Total federal revenues.....	1,810,000
Special revenue funds:	
Total local revenues .....	0
Total private revenues .....	100
Total other state restricted revenues .....	178,788,700
State general fund/general purpose .....	\$ 11,286,200
<b>(2) EXECUTIVE DIRECTION</b>	
Full-time equated unclassified positions.....	6.0
Full-time equated classified positions .....	30.0
Secretary of state .....	\$ 112,500
Unclassified positions—5.0 FTE positions .....	453,200
Operations—30.0 FTE positions .....	3,224,100
GROSS APPROPRIATION .....	\$ 3,789,800
Appropriated from:	
Auto repair facilities fees .....	60,300
Driver fees .....	221,600
Expedient service fees .....	58,300
Parking ticket court fines.....	8,300
Personal identification card fees.....	26,100
Reinstatement fees - operator licenses .....	204,000
Transportation administration collection fund.....	2,061,500
Vehicle theft prevention fees .....	35,500
State general fund/general purpose .....	\$ 1,114,200
<b>(3) DEPARTMENT SERVICES</b>	
Full-time equated classified positions .....	159.0
Operations—152.0 FTE positions .....	\$ 22,600,800
Assigned claims assessments—7.0 FTE positions .....	1,031,800
GROSS APPROPRIATION .....	\$ 23,632,600
Appropriated from:	
Special revenue funds:	
Abandoned vehicle fees.....	467,400
Assigned claims assessments.....	1,031,800
Auto repair facilities fees .....	414,000
Child support clearance fees .....	34,200
Driver fees .....	917,200

	For Fiscal Year Ending Sept. 30, 2012
Driver improvement course fund.....	300,000
Expedient service fees.....	256,200
Marine safety fund.....	79,400
Off-road vehicle title fees.....	8,000
Parking ticket court fines.....	52,600
Personal identification card fees.....	118,900
Reinstatement fees - operator licenses.....	684,700
Scrap tire fund.....	72,800
Snowmobile registration fee revenue.....	18,100
Transportation administration collection fund.....	18,758,400
Vehicle theft prevention fees.....	242,800
State general fund/general purpose.....	\$ 176,100
<b>(4) REGULATORY SERVICES</b>	
Full-time equated classified positions.....	210.5
Operations—208.5 FTE positions.....	\$ 21,819,900
County clerk education and training.....	100,000
Motorcycle safety education administration—2.0 FTE positions.....	323,600
Motorcycle safety education grants.....	1,500,000
GROSS APPROPRIATION.....	\$ 23,743,500
Appropriated from:	
Special revenue funds:	
Auto repair facilities fees.....	4,129,600
Driver education provider and instructor fund.....	72,700
Driver fees.....	2,677,400
Expedient service fees.....	35,100
Motorcycle safety fund.....	1,823,600
Notary education and training fund.....	100,000
Notary fee fund.....	313,800
Parking ticket court fines.....	20,600
Personal identification card fees.....	104,700
Reinstatement fees - operator licenses.....	2,041,400
Transportation administration collection fund.....	10,881,700
Vehicle theft prevention fees.....	1,326,000
State general fund/general purpose.....	\$ 216,900
<b>(5) CUSTOMER DELIVERY SERVICES</b>	
Full-time equated classified positions.....	1,373.5
Branch operations—931.5 FTE positions.....	\$ 75,703,600
Central operations—415.0 FTE positions.....	43,684,500
Commemorative license plates—24.0 FTE positions.....	2,147,300
Specialty license plates—3.0 FTE positions.....	1,922,000
Credit and debit assessment service fees.....	1,000,000
Olympic center plate.....	75,700
Organ donor program.....	79,100
GROSS APPROPRIATION.....	\$ 124,612,200
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDOT, Michigan transportation fund.....	20,000,000
Federal revenues:	
Federal funds.....	1,460,000
Special revenue funds:	
Private funds.....	100
Abandoned vehicle fees.....	196,900
Auto repair facilities fees.....	92,500
Child support clearance fees.....	294,000
Credit and debit assessment service fees.....	1,000,000

	For Fiscal Year Ending Sept. 30, 2012
Driver fees .....	23,788,700
Driver improvement course fund.....	1,200,000
Enhanced driver license and enhanced official state personal identification card fund.....	4,849,900
Expedient service fees .....	2,456,400
Marine safety fund .....	1,261,600
Michigan state police auto theft fund.....	118,900
Mobile home commission fees .....	472,900
Off-road vehicle title fees.....	141,600
Parking ticket court fines.....	1,485,200
Personal identification card fees.....	2,057,400
Recreation passport fee revenue.....	1,037,800
Reinstatement fees - operator licenses .....	1,406,400
Snowmobile registration fee revenue .....	345,800
Transportation administration collection fund.....	60,478,900
Vehicle theft prevention fees .....	208,600
State general fund/general purpose .....	\$ 258,600
<b>(6) ELECTION REGULATION</b>	
Full-time equated classified positions .....	36.0
Election administration and services—36.0 FTE positions.....	\$ 5,140,600
Fees to local units .....	109,800
Help America Vote Act .....	350,000
GROSS APPROPRIATION .....	\$ 5,600,400
Appropriated from:	
Federal revenues:	
Federal Funds - HAVA HHS .....	350,000
State general fund/general purpose .....	\$ 5,250,400
<b>(7) DEPARTMENTWIDE APPROPRIATIONS</b>	
Building occupancy charges/rent.....	\$ 9,772,000
Worker's compensation.....	292,500
GROSS APPROPRIATION .....	\$ 10,064,500
Appropriated from:	
Special revenue funds:	
Auto repair facilities fees .....	135,300
Driver fees .....	738,200
Expedient service fees .....	26,000
Parking ticket court fines.....	447,800
Transportation administration collection fund.....	5,925,000
State general fund/general purpose .....	\$ 2,792,200
<b>(8) INFORMATION TECHNOLOGY</b>	
Information technology services and projects.....	\$ 20,442,000
GROSS APPROPRIATION .....	\$ 20,442,000
Appropriated from:	
Special revenue funds:	
Administrative order processing fee.....	11,100
Auto repair facilities fees .....	179,000
Child support clearance fees .....	16,200
Driver fees .....	741,700
Expedient service fees .....	1,022,700
Parking ticket court fines.....	82,500
Personal identification card fees.....	159,900
Reinstatement fees - operator licenses .....	558,500
Transportation administration collection fund.....	16,022,100
Vehicle theft prevention fees .....	170,500
State general fund/general purpose .....	\$ 1,477,800

For Fiscal Year  
Ending Sept. 30,  
2012

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

**(1) APPROPRIATION SUMMARY**

Full-time equated unclassified positions.....	6.0	
Full-time equated classified positions .....	3,032.5	
<b>GROSS APPROPRIATION</b> .....		\$ 1,017,184,300
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		608,968,900
<b>ADJUSTED GROSS APPROPRIATION</b> .....		\$ 408,215,400
Federal revenues:		
Total federal revenues.....		10,346,000
Special revenue funds:		
Total local revenues.....		1,456,600
Total private revenues.....		180,600
Total other state restricted revenues .....		85,374,400
State general fund/general purpose .....		\$ 310,857,800

**(2) EXECUTIVE DIRECTION**

Full-time equated unclassified positions.....	6.0	
Full-time equated classified positions .....	11.0	
Unclassified positions—6.0 FTE positions .....		\$ 796,500
Executive operations—11.0 FTE positions .....		1,410,000
<b>GROSS APPROPRIATION</b> .....		\$ 2,206,500
Appropriated from:		
Interdepartmental grant revenues:		
IDG from building occupancy and parking charges.....		74,400
IDG from technology user fees .....		1,394,500
Special revenue funds:		
Special revenue, internal service, and pension trust funds.....		140,800
State general fund/general purpose .....		\$ 596,800

**(3) DEPARTMENT SERVICES**

Full-time equated classified positions .....	778.5	
Administrative services—132.5 FTE positions .....		\$ 15,411,100
Budget and financial management—158.5 FTE positions .....		15,726,700
Office of the state employer—23.0 FTE positions.....		2,980,800
Design and construction services—40.0 FTE positions .....		5,772,800
Business support services—105.5 FTE positions.....		9,584,200
Building operation services—221.0 FTE positions.....		87,962,100
Building occupancy charges, rent, and utilities.....		5,129,400
Motor vehicle fleet—46.0 FTE positions .....		57,349,700
Information technology services and projects.....		26,482,900
Bureau of labor market information and strategies—52.0 FTE positions.....		6,676,900
<b>GROSS APPROPRIATION</b> .....		\$ 233,076,600

Appropriated from:

Interdepartmental grant revenues:		
IDG from accounting service centers user charges.....		2,471,200
IDG from building occupancy and parking charges.....		90,446,400
IDG from MDCH .....		453,000
IDG from MDHS.....		187,800
IDG from MDLARA .....		100,000
IDG from MDOT, comprehensive transportation fund.....		41,900
IDG from MDOT, state aeronautics fund.....		38,100
IDG from MDOT, state trunkline fund .....		1,308,100
IDG from motor transport fund.....		57,349,700
IDG from technology user fees .....		7,960,500
IDG from user fees.....		5,833,200

For Fiscal Year  
Ending Sept. 30,  
2012

Federal revenues:	
Federal funds .....	100
Federal revenues .....	7,542,600
Special revenue funds:	
Deferred compensation .....	2,600
Game and fish protection fund .....	408,500
Health management funds .....	1,969,700
MAIN user charges .....	5,143,000
Pension trust funds .....	6,726,900
Special revenue, internal service, and pension trust funds.....	13,529,200
State building authority revenue.....	675,400
State lottery fund.....	225,000
State restricted indirect funds.....	1,857,800
State services fee fund.....	117,900
Waterways fund .....	106,000
State general fund/general purpose .....	\$ 28,582,000
<b>(4) TECHNOLOGY SERVICES</b>	
Full-time equated classified positions .....	1,559.5
Education services—31.0 FTE positions.....	\$ 3,262,600
Health and human services—659.5 FTE positions .....	255,628,900
Public protection—271.5 FTE positions .....	54,819,100
Resources services—156.5 FTE positions.....	18,305,400
Transportation services—95.5 FTE positions.....	27,737,500
General services—345.5 FTE positions .....	75,363,100
GROSS APPROPRIATION .....	\$ 435,116,600
Appropriated from:	
Interdepartmental grant revenues:	
IDG from technology user fees .....	435,116,600
State general fund/general purpose .....	\$ 0
<b>(5) SPECIAL PROGRAMS</b>	
Full-time equated classified positions .....	177.0
Building occupancy charges - property management services for executive/legislative building occupancy .....	\$ 1,188,200
Retirement services—166.0 FTE positions .....	18,402,900
Office of children’s ombudsman—11.0 FTE positions .....	1,028,900
Information technology innovation fund .....	2,500,000
GROSS APPROPRIATION .....	\$ 23,120,000
Appropriated from:	
Special revenue funds:	
Deferred compensation.....	1,542,400
Pension trust funds .....	16,860,500
State general fund/general purpose .....	\$ 4,717,100
<b>(6) STATE BUILDING AUTHORITY RENT</b>	
State building authority rent - state agencies .....	\$ 68,305,800
State building authority rent - department of corrections .....	47,379,900
State building authority rent - universities .....	117,225,300
State building authority rent - community colleges .....	23,959,600
GROSS APPROPRIATION .....	\$ 256,870,600
Appropriated from:	
State general fund/general purpose .....	\$ 256,870,600
<b>(7) CIVIL SERVICE COMMISSION</b>	
Full-time equated classified positions .....	506.5
Agency services—102.5 FTE positions.....	\$ 12,371,700
Executive direction—33.0 FTE positions.....	8,773,400
Employee benefits—31.0 FTE positions .....	6,078,100

	For Fiscal Year Ending Sept. 30, 2012
Training .....	1,300,000
Human resources operations—340.0 FTE positions .....	32,275,600
Information technology services and projects .....	3,995,200
GROSS APPROPRIATION .....	\$ 64,794,000
Appropriated from:	
Interdepartmental grant revenues:	
IDG, training charges .....	1,300,000
IDG, 1% special funds .....	2,893,500
Federal revenues:	
Federal funds 1% .....	2,803,300
Special revenue funds:	
Local funds 1% .....	1,456,600
Private funds 1% .....	180,600
State restricted funds 1% .....	21,241,300
State restricted indirect funds .....	5,956,600
State sponsored group insurance .....	2,650,000
State sponsored group insurance, flexible spending accounts, and COBRA .....	6,220,800
State general fund/general purpose .....	\$ 20,091,300
<b>(8) CAPITAL OUTLAY</b>	
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
<b>Sec. 108. DEPARTMENT OF TREASURY</b>	
<b>(1) APPROPRIATION SUMMARY</b>	
Full-time equated unclassified positions .....	10.0
Full-time equated classified positions .....	2,565.5
GROSS APPROPRIATION .....	\$ 2,459,480,900
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers .....	14,421,600
ADJUSTED GROSS APPROPRIATION .....	\$ 2,445,059,300
Federal revenues:	
Total federal revenues .....	744,214,000
Special revenue funds:	
Total local revenues .....	6,532,700
Total private revenues .....	380,000
Total other state restricted revenues .....	1,443,956,500
State general fund/general purpose .....	\$ 249,976,100
<b>(2) EXECUTIVE DIRECTION</b>	
Full-time equated unclassified positions .....	10.0
Full-time equated classified positions .....	5.0
Unclassified positions—10.0 FTE positions .....	\$ 923,000
Office of the director—5.0 FTE positions .....	1,013,700
GROSS APPROPRIATION .....	\$ 1,936,700
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 .....	196,200
State services fee fund .....	357,900
State general fund/general purpose .....	\$ 1,317,600

For Fiscal Year  
Ending Sept. 30,  
2012

**(3) DEPARTMENTWIDE APPROPRIATIONS**

Travel.....	\$	1,209,500
Rent and building occupancy charges - property management services.....		5,357,600
Worker's compensation insurance premium.....		168,000
<b>GROSS APPROPRIATION</b> .....	\$	<u>6,735,100</u>

Appropriated from:

Special revenue funds:

Delinquent tax collection revenue.....		3,843,800
State general fund/general purpose.....	\$	2,891,300

**(4) LOCAL GOVERNMENT PROGRAMS**

Full-time equated classified positions.....	93.0	
Supervision of the general property tax law—59.0 FTE positions.....		\$ 12,730,300
Property tax assessor training—4.0 FTE positions.....		457,100
Local finance—23.0 FTE positions.....		2,450,300
Business property tax appeal—7.0 FTE positions.....		402,400
<b>GROSS APPROPRIATION</b> .....		\$ <u>16,040,100</u>

Appropriated from:

Federal revenues:

Special revenue funds:

Local - assessor training fees.....		1,292,100
Local - audit charges.....		667,100
Local - equalization study charge-backs.....		40,000
Local - revenue from local government.....		100,000
Land reutilization fund.....		4,528,400
Municipal finance fees.....		535,200
Delinquent tax collection revenue.....		1,440,500
State general fund/general purpose.....	\$	7,436,800

**(5) TAX PROGRAMS**

Full-time equated classified positions.....	762.0	
Customer contact—112.0 FTE positions.....		\$ 9,980,900
Tax compliance—345.0 FTE positions.....		38,456,900
Tax and economic policy—121.0 FTE positions.....		13,848,700
Tax processing—156.0 FTE positions.....		15,630,400
Home heating assistance.....		2,834,800
Bottle act implementation.....		250,000
Tobacco tax enforcement.....		3,000,000
Tax plan implementation—28.0 FTE positions.....		10,537,000
<b>GROSS APPROPRIATION</b> .....		\$ <u>94,538,700</u>

Appropriated from:

Interdepartmental grant revenues:

IDG, data/collection services fees.....		50,900
IDG from MDOT, Michigan transportation fund.....		7,901,600
IDG from MDOT, state aeronautics fund.....		68,700

Federal revenues:

HHS-SSA, low-income energy assistance.....		2,834,800
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Special revenue funds:

Bottle deposit fund.....		250,000
Delinquent tax collection revenue.....		65,102,000
Emergency 911 fund.....		150,000
Tobacco tax revenue.....		3,980,400
Waterways fund.....		80,500
State general fund/general purpose.....	\$	14,119,800

**(6) BANKING AND MANAGEMENT SERVICES**

Full-time equated classified positions.....	343.0	
Departmental and budget services—48.0 FTE positions.....		\$ 4,218,300
Unclaimed property—26.0 FTE positions.....		4,356,600

	For Fiscal Year Ending Sept. 30, 2012
Collections—209.0 FTE positions.....	24,492,100
Finance and accounting—21.0 FTE positions.....	1,997,500
Receipts processing—39.0 FTE positions.....	3,923,400
GROSS APPROPRIATION.....	\$ 38,987,900
Appropriated from:	
Interdepartmental grant revenues:	
IDG, levy/warrant cost assessment fees .....	2,000,000
IDG, state agency collection fees.....	2,426,800
IDG from MDHS, title IV-D.....	662,500
IDG data/collection service fees.....	229,600
IDG from accounting service center user charges .....	389,400
Special revenue funds:	
Delinquent tax collection revenue .....	20,920,300
Escheats revenue.....	4,356,600
Justice system fund.....	696,100
Garnishment fees .....	2,342,200
State restricted indirect funds.....	258,500
Treasury fees .....	43,900
State general fund/general purpose .....	\$ 4,662,000
<b>(7) FINANCIAL PROGRAMS</b>	
Full-time equated classified positions .....	237.5
Investments—82.0 FTE positions.....	\$ 17,614,500
Common cash and debt management—22.5 FTE positions.....	1,365,700
Student financial assistance programs—46.5 FTE positions.....	3,564,000
Michigan finance authority - bond finance—84.5 FTE positions .....	36,943,200
Public private partnership investment—2.0 FTE positions .....	1,487,900
John R. Justice grant program.....	282,100
GROSS APPROPRIATION.....	\$ 61,257,400
Appropriated from:	
Interdepartmental grant revenues:	
IDG, fiscal agent service fees .....	177,100
Federal revenues:	
DED-OPSE, federal lenders allowance .....	10,908,900
DED-OPSE, higher education act of 1965, insured loans.....	24,203,900
Federal - John R. Justice grant.....	282,100
Special revenue funds:	
Defined contribution administrative fee revenue.....	100,000
Michigan finance authority bond and loan program revenue.....	3,068,100
Michigan merit award trust fund.....	996,400
Public private partnership investment fund .....	1,487,900
Retirement funds .....	16,430,200
School bond fees .....	688,100
Treasury fees .....	1,277,000
State general fund/general purpose .....	\$ 1,637,700
<b>(8) DEBT SERVICE</b>	
Water pollution control bond and interest redemption.....	\$ 2,125,500
Quality of life bond.....	75,278,500
Clean Michigan initiative .....	59,373,100
Great Lakes water quality bond .....	4,150,900
GROSS APPROPRIATION.....	\$ 140,928,000
Appropriated from:	
Special revenue funds:	
Refined petroleum fund.....	15,514,500
State general fund/general purpose .....	\$ 125,413,500

	For Fiscal Year Ending Sept. 30, 2012
<b>(9) GRANTS</b>	
Convention facility development distribution.....	\$ 74,850,000
Presidential primary.....	10,000,000
Senior citizen cooperative housing tax exemption program.....	12,020,000
Emergency 911 payments.....	27,000,000
Health and safety fund grants.....	9,000,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 132,870,000</b>
Appropriated from:	
Special revenue funds:	
Emergency 911 fund.....	27,000,000
Convention facility development fund.....	74,850,000
Health and safety fund .....	9,000,000
State general fund/general purpose .....	\$ 22,020,000
<b>(10) BUREAU OF STATE LOTTERY</b>	
Full-time equated classified positions .....	179.0
Lottery operations—179.0 FTE positions .....	\$ 21,657,900
Promotion and advertising.....	17,690,900
Lottery information technology services and projects .....	4,837,800
<b>GROSS APPROPRIATION</b> .....	<b>\$ 44,186,600</b>
Appropriated from:	
Special revenue funds:	
State lottery fund.....	44,186,600
State general fund/general purpose .....	\$ 0
<b>(11) CASINO GAMING</b>	
Full-time equated classified positions .....	126.0
Michigan gaming control board .....	\$ 50,000
Casino gaming control operations—116.0 FTE positions.....	22,418,800
Casino gaming information technology services and projects .....	1,647,700
Racing commission—10.0 FTE positions .....	2,193,300
<b>GROSS APPROPRIATION</b> .....	<b>\$ 26,309,800</b>
Appropriated from:	
Special revenue funds:	
Casino gambling agreements.....	719,300
Equine development fund.....	2,316,300
Laboratory fees.....	700,000
State services fee fund.....	22,574,200
State general fund/general purpose .....	\$ 0
<b>(12) PAYMENTS IN LIEU OF TAXES</b>	
Commercial forest reserve.....	\$ 1,991,600
Purchased lands .....	3,292,200
Swamp and tax reverted lands.....	5,293,200
<b>GROSS APPROPRIATION</b> .....	<b>\$ 10,577,000</b>
Appropriated from:	
Special revenue funds:	
Game and fish protection fund.....	1,201,500
Michigan natural resources trust fund.....	350,400
Michigan state waterways fund.....	94,700
State general fund/general purpose .....	\$ 8,930,400
<b>(13) MICHIGAN STRATEGIC FUND</b>	
Full-time equated classified positions .....	531.0
Administration—22.0 FTE positions.....	\$ 2,786,200
Job creation services—139.0 FTE positions .....	17,205,200
Pure Michigan .....	25,000,000
Innovation and entrepreneurship .....	25,000,000
Business attraction and economic gardening.....	50,000,000
Community development block grants .....	47,000,000

	For Fiscal Year Ending Sept. 30, 2012
Arts and cultural program .....	2,567,400
Michigan film office—6.0 FTE positions .....	766,900
GEAR-UP program grants.....	3,000,000
Carl D. Perkins grants .....	19,000,000
Adult basic education .....	20,000,000
Adult education—16.0 FTE positions .....	2,599,100
Bureau of energy systems .....	4,610,900
Postsecondary education—9.0 FTE positions .....	2,411,300
Employment services—246.0 FTE positions .....	49,586,000
Wage and hour division—1.0 FTE positions.....	115,000
Workforce development agency administrative services—25.0 FTE positions.....	2,059,400
Workforce program administration—61.0 FTE positions .....	12,904,800
Workforce training programs.....	296,478,600
Welfare-to-work programs.....	93,158,800
Worker’s compensation.....	17,900
Workforce development agency rent and property management.....	1,483,500
Land bank fast track authority - bond finance—6.0 FTE positions.....	2,823,500
Information technology services and projects .....	2,951,400
GROSS APPROPRIATION .....	\$ 683,525,900
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDEQ, air quality fees .....	37,600
Federal revenues:	
DAG, employment and training.....	7,290,000
DED-OESE, GEAR-UP.....	3,000,000
DED-OSERS, rehabilitation services, vocational rehabilitation state grants .....	1,458,600
DED-OVAE, adult education.....	20,000,000
DED-OVAE, basic grants to states .....	19,000,000
DOE-OEERE, multiple grants.....	4,737,300
DOL, federal funds.....	125,868,000
DOL-ETA, workforce investment act.....	234,008,400
Federal funds .....	6,808,400
HHS, temporary assistance for needy families .....	64,669,000
HUD-CPD, community development block grants .....	49,602,800
US-EPA, revolving loan fund.....	1,000,000
NFAH-NEA, promotion of the arts, partnership agreements .....	1,050,000
Special revenue funds:	
Local revenues.....	4,433,500
Private - special project advances .....	250,000
Private - Michigan council for the arts fund .....	100,000
Private - oil overcharge .....	30,000
Contingent fund, penalty and interest account.....	2,725,400
Defaulted loan collection fees .....	100,000
Industry support fees .....	5,500
Land bank fast track fund .....	1,981,000
21st century jobs trust fund.....	75,000,000
Michigan film promotion fund .....	563,100
Public utility assessments.....	843,600
State general fund/general purpose .....	\$ 58,963,700
<b>(14) REVENUE SHARING</b>	
Constitutional state general revenue sharing grants .....	\$ 658,979,300
County revenue sharing payments.....	100,000,000
Economic vitality incentive program.....	200,000,000
GROSS APPROPRIATION .....	\$ 958,979,300

	For Fiscal Year Ending Sept. 30, 2012
Appropriated from:	
Special revenue funds:	
Sales tax .....	958,979,300
State general fund/general purpose .....	\$ 0
<b>(15) MICHIGAN STRATEGIC FUND - MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY</b>	
Full-time equated classified positions .....	289.0
Payments on behalf of tenants.....	\$ 166,860,000
Housing and rental assistance—266.0 FTE positions .....	48,562,500
State historic preservation program—23.0 FTE positions.....	3,105,700
Lighthouse preservation program .....	307,500
Rent and administrative support.....	3,846,100
Michigan state housing development authority technology services and projects.....	3,291,300
<b>GROSS APPROPRIATION .....</b>	<b>\$ 225,973,100</b>
Appropriated from:	
Federal revenues:	
HUD, lower income housing assistance .....	166,860,000
Special revenue funds:	
Michigan state housing development authority fees and charges .....	58,805,600
Michigan lighthouse preservation fund .....	307,500
State general fund/general purpose .....	\$ 0
<b>(16) INFORMATION TECHNOLOGY</b>	
Treasury operations information technology services and projects.....	\$ 16,635,300
<b>GROSS APPROPRIATION .....</b>	<b>\$ 16,635,300</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDOT, Michigan transportation fund .....	477,400
Federal revenues:	
DED-OPSE, federal lender allowance.....	566,800
Special revenue funds:	
Delinquent tax collection revenue .....	12,201,100
Retirement funds .....	690,600
Tobacco tax revenue .....	116,100
State general fund/general purpose .....	\$ 2,583,300

PART 2  
PROVISIONS CONCERNING APPROPRIATIONS  
FOR FISCAL YEAR 2011-2012

**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 2011-2012 is \$2,451,146,600.00 and state spending from state resources to be paid to local units of government for fiscal year 2011-2012 is \$1,129,558,400.00. 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 .....	1,251,000
Subtotal.....	\$ 1,360,800

**DEPARTMENT OF TREASURY**

Senior citizen cooperative housing tax exemption .....	\$ 12,020,000
Health and safety fund grants.....	9,000,000
Constitutional state general revenue sharing grants .....	658,979,300
Economic vitality incentive program.....	200,000,000
Convention facility development fund distribution .....	74,850,000
Emergency 9-1-1 payments .....	24,600,000
County revenue sharing payments.....	100,000,000
Airport parking distribution pursuant to section 909 .....	12,946,500
Presidential primary.....	10,000,000

Payments in lieu of taxes .....	10,577,000
Welfare-to-work programs.....	15,224,800
Subtotal.....	\$ 1,128,197,600
TOTAL GENERAL GOVERNMENT .....	\$ 1,129,558,400

(2) Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state sources for fiscal year 2011-2012 is estimated at \$26,336,775,800.00 in the 2011-2012 appropriations acts and total state spending from state sources paid to local units of government for fiscal year 2011-2012 is estimated at \$14,717,752,700.00. The state-local proportion is estimated at 55.9% of total state spending from state resources.

(3) If payments to local units of government and state spending from state sources for fiscal year 2011-2012 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 2011-2012 to the senate and house of representatives standing committees on appropriations within 30 days after the final book-closing for fiscal year 2011-2012.

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 article:

- (a) "AFSCME" means American federation of state, county, and municipal employees.
- (b) "ATM" means automated teller machine.
- (c) "CDBG" means community development block grants.
- (d) "COBRA" means the consolidated omnibus budget reconciliation act of 1985, Public Law 99-272, 100 Stat. 82.
- (e) "CPI" means consumer price index.
- (f) "DAG" means the United States department of agriculture.
- (g) "DED" means the United States department of education.
- (h) "DED-OESE" means the DED office of elementary and secondary education.
- (i) "DED-OPSE" means the DED, office of postsecondary education.
- (j) "DED-OSERS" means the DED office of special education rehabilitation services.
- (k) "DED-OVAE" means the DED office of vocational and adult education.
- (l) "DOE-OEERE" means the United States department of energy, office of energy efficiency and renewable energy.
- (m) "DOI-NPS" means the United State department of interior, national park service.
- (n) "DOL-ETA" means the United States department of labor, employment and training administration.
- (o) "DOL-OSHA" means the United States department of labor, occupational safety and health administration.
- (p) "EEOC" means the United States equal employment opportunity commission.
- (q) "EPA" means the United States environmental protection agency.
- (r) "FTE" means full-time equated.
- (s) "Fund" means the Michigan strategic fund.
- (t) "GEAR-UP" means gaining early awareness and readiness for undergraduate programs.
- (u) "GF/GP" means general fund/general purpose.
- (v) "HAVA" means help America vote act.
- (w) "HHS" means the United States department of health and human services.
- (x) "HHS-OS" means the HHS office of the secretary.
- (y) "HHS-SSA" means the HHS social security administration.
- (z) "HUD" means the United States department of housing and urban development.
- (aa) "HUD-CPD" means the United States department of housing and urban development – community planning and development.
- (bb) "IDG" means interdepartmental grant.
- (cc) "IDT" means intradepartmental transfer.
- (dd) "JCOS" means the joint capital outlay subcommittee.
- (ee) "MAIN" means the Michigan administrative information network.
- (ff) "MCL" means the Michigan Compiled Laws.
- (gg) "MDCH" means the Michigan department of community health.
- (hh) "MDE" means the Michigan department of education.
- (ii) "MDELEG" means the Michigan department of energy, labor, and economic growth or its successor.
- (jj) "MDEQ" means the Michigan department of environmental quality.
- (kk) "MDHS" means the Michigan department of human services.
- (ll) "MDMVA" means the Michigan department of military and veterans affairs.
- (mm) "MDOC" means the Michigan department of corrections.
- (nn) "MDOT" means the Michigan department of transportation.
- (oo) "MDSPP" means the Michigan department of state police.
- (pp) "MDTMB" means the Michigan department of technology, management, and budget.

(qq) “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.

(rr) “MFA” means the Michigan finance authority.

(ss) “MPE” means the Michigan public employees.

(tt) “MSC” means managerial, supervisory, and confidential.

(uu) “MSHDA” means Michigan state housing development authority.

(vv) “NERE” means nonexclusively represented employees.

(ww) “NFAH-NEA” means the national foundation of the arts and the humanities – national endowment for the arts.

(xx) “PA” means public act.

(yy) “PACC” means the prosecuting attorneys coordinating council.

(zz) “SEIU” means service employees international union.

Sec. 206. (1) The departments and agencies receiving appropriations in this act shall maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following:

(a) Fiscal year-to-date expenditures by category.

(b) Fiscal year-to-date expenditures by appropriation unit.

(c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.

(d) The number of active department employees by job classification.

(e) Job specifications and wage rates.

(2) Departments and agencies may develop and operate their own websites to provide this information or may reference the state’s central transparency website as the source for this information.

Sec. 207. Amounts appropriated in part 1 for information technology may be designated as work project accounts and carried forward to support technology projects under the direction of the department of technology, management, and budget. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 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 for the fiscal year ending September 30, 2012, from general fund/general purpose revenue for deposit into the countercyclical budget and economic stabilization fund the sum of \$255,800,000.00. The calculation required by section 352 of the management and budget act, 1984 PA 431, MCL 18.1352, is determined as follows:

	2010	2011
Michigan personal income (millions).....	\$351,830	\$369,070
less: transfer payments.....	<u>81,535</u>	<u>81,943</u>
Subtotal .....	<u>\$270,295</u>	<u>\$287,127</u>
Divided by: Detroit CPI for 12 months ending June 30.....	2.045	2.062
Equals: real adjusted Michigan personal income.....	\$132,157	\$139,273
Percentage change .....		5.4%
Percentage change greater than 2% .....		3.4%
Multiplied by: estimated GF/GP revenue in FY 2010-2011 (millions) .....		7,524.1
Equals: countercyclical budget and economic stabilization fund payin calculation for the fiscal year ending September 30, 2012 (millions).....		\$255.8

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

be followed. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 213. Funds appropriated in part 1 shall not be used by this state, a department, an agency, or an authority of this state to purchase an ownership interest in a casino enterprise or a gambling operation as those terms are defined in the Michigan gaming control and revenue act, 1996 IL 1, MCL 432.201 to 432.226.

Sec. 214. From the funds appropriated in part 1 for information technology, departments and agencies shall pay user fees to the department of technology, management, and budget 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 technology, management, and budget.

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 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 exceptions to allow the travel. Any exceptions granted by the state budget director shall be reported on a quarterly basis to the senate and house of representatives standing committees on appropriations.

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. 220. Funds appropriated in this act shall not be used to administer a committee or to solicit or obtain contributions for a committee. As used in this section, "committee" means that term as defined in section 3 of the Michigan campaign finance act, 1976 PA 388, MCL 169.203.

Sec. 221. (1) Each department shall report no later than April 1 on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year to the senate and house of representatives standing committees on appropriations subcommittees on general government, the joint committee on administrative rules, and the senate and house fiscal agencies.

(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. Within 14 days after the release of the executive budget recommendation, the departments and agencies receiving appropriations in this act shall provide the state budget director, the chairs of the senate and house of representatives standing committees on appropriations, the senate and house of representatives standing committees on appropriations subcommittees on general government, and the senate and house fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2011 and September 30, 2012.

Sec. 228. Not later than November 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 of representatives standing committees on appropriations, and the senate and house fiscal agencies.

Sec. 229. If the office of the auditor general has identified an initiative or made a recommendation that is related to savings and efficiencies in an audit report for an executive branch department or agency, the department or agency shall report within 6 months of the release of the audit on their efforts and progress made toward achieving the savings and efficiencies identified in the audit report. The report shall be submitted to the chairs of the senate and house of representatives standing committees on appropriations, the chairs of the senate and house of representatives standing committees with jurisdiction over matters relating to the department that is audited, and the senate and house fiscal agencies.

#### **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 \$497,900.00 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. (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 \$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. 402. (1) In addition to the appropriations contained in part 1, the department of civil rights may receive and expend funds from local or private sources for all of the following purposes:

- (a) Developing and presenting training for employers on equal employment opportunity law and procedures.
- (b) The publication and sale of civil rights related informational material.
- (c) The provision of copy material made available under freedom of information requests.
- (d) Other copy fees, subpoena fees, and witness fees.
- (e) Developing, presenting, and participating in mediation processes for certain civil rights cases.
- (f) Workshops, seminars, and recognition or award programs consistent with the programmatic mission of the individual unit sponsoring or coordinating the programs.
- (g) Staffing costs for all activities included in this subsection.

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

Sec. 403. The department of civil rights may contract with local units of government to review equal employment opportunity compliance of potential contractors and may charge for and expend amounts received from local units of government for the purpose of developing and providing these contractual services.

#### **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. If the funding is available, \$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, 2016.

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, 2016.

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.

#### **LEGISLATIVE AUDITOR GENERAL**

Sec. 620. Pursuant to section 53 of article IV of the state constitution of 1963, the auditor general shall conduct audits of the judicial branch. The audits may include the supreme court and its administrative units, the court of appeals, and trial courts.

Sec. 621. (1) The auditor general shall take all reasonable steps to ensure that certified minority- and women-owned and operated accounting firms, and accounting firms owned and operated by persons with disabilities participate in the audits of the books, accounts, and financial affairs of each principal executive department, branch, institution, agency, and office of this state.

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

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

Sec. 622. From the funds appropriated in part 1 to the legislative auditor general, the auditor general's salary and the salaries of the remaining 2.0 FTE unclassified positions shall be set by the speaker of the house of representatives, the senate majority leader, the house of representatives minority leader, and the senate minority leader.

Sec. 623. Any audits, reviews, or investigations requested of the auditor general by the legislature or by legislative leadership, legislative committees, or individual legislators shall include an estimate of the additional costs involved and, when those costs exceed \$50,000.00, should provide supplemental funding. The auditor general shall determine whether to perform those activities in keeping with Audit Directive No. 29, which describes the office of the auditor general's policy on responding to legislative requests.

Sec. 624. Not later than December 31, 2011, the auditor general, in conjunction with the office of the state budget, shall submit a report regarding the feasibility of converting to a statewide single audit. The report shall be submitted to the senate and the house of representatives appropriation subcommittees on general government and the senate and house fiscal agencies. The report shall include an estimate of the cost savings or increase that would result from converting to a statewide single audit, an analysis of required statutory changes, the impact on legislative oversight, organizational changes necessary to provide centralized coordination, billing and funding structure changes, corrective action for known internal control weaknesses and prior single audit findings, and a recommendation regarding implementation of a statewide single audit.

Sec. 625. (1) In addition to amounts appropriated in part 1 for auditor general operations, there is appropriated for the fiscal year ending September 30, 2012 an amount not to exceed \$905,000.00 from the unexpended and unencumbered balance of fiscal year 2010-2011 appropriations for the office of the auditor general.

(2) The funds appropriated in subsection (1) shall be made immediately available in fiscal year 2011-2012 and shall only be expended for the payment of the net economic cost increases of the legislative auditor general for fiscal year 2011-2012 as computed by the state budget office.

(3) Funds appropriated in subsection (1) that exceed the net economic cost increases of the legislative auditor general for fiscal year 2011-2012 as computed by the state budget office shall lapse to the general fund.

(4) Any unexpended and unencumbered balances at the end of fiscal year 2010-2011 that resulted from the legislative auditor general not completing mandated financial audits during fiscal year 2010-2011 shall not be appropriated in subsection (1).

#### **DEPARTMENT OF STATE**

Sec. 701. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$2,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in 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. 702. 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. 703. From the funds appropriated in part 1, the department of state shall sell copies of records including, but not limited to, records of motor vehicles, off-road vehicles, snowmobiles, watercraft, mobile homes, personal identification cardholders, drivers, and boat operators and shall charge \$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. 704. From the funds appropriated in part 1, the secretary of state may enter into agreements with the department of corrections for the manufacture of vehicle registration plates 15 months before the registration year in which the registration plates will be used.

Sec. 705. (1) The department of state may accept gifts, donations, contributions, and grants of money and other property from any private or public source to underwrite, in whole or in part, the cost of a departmental publication that is prepared and disseminated under the Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923. A private or public funding source may receive written recognition in the publication and may furnish a traffic safety message, subject to departmental approval, for inclusion in the publication. The department may reject a gift, donation, contribution, or grant. The department may furnish copies of a publication underwritten, in whole or in part, by a private source to the underwriter at no charge.

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

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

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

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

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

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

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

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

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

Sec. 707. Funds collected by the department of state under section 211 of the Michigan vehicle code, 1949 PA 300, MCL 257.211, are appropriated for all expenses necessary to provide for the costs of the publication. Funds are allotted for expenditure when they are received by the department of treasury and shall not lapse to the general fund at the end of the fiscal year.

Sec. 708. From the funds appropriated in part 1, the department of state shall use available balances at the end of the state fiscal year to provide payment to the department of state police in the amount of \$332,000.00 for the services provided by the traffic accident records program as first appropriated in 1990 PA 196 and 1990 PA 208.

Sec. 709. From the funds appropriated in part 1, the department of state may restrict funds from miscellaneous revenue to cover cash shortages created from normal branch office operations. This amount shall not exceed \$50,000.00 of the total funds available in miscellaneous revenue.

Sec. 710. (1) Commemorative and specialty license plate fee revenue collected by the department of state and deposited into the transportation administration collection fund 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. 711. (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. 712. The department of state may produce and sell copies of a training video designed to inform registered automotive repair facilities of their obligations under Michigan law. The price shall not exceed the cost of production and distribution. The money received from the sale of training videos shall revert to the department of state and be placed in the auto repair facility account.

Sec. 713. (1) The department of state, in collaboration with the gift of life transplantation society or its successor federally designated organ procurement organization, may develop and administer a public information campaign concerning the Michigan organ donor program.

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

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

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

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

(6) In addition to the appropriations in part 1, the department of state may receive and expend funds from the organ and tissue donation education fund for administrative expenses.

Sec. 714. 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. 715. (1) Any service assessment collected by the department of state from the user of a credit or debit card under section 3 of 1995 PA 144, MCL 11.23, may be used by the department for necessary expenses related to that service and may be remitted to a credit or debit card company, bank, or other financial institution.

(2) The service assessment imposed by the department of state for credit and debit card services may be based either on a percentage of each individual credit or debit card transaction, or on a flat rate per transaction, or both, scaled to the amount of the transaction. However, the department shall not charge any amount for a service assessment which exceeds the costs billable to the department for service assessments.

(3) If there is a balance of service assessments received from credit and debit card services remaining on September 30, the balance may be carried forward to the following fiscal year and appropriated for the same purpose.

(4) As used in this section, "service assessment" means and includes costs associated with service fees imposed by credit and debit card companies and processing fees imposed by banks and other financial institutions.

Sec. 716b. The department of state shall provide a report that calculates the total amount of funds expended for the business application modernization project to date from the inception of the program. The report shall contain information on the original start and completion dates for the project, the original cost to complete the project, and a listing of all revisions to project completion dates and costs. The report shall include the total amount of funds paid to the state by the contract provider for penalties. The report shall be submitted to the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the state budget director by January 1.

Sec. 717. (1) The department of state may accept nonmonetary gifts, donations, or contributions of property from any private or public source to support, in whole or in part, the operation of a departmental function relating to licensing, regulation, or safety. The department may recognize a private or public contributor for making the contribution. The department may reject a gift, donation, or contribution.

(2) The department of state shall not accept a gift, donation, or contribution under subsection (1) if receipt of the gift, donation, or contribution is conditioned upon a commitment of future state funding.

(3) On March 1 of each year, the department of state shall file a report with the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the state budget director. The report shall list any gift, donation, or contribution received by the department under subsection (1) for the prior calendar year.

Sec. 718. From the funds appropriated in part 1 to the department of state, branch operations, the department shall maintain a full service secretary of state branch office in Buena Vista Township.

Sec. 719. 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. 721. From the funds appropriated in part 1, the department of state may collect ATM commission fees from companies that have ATMs located in secretary of state branch offices. The commission received from the use of these ATMs shall be credited to the transportation administration collection fund created under section 810b of the Michigan vehicle code, 1949 PA 300, MCL 257.810b.

#### **DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET**

Sec. 801. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$4,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in 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 \$8,000,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in 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 \$150,000.00 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. Proceeds in excess of necessary costs incurred in the conduct of transfers or auctions of state surplus, salvage, or scrap property made pursuant to section 267 of the management and budget act, 1984 PA 431, MCL 18.1267, are appropriated to the department of technology, management, and budget to offset costs incurred in the acquisition and distribution of federal surplus property. The department of technology, management, and budget shall provide consolidated internet auction services through the state's contractors for all local units of government.

Sec. 803. (1) The department of technology, management, and budget may receive and expend funds in addition to those authorized by part 1 for maintenance and operation services provided specifically to other principal executive departments or state agencies, the legislative branch, the judicial branch, or private tenants, or provided in connection with facilities transferred to the operational jurisdiction of the department of technology, management, and budget.

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

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

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

(5) The department of technology, management, and budget may not expend funds for the purchase of new office furniture for principal executive departments and state agencies, the legislative branch, or the judicial branch without first examining the possibility of using existing inventory that can be reused or refurbished. The department of technology, management, and budget may utilize its existing refurbished open space office furniture, lateral files, design and installation services statewide contract to work with a vendor that specializes in inventory management and product reutilization and that is not a seller of new furniture to the state of Michigan to supplement any additional office furniture needs.

Sec. 804. (1) The source of financing in part 1 for statewide appropriations shall be funded by assessments against longevity and insurance appropriations throughout state government in a manner prescribed by the department of technology, management, and budget. Funds shall be used as specified in joint labor/management agreements or through the coordinated compensation hearings process. Any deposits made under this subsection and any unencumbered funds are restricted revenues, may be carried over into the succeeding fiscal years, and are appropriated.

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

Sec. 805. To the extent a specific appropriation is required for a detailed source of financing included in part 1 for the department of technology, management, and budget appropriations financed from special revenue and internal service and pension trust funds, or MAIN user charges, the specific amounts are appropriated within the special revenue internal service and pension trust funds in portions not to exceed the aggregate amount appropriated in part 1.

Sec. 806. In addition to the funds appropriated in part 1 to the department of technology, management, and budget, the department may receive and expend funds from other principal executive departments and state agencies to implement administrative leave bank transfer provisions as may be specified in joint labor/management agreements. The amounts may also be transferred to other principal executive departments and state agencies under the joint agreement and any amounts transferred under the joint agreement are authorized for receipt and expenditure by the receiving principal executive department or state agency. Any amounts received by the department of technology, management, and budget under this section and intended, under the joint labor/management agreements, to be available for use beyond the close of the fiscal year and any unencumbered funds may be carried over into the succeeding fiscal year.

Sec. 807. The source of financing in part 1 for the Michigan administrative information network shall be funded by proportionate charges assessed against the respective state funds benefiting from this project in the amounts determined by the department.

Sec. 808. (1) Deposits against the interdepartmental grant from building occupancy and parking charges appropriated in part 1 shall be collected, in part, from state agencies, the legislative branch, and the judicial branch based on estimated costs associated with maintenance and operation of buildings managed by the department of technology, management, and budget. To the extent excess revenues are collected due to estimates of building occupancy charges exceeding actual costs, the excess revenues may be carried forward into succeeding fiscal years for the purpose of returning funds to state agencies.

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

Sec. 809. The department of technology, management, and budget shall notify the chairpersons of the senate and house of representatives standing committees on appropriations and the chairpersons of the senate and house of representatives standing committees on appropriations subcommittees on general government on any revisions that increase or decrease current contracts by more than \$500,000.00 for computer software development, hardware acquisition, or quality assurance at least 14 days before the department of technology, management, and budget finalizes the revisions.

Sec. 810. The department of technology, management, and budget shall maintain an Internet website that contains notice of all invitations for bids and requests for proposals over \$50,000.00 issued by the department or by any state agency operating under delegated authority. The department shall not accept an invitation for bid or request for proposal in less than 14 days after the notice is made available on the Internet website, except in situations where it would be in the best interest of the state and documented by the department. In addition to the requirements of this section, the department may advertise the invitations for bids and requests for proposals in any manner the department determines appropriate, in order to give the greatest number of individuals and businesses the opportunity to make bids or requests for proposals.

Sec. 811. The department of technology, management, and budget may receive and expend funds from the Vietnam veterans memorial monument fund as provided in the Michigan Vietnam veterans memorial act, 1988 PA 234, MCL 35.1051 to 35.1057. Funds are appropriated and allocated when received and may be expended upon receipt.

Sec. 812. The Michigan veterans' memorial park commission may receive and expend money from any source, public or private, including, but not limited to, gifts, grants, donations of money, and government appropriations, for the purposes described in Executive Order No. 2001-10. Funds are appropriated and allocated when received and may be expended upon receipt. Any deposits made under this section and unencumbered funds are restricted revenues and may be carried over into succeeding fiscal years.

Sec. 813. (1) Funds in part 1 for motor vehicle fleet are appropriated to the department of technology, management, and budget for administration and for the acquisition, lease, operation, maintenance, repair, replacement, and disposal of state motor vehicles.

(2) The appropriation in part 1 for motor vehicle fleet shall be funded by revenue from rates charged to principal executive departments and agencies for utilizing vehicle travel services provided by the department. Revenue in excess of the amount appropriated in part 1 from the motor transport fund and any unencumbered funds are restricted revenues and may be carried over into the succeeding fiscal year.

(3) Pursuant to the department of technology, management, and budget's authority under sections 213 and 215 of the management and budget act, 1984 PA 431, MCL 18.1213 and 18.1215, the department shall maintain a plan regarding the operation of the motor vehicle fleet. The plan shall include the number of vehicles assigned to, or authorized for use by, state departments and agencies, efforts to reduce 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.

(4) The department of technology, 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.

(5) In order to reduce costs and maintain quality, it is the intent of the legislature that, excluding the fleet of motor vehicles for the department of state police, when economically feasible, the department of technology, management, and budget will prioritize the utilization of remanufactured parts as the primary means of maintenance and repair for the state of Michigan's fleet of motor vehicles.

Sec. 817. The department of technology, management, and budget may require that any vendor or subcontractor providing call or contact center services to the state of Michigan disclose to inbound callers the location from which the call or contact center services are being provided.

Sec. 818. In addition to the funds appropriated in part 1, the department of technology, management, and budget may receive and expend money from the Michigan law enforcement officers memorial monument fund as provided in the Michigan law enforcement officers memorial act, 2004 PA 177, MCL 28.781 to 28.787.

Sec. 819. In addition to the funds appropriated in part 1, the department of technology, management, and budget may receive and expend money from the Ronald Wilson Reagan memorial monument fund as provided in the Ronald Wilson Reagan memorial monument fund commission act, 2004 PA 489, MCL 399.261 to 399.266.

Sec. 820. The department shall make available to the public a list of all parcels of real property owned by the state that are available for purchase. The list shall be posted on the Internet through the department's website.

Sec. 822. The department of technology, management, and budget shall compile a report by January 1 pertaining to the salaries of unclassified employees, as well as gubernatorial appointees, within all state departments and agencies. The report shall enumerate each unclassified employee and gubernatorial appointee and his or her annual salary individually. The report shall be distributed to the chairs of the senate and house of representatives standing committees on appropriations subcommittees on general government, as well as the senate and house fiscal agencies.

Sec. 822a. The department shall submit a report regarding the feasibility of privatizing the administration of the state lottery. The report shall include an estimate of the cost savings or increase that would result from privatizing the administration of the state lottery, an analysis of required statutory changes, and any other issues that need to be addressed. The report shall be submitted to the senate and house of representatives appropriations subcommittees on general government, the senate and house fiscal agencies, and the state budget office. The report shall be submitted not later than April 1.

### **INFORMATION TECHNOLOGY**

Sec. 823. (1) The department of technology, management, and budget may sell and accept paid advertising for placement on any state website under its jurisdiction. The department shall review and approve the content of each advertisement. The department may refuse to accept advertising from any person or organization or require modification to advertisements based upon criteria determined by the department. Revenue received under this subsection shall be used for operating costs of the department and for future technology enhancements to state of Michigan e-government initiatives. Funds received under this subsection shall be limited to \$250,000.00. Any funds in excess of \$250,000.00 shall be deposited in the state general fund.

(2) The department of technology, management, and budget may accept gifts, donations, contributions, bequests, and grants of money from any public or private source to assist with the underwriting or sponsorship of state webpages or services offered on those webpages. A private or public funding source may receive recognition in the webpage. The department of technology, management, and budget may reject any gift, donation, contribution, bequest, or grant.

(3) Funds accepted by the department of technology, management, and budget under subsection (1) are appropriated and allotted when received and may be expended upon approval of the state budget director. The state budget office shall notify the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies within 10 days after the approval is given.

(4) By April 1, the department of technology, management, and budget 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. 824. The department of technology, management, and budget may enter into agreements to supply spatial information and technical services to other principal executive departments, state agencies, local units of government, and other organizations. The department of technology, management, and budget may receive and expend funds in addition to those authorized in part 1 for providing information and technical services, publications, maps, and other products. The department of technology, management, and budget may expend amounts received for salaries, supplies, and equipment necessary to provide informational products and technical services. Prior to December 1 of each year, the department shall provide a report to the senate and house of representatives standing committees on appropriations subcommittees on general government, detailing the sources of funding and expenditures made under this section.

Sec. 825. The legislature shall have access to all historical and current data contained within MAIN pertaining to state departments. State departments shall have access to all historical and current data contained within MAIN.

Sec. 826. When used in this 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, including, but not limited to, wireless networking.
- (f) Information technology project management.
- (g) Information technology planning and budget management.
- (h) Telecommunication services, security, infrastructure, and support.

Sec. 827. (1) Funds appropriated in part 1 for the Michigan public safety communications system shall be expended upon approval of an expenditure plan by the state budget director.

(2) The department of technology, management, and budget shall assess all subscribers of the Michigan public safety communications system reasonable access and maintenance fees.

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

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

Sec. 828. The department of technology, management, and budget shall submit a report for the immediately preceding fiscal year ending September 30 to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies by March 1. The report shall include the following:

(a) The total amount of funding appropriated for information technology services and projects, by funding source, for all principal executive departments and agencies.

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

Sec. 829. The department of technology, management, and budget shall provide a report that analyzes and makes recommendations on the life-cycle of information technology hardware and software. The report shall be submitted to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies by March 1.

Sec. 830. By December 31, the department shall provide a report that lists all information technology-related change orders and follow-on contracts, greater than \$50,000.00, whether they are bid, exercise options, or no-bid, and the amount of each change order or contract extension contract entered into by the department to the senate and house of representatives standing committees on appropriations subcommittees on general government, the senate and house fiscal agencies, and the state budget director.

Sec. 832. 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. 833. (1) The state budget director, upon notification to the senate and house of representatives standing committees on appropriations, may adjust spending authorization and user fees in the department of technology, management, and budget budget in order to ensure that the appropriations for information technology in the department budget equal the appropriations for information technology in the budgets for all executive branch agencies.

(2) If during the course of the fiscal year a transfer or supplemental to or from the information technology line item within an agency budget is made under section 393 of the management and budget act, 1984 PA 431, MCL 18.1393, there is appropriated an equal amount of user fees in the department of technology, management, and budget budget to accommodate an increase or decrease in spending authorization.

Sec. 834. (1) Revenue collected from licenses issued under the antenna site management project shall be deposited into the antenna site management revolving fund created for this purpose in the department of technology, management, and budget. The department may receive and expend money from the fund for costs associated with the antenna site management project, including the cost of a third-party site manager. Any excess revenue remaining in the fund at the close of the fiscal year shall be proportionately transferred to the appropriate state restricted funds as designated in statute or by constitution.

(2) An antenna shall not be placed on any site pursuant to this section without complying with the respective local zoning codes and local unit of government processes.

Sec. 835. In addition to the funds appropriated in part 1, the funds collected by the department for supplying census-related information and technical services, publications, statistical studies, population projections and estimates, and other demographic products 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.

#### **STATE BUILDING AUTHORITY**

Sec. 840. (1) Subject to section 242 of the management and budget act, 1984 PA 431, MCL 18.1242, and upon the approval of the state building authority, the department may expend from the general fund of the state during the fiscal year an amount to meet the cash flow requirements of those state building authority projects solely for lease to a state agency identified in both part 1 and this section, and for which state building authority bonds or notes have not been issued, and for the sole acquisition by the state building authority of equipment and furnishings for lease to a state agency as permitted by 1964 PA 183, MCL 830.411 to 830.425, for which the issuance of bonds or notes is authorized

by a legislative concurrent resolution that is effective for the fiscal year ending September 30, 2012. 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. 841. (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. 842. (1) The state building authority rent appropriations in part 1 may also be expended for the payment of required premiums for insurance on facilities owned by the state building authority or payment of costs that may be incurred as the result of any deductible provisions in such insurance policies.

(2) If the amount appropriated in part 1 for state building authority rent is not sufficient to pay the rent obligations and insurance premiums and deductibles identified in subsection (1) for state building authority projects, there is appropriated from the general fund of the state the amount necessary to pay such obligations.

Sec. 843. The state building authority 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. 850. (1) In accordance with section 5 of article XI of the state constitution of 1963, all restricted funds shall be assessed a sum not less than 1% of the total aggregate payroll paid from those funds for financing the civil service commission on the basis of actual 1% restricted sources total aggregate payroll of the classified service for the fiscal year 2011. This includes, but is not limited to, restricted funds appropriated in part 1 of any appropriations act. Unexpended 1% appropriated funds shall be returned to each 1% fund source at the end of the fiscal year.

(2) The appropriations in part 1 are estimates of actual charges based on payroll appropriations. With the approval of the state budget director, the commission is authorized to adjust financing sources for civil service charges based on actual payroll expenditures, provided that such adjustments do not increase the total appropriation for the civil service commission.

(3) The financing from restricted sources shall be credited to the civil service commission by the end of the second fiscal quarter.

Sec. 851. Except where specifically appropriated for this purpose, financing from restricted sources shall be credited to the civil service commission. For restricted sources of funding within the general fund that have the legislative authority for carryover, if current spending authorization or revenues are insufficient to accept the charge, the shortage shall be taken from carryforward balances of that funding source. Restricted revenue sources that do not have carryforward authority shall be utilized to satisfy commission operating deducts first and civil service obligations second. General fund dollars are appropriated for any shortfall, pursuant to approval by the state budget director.

Sec. 852. The appropriation in part 1 to the civil service commission, for state-sponsored group insurance, flexible spending accounts, and COBRA, represents amounts, in part, included within the various appropriations throughout state government for the current fiscal year to fund the flexible spending account program included within the civil service

commission. Deposits against state-sponsored group insurance, flexible spending accounts, and COBRA for the flexible spending account program shall be made from assessments levied during the current fiscal year in a manner prescribed by the civil service commission. Unspent employee contributions to the flexible spending accounts may be used to offset administrative costs for the flexible spending account program, with any remaining balance of unspent employee contributions to be lapsed to the general fund.

#### **CAPITAL OUTLAY**

Sec. 860. As used in sections 861 through 865:

- (a) "Board" means the state administrative board.
- (b) "Community college" does not include a state agency or university.
- (c) "Department" means the department of technology, management, and budget.
- (d) "Director" means the director of the department of technology, management, and budget.
- (e) "Fiscal agencies" means the senate fiscal agency and the house fiscal agency.
- (f) "State agency" means an agency of state government. State agency does not include a community college or university.
- (g) "State building authority" means the authority created under 1964 PA 183, MCL 830.411 to 830.425.
- (h) "University" means a 4-year university supported by the state. University does not include a community college or a state agency.

Sec. 861. Each capital outlay project authorized in this article or any previous capital outlay act shall comply with the procedures required by the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 862. (1) The department shall provide the JCOS, state budget director, and the senate and house fiscal agencies with reports as considered necessary relative to the status of each planning or construction project financed by the state building authority, by this article, 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. 863. (1) The director of the department of technology, management, and budget 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. 864. The appropriations in part 1 for capital outlay shall be carried forward at the end of the fiscal year consistent with the provisions of section 248 of the management and budget act, 1984 PA 431, MCL 18.1248.

Sec. 865. (1) A site preparation economic development fund is created in the department of technology, 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).

#### **CAPITAL OUTLAY - UNIVERSITIES AND COMMUNITY COLLEGES**

Sec. 870. 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. 871. (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. 872. A state agency, community 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. Any federal matching revenues received to support the construction of the project shall be applied to the total authorized project cost, with the state and community college or university financing shares proportionately adjusted.

Sec. 873. (1) This section applies only to projects for community colleges.

(2) State support is directed towards the remodeling and additions, special maintenance, or construction of certain community college buildings. The community college shall obtain or provide for site acquisition and initial main utility installation to operate the facility. Funding shall be composed of local and state shares and not more than 50% of a capital outlay project, not including a lump-sum special maintenance project or remodeling and addition project, for a community college shall be appropriated from state and federal funds, unless otherwise appropriated by the legislature.

(3) An expenditure under this act is authorized when the release of the appropriation is approved by the board upon the recommendation of the director. The director may recommend to the board the release of any appropriation in part 1 only after the director is assured that the legal entity operating the community college to which the appropriation is made has complied with this act and has matched the amounts appropriated as required by this act. A release of funds in part 1 shall not exceed 50% of the total cost of planning and construction of any project, not including lump-sum remodeling and additions and special maintenance, unless otherwise appropriated by the legislature. Further planning and construction of a project authorized by this act or applicable sections of the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, shall be in accordance with the purpose and scope as defined and delineated in the approved program statements and planning documents. This act is applicable to all projects for which planning appropriations were made in previous acts.

(4) The community college shall take the steps necessary to secure available federal construction and equipment money for projects funded for construction in this act if an application was not previously made. If there is a reasonable expectation that a prior year unfunded application may receive federal money in a subsequent year, the college shall take whatever action necessary to keep the application active.

Sec. 874. If university and community college matching revenues are received in an amount less than the appropriations for capital projects contained in this act, the state funds shall be reduced in proportion to the amount of matching revenue received.

Sec. 875. (1) The director may require that community colleges and universities that have an authorized project listed in part 1 submit documentation regarding the project match and governing board approval of the authorized project not more than 60 days after the beginning of the fiscal year.

(2) If the documentation required by the director under subsection (1) is not submitted, or does not adequately authenticate the availability of the project match or board approval of the authorized project, the authorization may terminate. The authorization terminates 30 days after the director notifies the JCOS of the intent to terminate the project unless the JCOS convenes to extend the authorization.

#### **DEPARTMENT OF TREASURY** **OPERATIONS**

Sec. 901. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$1,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in 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 section 4 of 1961 PA 112, MCL 388.984, to the extent determined by the state treasurer, for the payment of debt service, including, without limitation, optional and mandatory redemptions, on bonds, notes or commercial paper issued by the state pursuant to 1961 PA 112, MCL 388.981 to 388.985.

Sec. 902a. The department of treasury shall notify the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the state budget office not more than 30 days after a refunding or restructuring bond issue is sold. The notification shall compare the annual debt service prior to the refinancing or restructuring, the annual debt service after the refinancing or restructuring, the change in the principal and interest over the duration of the debt, and the projected change in the present value of the debt service due to the refinancing and restructuring.

Sec. 903. (1) From the funds appropriated in part 1, the department of treasury may contract with private collection agencies and law firms to collect taxes and other accounts due this state. In addition to the amounts appropriated in part 1 to the department of treasury, there are appropriated amounts necessary to fund collection costs and fees not to exceed 25% of the collections or 2.5% plus operating costs, whichever amount is prescribed by each contract. The appropriation to fund collection costs and fees for the collection of taxes or other accounts due this state are from the fund or account to which the revenues being collected are recorded or dedicated. However, if the taxes collected are constitutionally dedicated for a specific purpose, the appropriation of collection costs and fees are from the general purpose account of the general fund.

(2) From the funds appropriated in part 1, the department of treasury may contract with private collections agencies and law firms to collect defaulted student loans and other accounts due the Michigan guaranty agency. In addition to the amounts appropriated in part 1 to the department of treasury, there are appropriated amounts necessary to fund collection costs and fees not to exceed 24.34% of the collection or a lesser amount as prescribed by the contract. The appropriation to fund collection costs and fees for the auditing and collection of defaulted student loans due the Michigan guaranty agency is from the fund or account to which the revenues being collected are recorded or dedicated.

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

Sec. 904. (1) The department of treasury, through its bureau of investments, may charge an investment service fee against the applicable retirement funds. The fees may be expended for necessary salaries, wages, contractual services, supplies, materials, equipment, travel, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement funds. Service fees shall not exceed the aggregate amount appropriated in part 1. The department of treasury shall maintain accounting records in sufficient detail to enable the retirement funds to be reimbursed periodically for fee revenue that is determined by the department of treasury to be surplus.

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

Sec. 904a. (1) There is appropriated an amount sufficient to recognize and pay expenditures for financial services provided by financial institutions as provided under section 1 of 1861 PA 111, MCL 21.181.

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

Sec. 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 1976 IL 1, MCL 445.573c, is appropriated.

Sec. 911. (1) There is appropriated an amount sufficient to recognize and pay refundable income tax credits as provided by the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

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

Sec. 912. A plaintiff in a garnishment action involving this state shall pay to the state treasurer 1 of the following:

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

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

Sec. 913. (1) The department of treasury may contract with private firms to appraise and, if necessary, appeal the assessments of senior citizen cooperative housing units. Payment for this service shall be from savings resulting from the appraisal or appeal process.

(2) Of the funds appropriated in part 1 to the department of treasury for the senior citizens' cooperative housing tax exemption program, a portion may be utilized for a program audit of the program. The department of treasury shall forward copies of any audit report completed to the senate and house of representatives standing committees on appropriations

subcommittees on general government and to the state budget office. The department of treasury may utilize up to 1% of the funds for program administration and auditing.

Sec. 914. The department of treasury may provide a \$200.00 annual prize from the Ehlers internship award account in the gifts, bequests, and deposit fund to the runner-up of the Rosenthal prize for interns. The Ehlers internship award account is interest bearing.

Sec. 915. Pursuant to section 61 of the Michigan campaign finance act, 1976 PA 388, MCL 169.261, there is appropriated from the general fund to the state campaign fund an amount equal to the amounts designated for tax year 2010. Except as otherwise provided in this section, the amount appropriated shall not revert to the general fund and shall remain in the state campaign fund. Any amounts remaining in the state campaign fund in excess of \$10,000,000.00 on December 31 shall revert to the general fund.

Sec. 916. The department of treasury may make available to interested entities otherwise unavailable customized unclaimed property listings of nonconfidential information in its possession. The charge for this information is as follows: 1 to 100,000 records at 2.5 cents per record and 100,001 or more records at .5 cents per record. The revenue received from this service shall be deposited to the appropriate revenue account or fund. The department shall submit an annual report on or before June 1 to the state budget director and the senate and house of representatives standing committees on appropriations that states the amount of revenue received from the sale of information.

Sec. 917. (1) There is appropriated for write-offs and advances an amount equal to total write-offs and advances for departmental programs, but not to exceed current year authorizations that would otherwise lapse to the general fund.

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

Sec. 918. In addition to funds appropriated in part 1, the department of treasury may receive and expend funds for conducting tax orientation workshops and seminars. Funds received may not exceed costs incurred in conducting the workshops and seminars.

Sec. 919. (1) From funds appropriated in part 1, the department of treasury may contract with private auditing firms to audit for and collect unclaimed property due this state in accordance with the uniform unclaimed property act, 1995 PA 29, MCL 567.221 to 567.265. In addition to the amounts appropriated in part 1 to the department of treasury, there are appropriated amounts necessary to fund auditing and collection costs and fees not to exceed 12% of the collections, or a lesser amount as prescribed by the contract. The appropriation to fund collection costs and fees for the auditing and collection of unclaimed property due this state is from the fund or account to which the revenues being collected are recorded or dedicated.

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

Sec. 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. The cost of collection may be determined by proration of costs in fiscal year 2011-2012 only. Not later than April 1, 2012, the department of treasury shall provide an analysis of the actual costs of tax administration in order to justify continuation of the proration approach.

Sec. 924. (1) In addition to the funds appropriated in part 1, the department of treasury may receive and expend principal residence audit fund revenue for administration of principal residence audits under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155.

(2) The department of treasury shall submit a report for the immediately preceding fiscal year to the state budget director and the senate and house fiscal agencies not later than December 31 stating the amount of exemptions denied and the revenue received under the program.

Sec. 925. (1) A public-private partnership investment fund is created in the department of treasury. Subject to subsections (2) and (3), public-private partnership investments shall include, but are not limited to, all of the following:

- (a) Capital asset improvements including buildings, land, or structures.
- (b) Energy resource exploration, extraction, generation, and sales.
- (c) Financial and investment incentive opportunities.
- (d) Infrastructure construction, maintenance, and operation.
- (e) Public-private sector joint ventures that provide economic benefit to an area or to the state.

(2) Public-private investments shall not include projects, consultant expenses, staff effort, or any other activity related to the development, financing, construction, operation, or implementation of the Detroit River International Crossing or any successor project unless the project is approved by the legislature and signed into law.

(3) The state treasurer and the state budget director shall determine whether or not a specific public-private partnership investment opportunity qualifies for funding under subsection (1).

(4) Investment development revenue, including a portion of the proceeds from the sale of any public-private partnership investment designated in subsection (1), shall be deposited into the fund created in subsection (1) and shall be available for administration, development, financing, marketing, and operating expenditures associated with public-private partnerships, unless otherwise provided by law. Public-private partnership investments authorized in subsection (1) are authorized for public or private operation or sale consistent with state law. Expenditures from the fund are authorized for investment purposes as designated in subsection (1) to enhance the marketable value of each investment. The unencumbered balance remaining in the fund at the end of the fiscal year may be carried forward for appropriation in future years.

(5) An annual report shall be transmitted to the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the state budget office not later than December 31 of each year. This report shall detail both of the following:

(a) The revenue and expenditure activity in the fund for the preceding fiscal year.

(b) Public-private partnership investments as identified under subsection (1).

(6) The department of treasury shall monitor the revenue deposited in the public-private partnership investment fund created in (1). If the revenue in the fund is insufficient to pay the amount appropriated in part 1 for public-private partnership investment, then treasury shall propose a legislative transfer to fund the line from the appropriations in part 1.

Sec. 925a. The funds appropriated in part 1 shall not be used to support any staff effort, projects, consultant expenses, or any other activity related to the development, financing, construction, operation, or implementation of the Detroit River International Crossing or any successor project unless the project is approved by the legislature and signed into law.

Sec. 926. Unexpended appropriations of the John R. Justice grant program are designated as work project appropriations and shall not lapse at the end of the fiscal year and shall continue to be available for expenditure until the project has been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is to provide student loan forgiveness to qualified public defenders and prosecutors.

(b) The project will be accomplished by utilizing state employees or contracts with private vendors, or both.

(c) The total estimated cost of the project is \$282,100.00.

(d) The tentative completion date is September 30, 2013.

Sec. 927. The department of treasury shall submit annual progress reports to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies, regarding personal property tax audits. The report shall include the number of audits, revenue generated, and number of complaints received by the department related to the audits.

Sec. 928. The department of treasury may provide receipt, warrant and cash processing, data, collection, investment, fiscal agent, levy and warrant cost assessment, writ of garnishment, and other user services on a contractual basis for other principal executive departments and state agencies. Funds for the services provided are appropriated and shall be expended for salaries and wages, fees, supplies, and equipment necessary to provide the services. Any unobligated balance of the funds received shall revert to the general fund of this state as of September 30.

Sec. 930. (1) The department of treasury shall provide accounts receivable collections services to other principal executive departments and state agencies under 1927 PA 375, MCL 14.131 to 14.134. The department of treasury shall deduct a fee equal to the cost of collections from all receipts except unrestricted general fund collections. Fees shall be credited to a restricted revenue account and appropriated to the department of treasury to pay for the cost of collections. The department of treasury shall maintain accounting records in sufficient detail to enable the respective accounts to be reimbursed periodically for fees deducted that are determined by the department of treasury to be surplus to the actual cost of collections.

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

Sec. 931. (1) The appropriation in part 1 to the department of treasury for treasury fees shall be assessed against all restricted funds that receive common cash earnings or other investment income. Treasury fees include all costs, including administrative overhead, relating to the investment of each restricted fund. The fee assessed against each restricted fund will be based on the size of the restricted fund (the absolute value of the average daily cash balance plus the market value of investments in the prior fiscal year) and the level of effort necessary to maintain the restricted fund as required by each department. The department of treasury shall provide a report to the state budget director, the senate and house of representatives standing committees on appropriations subcommittees on general government, and the senate and house fiscal agencies by November 30 of each year identifying the fees assessed against each restricted fund and the methodology used for assessment.

(2) In addition to the funds appropriated in part 1, the department of treasury may receive and expend investment fees relating to new restricted funding sources that participate in common cash earnings or other investment income during the current fiscal year. When a new restricted fund is created starting on or after October 1, that restricted fund shall be assessed a fee using the same criteria identified in subsection (1).

Sec. 932. Revenue received under the Michigan education trust act, 1986 PA 316, MCL 390.1421 to 390.1442, may be expended by the board of directors of the Michigan education trust for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund.

Sec. 934. (1) The department of treasury may expend revenues received under the hospital finance authority act, 1969 PA 38, MCL 331.31 to 331.84, the shared credit rating act, 1985 PA 227, MCL 141.1051 to 141.1076, the higher education facilities authority act, 1969 PA 295, MCL 390.921 to 390.934, the Michigan public educational facilities authority, Executive Reorganization Order No. 2002-3, MCL 12.192, the Michigan tobacco settlement finance authority act, 2005 PA 226, MCL 129.261 to 129.279, the land bank fast track act, 2003 PA 258, MCL 124.751 to 124.774, part 505 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.50501 to 324.50522, the state housing development authority act of 1966, 1966 PA 346, MCL 125.1401 to 125.1499c, and the Michigan finance authority, Executive Reorganization Order No. 2010-2, MCL 12.194, for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, grants to the civil service commission and state employees' retirement fund, and other expenses as allowed under those acts.

(2) The department of treasury shall report by January 31, 2012 to the senate and house appropriations subcommittees, the senate and house fiscal agencies, and the state budget director on the amount and purpose of expenditures made under subsection (1) from funds received in addition to those appropriated in part 1. The report also shall include a listing of reimbursement of revenue, if any. The report shall cover the 2010-2011 fiscal year.

Sec. 943. (1) The appropriation in part 1 for tobacco tax enforcement shall be used for, but not limited to, the following:

(a) Costs associated with a new stamp indicia.

(b) Reimbursement to licensed cigarette stamping agents for costs associated with the new stamp, to include machines acceptable to licensed cigarette stamping agents and to the department of treasury.

(c) Scanners.

(2) The department of treasury shall work cooperatively with the Michigan state police to improve tobacco tax enforcement.

(3) The department of treasury shall submit a report on the proposed use of the funds appropriated in part 1 for tobacco tax enforcement. The report shall be submitted by November 1 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. 944. If the department hires a pension plan consultant using any of the funds appropriated in part 1, the department shall annually forward any report provided to the department by that consultant to the senate and house of representatives standing committees on appropriations subcommittees on general government, the senate and house fiscal agencies, and the state budget director.

Sec. 945. The assessment and certification division of the department of treasury shall conduct a review of local unit assessment administration practices, procedures, and records, also known as the 14-point review, in at least 1 assessment jurisdiction per county.

#### **REVENUE SHARING**

Sec. 950. The funds appropriated in part 1 for constitutional revenue sharing shall be distributed by the department to cities, villages, and townships, as required under section 10 of article IX of the state constitution of 1963. Revenue collected in accordance with section 10 of article IX of the state constitution of 1963 in excess of the amount appropriated in part 1 for constitutional revenue sharing is appropriated for distribution to cities, villages, and townships, on a population basis as required under section 10 of article IX of the state constitution of 1963.

Sec. 951. (1) From the funds appropriated in part 1 and in section 1201(2) to the economic vitality incentive program, \$5,000,000.00 is to be used for assistance grants to cities, villages, townships, and counties to offset the costs associated with mergers, interlocal agreements, and cooperative efforts for those cities, villages, townships, and counties that elect to combine government operations. Grant funding shall be available for mergers, interlocal agreements, and cooperative efforts that occur on or after October 1, 2011. The department of treasury shall develop an application process and method of grant distribution.

(2) From the funds appropriated in part 1 and in section 1201(2) to the economic vitality incentive program, \$210,000,000.00 is to be used for grants to cities, villages, and townships such that, subject to fulfilling the requirements under subsection (3) (a), (b), or (c), each city, village, or township that received a payment under section 950(2), 2009 PA 128, greater than \$4,500.00 will be eligible to receive a maximum of 67.837363% of its total payment received under section 950(2), 2009 PA 128, rounded to the nearest dollar. For the purposes of this subsection, any city or village that according to the 2010 federal decennial census is determined to have population in more than 1 county will be treated as a single entity when determining the payment received under section 950(2), 2009 PA 128.

(3) Cities, villages, and townships eligible to receive a potential payment from the allocation under subsection (2) may qualify to receive economic vitality incentive program payments under 1 or more of the following 3 categories:

(a) Category 1, accountability and transparency, requires each eligible city, village, or township to certify that by October 1, 2011, it has produced, and has made readily available to the public, a citizen's guide and a performance dash-

board of its local finances, including a recognition of its unfunded liabilities. Each city, village, and township applying for a payment under this category shall submit a copy of the citizen's guide and a copy of the performance dashboard to the department of treasury by October 1, 2011.

(b) Category 2, consolidation of services, requires each eligible city, village, or township to certify that by January 1, 2012, it has a plan with 1 or more proposals to increase its existing level of cooperation, collaboration, and consolidation, either within the jurisdiction or with other jurisdictions. A plan shall include a listing of any previous services consolidated with the cost savings realized from each consolidation and an estimate of the potential savings for any new service consolidations being planned. A plan shall be made readily available to the public. Each city, village, and township applying for a payment under this subdivision shall submit a copy of the cooperation, collaboration, and consolidation plan to the department of treasury by January 1, 2012.

(c) Category 3, employee compensation, requires each eligible city, village, or township to certify that by May 1, 2012, it has developed and publicized an employee compensation plan that the city, village, or township intends to implement with any new, modified, or extended contract or employment agreements for employees not covered under contract or employment agreement. The employee compensation plan that each city, village, or township plans to achieve shall be made available for public viewing in the city, village, or township clerk's office or posted on a publicly accessible Internet site and must be submitted to the department of treasury by May 1, 2012. At a minimum, the employee compensation plan shall include the following:

(i) New hires who are eligible for retirement plans are placed on retirement plans that cap annual employer contributions at 10% of base salary for employees who are eligible for social security benefits. For employees who are not eligible for social security benefits, the annual employer contribution is capped at 16.2% of base salary.

(ii) For defined benefit pension plans, a maximum multiplier of 1.5% for all employees who are eligible for social security benefits, except, where postemployment health care is not provided, the maximum multiplier shall be 2.25%. For all employees who are not eligible for social security benefits, a maximum multiplier of 2.25%, except, where postemployment health care is not provided, the maximum multiplier shall be 3.0%.

(iii) For defined benefit pension plans, final average compensation for all employees is calculated using a minimum of 3 years of compensation and shall not include more than a total of 240 hours of paid leave. Overtime hours shall not be used in computing the final average compensation for an employee.

(iv) Health care premium costs for new hires shall include a minimum employee share of 20%; or, an employer's share of the local health care plan costs shall be cost competitive with the new state preferred provider organization health plan, on a per-employee basis.

(4) Economic vitality incentive program payments are subject to the following conditions:

(a) In order for a city, village, or township to qualify for a category under subsection (3)(a), (b), or (c), the city, village, or township shall meet every criteria for that category including a certification to the department that it has met the required criteria for that category and submission of the required citizen's guide and performance dashboard; cooperation, collaboration, and consolidation plan; or the employee compensation plan as required by subsection (3)(a), (b), or (c), respectively. A department of treasury review of the citizen's guide, dashboard, or plan is not required in order for a city, village, or township to receive a payment under subsection (2). The department shall develop a certification process and method for cities, villages, and townships to follow.

(b) For each category that a city, village, or township qualifies for in subsection (3), the city, village, or township shall receive 1/3 of its potential economic vitality incentive program payment amount calculated in subsection (2).

(c) Payments under this section shall be issued to cities, villages, and townships for each category in subsection (3) until the specified due date for the category. After the specified due date for the category, payments shall be made to a city, village, or township only if that city, village, or township has complied with subdivision (a).

(d) If a city, village, or township does not provide the required certification or fails to submit the required citizen's guide and performance dashboard; cooperation, collaboration, and consolidation plan; and the employee compensation plan by the first day of a payment month, the city, village, or township shall forfeit the payment in that payment month for the uncertified category in subsection (3).

(e) Any local unit that falsifies certification documents shall forfeit any future economic vitality incentive program payments and shall repay this state all economic vitality incentive program payments it has received.

(f) Payments under this section shall be distributed on the last business day of October, December, February, April, June, and August.

(g) Payments distributed under this section may be withheld pursuant to sections 17a and 21 of the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.917a and 141.921.

(5) The unexpended funds appropriated in this section for the economic vitality incentive program are designated as work project appropriations and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall continue to be available for expenditure for projects under subsection (1) until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the projects is to provide incentive-based grants to recipients under subsection (1).

(b) The projects will be accomplished by grants to qualified governmental units.

(c) The total estimated cost of all projects is \$215,000,000.00.

(d) The tentative completion date is September 30, 2016.

Sec. 955. (1) The funds appropriated in part 1 and section 1201(2) for county revenue sharing shall be distributed by the department to eligible counties pursuant to the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921.

(2) The department of treasury shall annually certify to the state budget director the amount each county is authorized to expend from its revenue sharing reserve fund.

#### **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. 963. The bureau of state lottery shall inform all lottery retailers that the cash side of department of human services bridge cards cannot be used to purchase lottery tickets.

#### **CASINO GAMING**

Sec. 971. From the revenue collected by the Michigan gaming control board regarding the total annual assessment of each casino licensee, \$2,000,000.00 is appropriated and shall be deposited in the compulsive gaming prevention fund as described in section 12a(5) of the Michigan gaming control and revenue act, 1996 IL 1, MCL 432.212a.

Sec. 973. (1) Funds appropriated in part 1 for local government programs may be used to provide assistance to a local revenue sharing board referenced in an agreement authorized by the Indian gaming regulatory act, Public Law 100-497.

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

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

(4) A local revenue sharing board described in subsection (1) shall comply with all applicable provisions of any agreement authorized by the Indian gaming regulatory act, Public Law 100-497, in which the local revenue sharing board is referenced, including, but not limited to, the disbursal of tribal casino payments received under applicable provisions of the tribal-state class III gaming compact in which those funds are received.

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

(6) The 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. 976. The executive director of the Michigan gaming control board may pay rewards of not more than \$5,000.00 to a person who provides information that results in the arrest and conviction on a felony or misdemeanor charge for a crime that involves the horse racing industry. A reward paid pursuant to this section shall be paid out of the appropriation in part 1 for the racing commission.

Sec. 977. All appropriations from the Michigan agriculture equine industry development fund, except for the racing commission and laboratory analysis program appropriations, shall be reduced proportionately if revenues to the Michigan agriculture equine industry development fund decline during the fiscal year ending September 30, 2012 to a level lower than the amount appropriated in part 1.

Sec. 978. The Michigan gaming control board shall use actual expenditure data in determining the actual regulatory costs of conducting racing dates and shall provide that data to the senate and house appropriations subcommittees on agriculture and general government and the senate and house fiscal agencies. The Michigan gaming control board shall not be reimbursed for more than the actual regulatory cost of conducting race dates. If a certified horsemen's organization funds more than the actual regulatory cost, the balance shall remain in the agriculture equine industry development fund to be used to fund subsequent race dates conducted by race meeting licensees with which the certified horsemen's organization has contracts. If a certified horsemen's organization funds less than the actual regulatory costs of the additional horse racing dates, the Michigan gaming control board shall reduce the number of future race dates conducted

by race meeting licensees with which the certified horsemen's organization has contracts. Prior to the reduction in the number of authorized race dates due to budget deficits, the executive director of the Michigan gaming control board shall provide notice to the certified horsemen's organizations with an opportunity to respond with alternatives. In determining actual costs, the Michigan gaming control board shall take into account that each specific breed may require different regulatory mechanisms.

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

Sec. 980. MSHDA shall annually present a report to the state budget office and the subcommittees on the status of the authority's housing production goals under all financing programs established or administered by the authority. The report shall give special attention to efforts to raise affordable multifamily housing production goals.

Sec. 981. MSHDA shall report to the subcommittees, the state budget director, and the fiscal agencies by December 1 on the status of the loans entered into by the Michigan broadband development authority.

Sec. 983. 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. 984. In addition to the funds appropriated in part 1, the funds collected by state historic preservation programs for document reproduction and services and application fees are appropriated for all expenses necessary to provide the required services. These funds are available for expenditure when they are received and may be carried forward into the succeeding fiscal year.

#### **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. 1005. In addition to the appropriations in part 1, Travel Michigan may receive and expend private revenue related to the use of "Pure Michigan" and all other copyrighted slogans and images. This revenue may come from the direct licensing of the name and image or from the royalty payments from various merchandise sales. Revenue collected is appropriated for the marketing of the state as a travel destination. The funds are available for expenditure when they are received by the department of treasury.

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) 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 (i) 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. 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. 1021. The unexpended portion of funds appropriated in 2007 PA 127 for the jobs for Michigan investment program 21st century jobs fund is appropriated for the same purposes as originally appropriated and is available until September 30, 2016. The project shall be completed through the use of staff, awards, and contracts and shall not exceed \$5,500,000.00.

Sec. 1023. The fund shall coordinate tourism promotion with the tourism industry. The fund shall submit a report by July 1 to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies on the geographical locations and recreational activities used in Michigan tourism promotional material.

Sec. 1024. From the funds appropriated in part 1 and in section 1201(1) for business attraction and economic gardening, not less than \$20,000,000.00 shall be granted by the Michigan strategic fund board for brownfield redevelopment incentives and historic preservation incentives.

Sec. 1031. The Michigan strategic fund shall report to the senate and house of representatives appropriations subcommittees on general government, the senate and house fiscal agencies, and the state budget office by April 15, 2012 on the spending plan for the line items for innovation and entrepreneurship and business attraction and economic gardening.

Sec. 1032. (1) The Michigan film office shall report to the subcommittees and the fiscal agencies on the status of the film incentives at the same time as it submits the annual report required under section 455 of the Michigan business tax act, 2007 PA 36, MCL 208.1455. The department of treasury and the 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. 1034. (1) A portion of the funds appropriated in part 1 for innovation and entrepreneurship shall be used to fund business incubators and accelerators. The Michigan strategic fund shall award a grant to 1 high-performance business incubator or accelerator in each of the following governmental units:

- (a) Houghton County.
- (b) Kent County.
- (c) Macomb County.
- (d) Oakland County.
- (e) Washtenaw County.
- (f) A city with a population greater than 650,000.
- (g) A Midland County satellite site of an incubator located in Isabella County.

(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 have been operational on October 1, 2010 and operating continuously since that date.

(4) Awards shall not be less than \$500,000.00 per selected business incubator or accelerator. No recipient shall receive more than \$2,000,000.00 under this section. No unit of local government listed in subsection (1) shall receive more than 1 award.

(5) Applicants shall submit a comprehensive business plan to the Michigan strategic fund that demonstrates the sustainability of the organization.

(6) Awards shall be announced by December 31, 2011.

(7) Each recipient business incubator or accelerator shall develop a dashboard of indicators to measure the effectiveness of the business incubator and accelerator programs. Indicators shall include the direct jobs created, new companies launched as a direct result of business incubator or accelerator involvement, businesses expanded as a direct result of business incubator or accelerator involvement, direct investment in client companies, private equity financing obtained by client companies, grant funding obtained by client companies, and other measures developed by the recipient business incubators and accelerators in conjunction with the Michigan economic development corporation. Dashboard indicators shall be reported for the prior fiscal year and cumulatively, if available. Each recipient shall submit a copy of their dashboard indicators to the Michigan strategic fund by March 1. The Michigan strategic fund shall transmit the local reports to the senate and house of representatives appropriations subcommittees on general government, the senate and house fiscal agencies, and the state budget office by March 15.

Sec. 1035. (1) From the appropriation in part 1, the Michigan council for arts and cultural affairs shall administer an arts and cultural grant program that maintains an equitable geographic distribution of funding and utilizes past arts and cultural grant programs as a guideline for administering this program. The council shall do all of the following:

(a) On or before October 1, the fund shall publish proposed application criteria, instructions, and forms for use by eligible applicants. The fund shall provide at least a 2-week period for public comment before finalizing the application criteria, instructions, and forms.

(b) A nonrefundable application fee may be assessed for each application. Application fees shall be deposited in the council for the arts fund and are appropriated for expenses necessary to administer the programs. These funds are available for expenditure when they are received and may be carried forward to the following fiscal year.

(c) Grants are to be made to public and private arts and cultural entities.

(d) Within 1 business day after the award announcements, the council shall provide to each member of the legislature and the fiscal agencies a list of all grant recipients and the total award given to each recipient, sorted by county.

(2) Up to \$100,000.00 from the appropriation in part 1 for arts and cultural program may be used for the administration of this grant program.

#### **MICHIGAN STRATEGIC FUND – CAREER EDUCATION**

Sec. 1050. The fund shall publish the “activities classification structure data book” for Michigan community colleges on or before March 1.

Sec. 1051. The fund shall compile information received from community colleges on North American Indian tuition waivers granted pursuant to 1976 PA 174, MCL 390.1251 to 390.1253, and shall submit this compilation to the house and senate appropriations subcommittees on community colleges, the fiscal agencies, and the state budget director by February 15.

Sec. 1052. The fund shall compile information received from community colleges on the number and types of associate degrees and other certificates awarded during the previous fiscal year and shall submit this compilation to the house and senate appropriations subcommittees on community colleges, the fiscal agencies, and the state budget director by January 15.

Sec. 1053. From the funds appropriated in part 1, the fund shall allocate an amount not to exceed \$680,100.00 for the Detroit precollege engineering program and the Grand Rapids area precollege engineering program, which were appropriated funds under 2005 PA 156.

Sec. 1054. From the funds appropriated in part 1 for workforce programs subgrantees, the fund may allocate funding for grants to nonprofit organizations that offer programs to workforce investment act-eligible youth focusing on entrepreneurship, work-readiness skills, job shadowing, and financial literacy. Organizations eligible for funding under this section must have the capacity to provide similar programs in urban areas, as determined by the United States bureau of the census according to the most recent federal decennial census. Additionally, programs eligible for funding under this section must include the participation of local business partners. The fund shall develop other appropriate eligibility requirements to ensure compliance with applicable federal rules and regulations.

#### **MICHIGAN STRATEGIC FUND – WORKFORCE DEVELOPMENT**

Sec. 1060. The fund shall administer the jobs, education, and training program in accordance with the requirements of section 407(d) of title IV of the social security act, 42 USC 607, the state social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, and all other applicable laws and regulations.

Sec. 1061. 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. 1062. The fund shall make available, in person or by telephone, 1 disabled veterans outreach program specialist or local veterans employment representative to Michigan works! service centers, as resources permit, during hours of operation, and shall continue to make the appropriate placement of veterans and disabled veterans a priority.

Sec. 1063. (1) In addition to the funds appropriated in part 1, any unencumbered and unrestricted federal workforce investment act or trade adjustment assistance funds available from prior fiscal years are appropriated for the purposes originally intended.

(2) The fund shall report by 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. 1064. Of the funds appropriated in part 1 for workforce training programs, up to \$200,000.00 shall be allocated for grants to 2 work force development programs, meeting the following criteria:

(a) Up to \$100,000.00 shall be allocated to 1 nonprofit organization to expand an existing innovative, employer-led, public/private workforce development program. Grant funds may be used for program operating expenses such as staffing, rent, equipment, and other expenses. To be eligible for funding under this subdivision, a program must meet the following criteria:

(i) Provide program participants with early intervention services that promote employment stabilization and alleviate barriers to job attainment, retention, or advancement, including assistance with transportation, language barriers, childcare, housing, and facilitating access to services available through public agencies and community-based organizations.

(ii) Provide program participants with training in basic job skills, basic life skills, and career exploration.

(iii) Provide program participants with opportunities for advancement within the network of partnering employers by facilitating incumbent worker training programs.

(iv) Demonstrate a quantifiable return on investment for participating employers, as evidenced by costs savings achieved through pooled training/workforce development activities, and increases in employee retention, attendance, satisfaction, and productivity.

(v) Have a regional impact across more than 3 counties.

(b) Up to \$100,000.00 shall be allocated to 1 nonprofit organization to expand an existing workforce development program operated collaboratively with local businesses and educational institutions to link unemployed and dislocated workers with new market industries and to spur the development of small businesses. To be eligible for funding under this subdivision, a program must meet the following criteria:

(i) Provide low-wage, unemployed, and dislocated workers assistance in developing career pathways that provide education and career options for program participants to meet the workforce needs of new markets and in-demand occupations.

(ii) Provide educational programs and seminars that provide an introduction to the values and basic entrepreneurial skills necessary to successfully start a new business.

(iii) Provide programs that provide business incubation and support services, including entrepreneurial education and access to capital.

(iv) Provide program participants with job placement assistance, including on-the-job training, apprenticeships, and internships.

Sec. 1065. Local Michigan works! agencies shall 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. 1066. 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, Mt. Morris Charter Township, and Detroit.

Sec. 1068. (1) Of the funds appropriated in part 1 for the workforce training programs, the fund shall provide a report by December 15 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, 2011 through September 30, 2012.

**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 2011-2012

	Fund	Beginning Unreserved Fund Balance	Estimated Revenue	Ending Balance
<b>OPERATING FUNDS</b>				
General fund/general purpose .....	0110	313.6	8,802.0	473.4
General fund/special purpose.....		972.1	20,529.7	321.1
Special Revenue Funds:				
Countercyclical budget and economic stabilization.....	0111	2.2	0.0	2.2
Game and fish protection .....	0112	3.9	63.9	1.8
Michigan employment security act administration.....	0113	11.8	8.4	15.0
State aeronautics .....	0114	19.4	119.8	31.5
Michigan veterans' benefit trust .....	0115	0.0	5.2	0.0
State trunkline .....	0116	5.7	1,905.8	(20.5)
Michigan state waterways.....	0117	1.4	27.4	0.1
Blue Water Bridge.....	0118	19.3	21.3	20.6
Michigan transportation.....	0119	0.0	1,853.4	0.0
Comprehensive transportation .....	0120	0.1	315.4	(66.0)
School aid.....	0122	0.0	12,711.3	0.0
Game and fish protection trust.....	0124	6.0	8.7	6.0
State park improvement .....	0125	6.0	48.6	14.1
Forest development .....	0126	3.8	29.2	0.0
Michigan civilian conservation corps endowment.....	0128	0.0	0.0	0.0
Michigan natural resources trust.....	0129	35.8	0.7	24.7
Michigan state parks endowment.....	0130	4.9	43.8	20.6
Safety education and training.....	0131	6.1	8.7	6.4
Bottle deposit .....	0136	0.0	11.7	0.0
State construction code .....	0138	2.6	7.3	0.0
Children's trust.....	0139	0.9	2.9	0.7
State casino gaming .....	0140	0.0	34.3	(2.0)
Michigan nongame fish and wildlife .....	0143	0.1	0.3	0.0
Michigan merit award trust.....	0154	0.0	136.0	0.0
Outdoor recreation legacy .....	0162	0.4	2.9	0.7
Off-road vehicle account.....	0163	0.2	3.6	0.1
Snowmobile account.....	0164	0.7	12.1	0.7
Silicosis dust disease and logging.....	0870	2.1	1.7	2.1
Utility consumer representation.....	0893	3.6	1.1	3.6
<b>TOTALS.....</b>		<b>\$1,422.7</b>	<b>\$46,717.2</b>	<b>\$857.0</b>

**ONE-TIME BASIS ONLY**

Sec. 1201. (1) For the state fiscal year ending September 30, 2012, there is appropriated from general fund/general purpose revenue, on a 1-time basis only, \$136,250,000.00 for the following purposes:

DTMB - asbestos abatement, former state police headquarters.....	\$ 1,250,000
DTMB – other postemployment benefits .....	60,000,000
Michigan strategic fund - film incentive funding.....	25,000,000
Michigan strategic fund - business attraction and economic gardening.....	50,000,000

(2) For the state fiscal year ending September 30, 2012, there is appropriated from sales tax revenue, on a 1-time basis only, \$30,000,000.00 for the following purposes:

Treasury – county revenue sharing.....	\$ 15,000,000
Treasury – economic vitality incentive program.....	15,000,000

PART 2A  
PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS  
FOR FISCAL YEAR 2012-2013

**GENERAL SECTIONS**

Sec. 1301. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, 2013 for the line items listed in part 1. The fiscal year 2012-2013 appropriations are anticipated to be the same as those for fiscal year 2011-2012, except that the line items will be adjusted for changes in caseload and related costs, federal fund match rates, economic factors, and available revenue. These adjustments will be determined after the January 2012 consensus revenue estimating conference.

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

A bill to make, supplement, and adjust appropriations for the departments of attorney general, civil rights, state, technology, management, and budget, and treasury, the executive office, and the legislative branch for the fiscal year ending September 30, 2012; to provide for the expenditure of these appropriations; to provide anticipated appropriations for the fiscal year ending September 30, 2013; 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.

John Pappageorge  
Roger Kahn  
Conferees for the Senate

Earl Poleski  
Matt Lori  
Conferees for the House

The Speaker announced that under Joint Rule 9 the conference report would lie over one day.

**Senate Bill No. 185, entitled**

A bill to make appropriations for the state transportation department and certain transportation purposes for the fiscal year ending September 30, 2012; to provide anticipated appropriations for the fiscal year ending September 30, 2013; 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 Senate has adopted the report of the Committee of Conference and ordered that the bill be given immediate effect.

The Conference Report was read as follows:

**First Conference Report**

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

**Senate Bill No. 185, entitled**

A bill to make appropriations for the state transportation department and certain transportation purposes for the fiscal year ending September 30, 2012; to provide anticipated appropriations for the fiscal year ending September 30, 2013; to provide for the imposition of fees; to provide for reports; to create certain funds and programs; to prescribe requirements

for certain railroad and bus facilities; to prescribe certain powers and duties of certain state departments and officials and local units of government; and to provide for the expenditure of the appropriations.

Recommends:

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

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

A bill to make appropriations for the state transportation department and certain transportation purposes for the fiscal year ending September 30, 2012; to provide anticipated appropriations for the fiscal year ending September 30, 2013; 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

FOR FISCAL YEAR 2011-2012

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, 2012, 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 .....	3,043.3	
<b>GROSS APPROPRIATION .....</b>		<b>\$ 3,327,770,700</b>
Total interdepartmental grants and intradepartmental transfers .....		3,451,500
<b>ADJUSTED GROSS APPROPRIATION .....</b>		<b>\$ 3,324,319,200</b>
Federal revenues:		
DOT, federal transit administration .....		61,985,000
DOT-FHWA, highway research, planning, and construction.....		1,082,019,600
DOT-FRA, local rail service assistance.....		100,000
DOT-FRA, rail passenger/HSGT.....		3,000,000
DOT, federal aviation administration .....		94,090,600
Total federal revenues.....		1,241,195,200
Special revenue funds:		
Local revenues.....		53,968,500
Total local and private revenues .....		53,968,500
Blue Water Bridge fund.....		16,980,700
Comprehensive transportation fund.....		239,494,100
Economic development fund .....		41,819,000
IRS debt service rebate .....		7,523,500
Intercity bus equipment fund.....		200,000
Local bridge fund.....		30,514,300
Michigan transportation fund .....		974,103,300
Rail freight fund.....		2,000,000
State aeronautics fund .....		14,537,700
State trunkline fund .....		701,982,900
Total other state restricted revenues .....		2,029,155,500
State general fund/general purpose .....		\$ 0
<b>Sec. 102. DEBT SERVICE</b>		
State trunkline .....		\$ 247,449,700
Economic development.....		9,174,600
Local bridge fund.....		3,261,800
Blue Water Bridge fund.....		4,115,000
Airport safety and protection plan.....		3,473,500
Comprehensive transportation .....		19,998,800
<b>GROSS APPROPRIATION .....</b>		<b>\$ 287,473,400</b>

Appropriated from:

Federal revenues:		
DOT-FHWA, highway research, planning, and construction.....		53,434,300

For Fiscal Year  
Ending Sept. 30,  
2012

Special revenue funds:	
Blue Water Bridge fund.....	4,115,000
Comprehensive transportation fund.....	19,998,800
Economic development fund.....	9,174,600
Local bridge fund.....	3,261,800
IRS debt service rebate.....	7,523,500
State aeronautics fund.....	3,473,500
State trunkline fund.....	186,491,900
State general fund/general purpose.....	\$ 0

**Sec. 103. COLLECTION, ENFORCEMENT, AND OTHER AGENCY SUPPORT**

**SERVICES**

MTF grant to department of natural resources and environment.....	\$ 1,165,900
MTF grant to department of state for collection of revenue and fees.....	20,000,000
MTF grant to department of treasury.....	8,379,000
MTF grant to legislative auditor general.....	204,300
STF grant to department of attorney general.....	2,817,500
STF grant to civil service commission.....	5,697,000
STF grant to department of technology, management, and budget.....	1,388,000
STF grant to department of state police.....	10,586,900
STF grant to department of treasury.....	131,600
STF grant to legislative auditor general.....	474,600
SAF grant to department of attorney general.....	165,900
SAF grant to civil service commission.....	150,000
SAF grant to department of technology, management, and budget.....	40,100
SAF grant to department of treasury.....	74,500
SAF grant to legislative auditor general.....	19,600
CTF grant to department of attorney general.....	177,200
CTF grant to civil service commission.....	200,000
CTF grant to department of technology, management, and budget.....	44,000
CTF grant to department of treasury.....	7,600
CTF grant to legislative auditor general.....	25,200
GROSS APPROPRIATION.....	\$ 51,748,900

Appropriated from:

Special revenue funds:

Comprehensive transportation fund.....	454,000
Michigan transportation fund.....	29,749,200
State aeronautics fund.....	450,100
State trunkline fund.....	21,095,600
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.....	2,971,800
GROSS APPROPRIATION.....	\$ 5,201,000

Appropriated from:

Special revenue funds:

Michigan transportation fund.....	1,626,400
State trunkline fund.....	3,574,600
State general fund/general purpose.....	\$ 0

**Sec. 105. BUSINESS SUPPORT**

Full-time equated classified positions..... 58.0

Business support services—49.0 FTE positions.....	\$ 6,215,900
Economic development and enhancement programs—9.0 FTE positions.....	1,219,800

	For Fiscal Year Ending Sept. 30, 2012
Property management .....	7,915,000
Worker's compensation.....	1,760,600
GROSS APPROPRIATION .....	\$ 17,111,300
Appropriated from:	
Special revenue funds:	
Comprehensive transportation fund.....	1,590,300
Economic development fund .....	381,000
Michigan transportation fund .....	213,700
State aeronautics fund .....	603,900
State trunkline fund .....	14,322,400
State general fund/general purpose .....	\$ 0
<b>Sec. 106. INFORMATION TECHNOLOGY</b>	
Information technology services and projects.....	\$ 28,335,000
GROSS APPROPRIATION .....	\$ 28,335,000
Appropriated from:	
Federal revenues:	
DOT-FHWA, highway research, planning, and construction.....	520,500
Special revenue funds:	
Blue Water Bridge fund.....	48,400
Comprehensive transportation fund.....	195,900
Economic development fund .....	37,200
Michigan transportation fund .....	258,800
State aeronautics fund .....	152,900
State trunkline fund .....	27,121,300
State general fund/general purpose .....	\$ 0
<b>Sec. 107. FINANCE, CONTRACTS, AND SUPPORT SERVICES</b>	
Full-time equated classified positions .....	277.5
Financial operations—114.0 FTE positions .....	\$ 10,874,500
Contract services—53.6 FTE positions .....	4,853,600
Department services—41.9 FTE positions .....	5,098,500
Performance excellence—13.0 FTE positions.....	1,427,400
Welcome center operations—55.0 FTE positions .....	3,959,400
GROSS APPROPRIATION .....	\$ 26,213,400
Appropriated from:	
Interdepartmental grant revenues:	
IDG for accounting service center user charges .....	3,451,500
Special revenue funds:	
Michigan transportation fund .....	1,976,900
State trunkline fund .....	20,785,000
State general fund/general purpose .....	\$ 0
<b>Sec. 108. TRANSPORTATION PLANNING</b>	
Full-time equated classified positions .....	176.0
Statewide planning services—124.0 FTE positions .....	\$ 14,533,700
Data collection services—52.0 FTE positions .....	6,887,700
Specialized planning services and local studies.....	16,504,800
Grants to regional planning councils.....	488,800
GROSS APPROPRIATION .....	\$ 38,415,000
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 .....	15,000
State trunkline fund .....	9,135,200
State general fund/general purpose .....	\$ 0

For Fiscal Year  
Ending Sept. 30,  
2012

**Sec. 109. DESIGN AND ENGINEERING SERVICES**

Full-time equated classified positions .....	1,491.8	
Engineering services—799.1 FTE positions .....		\$ 66,623,300
Program services—680.7 FTE positions .....		39,482,700
Intelligent transportation systems operations—12.0 FTE positions .....		10,579,200
<b>GROSS APPROPRIATION</b> .....		<u>\$ 116,685,200</u>

Appropriated from:

Federal revenues:

DOT-FHWA, highway research, planning, and construction.....		23,529,800
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Special revenue funds:

Michigan transportation fund .....		6,828,400
State trunkline fund .....		86,327,000
State general fund/general purpose .....		\$ 0

**Sec. 110. HIGHWAY MAINTENANCE**

Full-time equated classified positions .....	837.7	
State trunkline operations—837.7 FTE positions.....		\$ 267,017,700
<b>GROSS APPROPRIATION</b> .....		<u>\$ 267,017,700</u>

Appropriated from:

Special revenue funds:

State trunkline fund .....		267,017,700
State general fund/general purpose .....		\$ 0

**Sec. 111. ROAD AND BRIDGE PROGRAMS**

State trunkline federal aid and road and bridge construction .....		\$ 842,310,000
Local federal aid and road and bridge construction.....		240,443,000
Grants to local programs .....		33,000,000
Rail grade crossing.....		3,000,000
Local bridge program .....		27,252,500
County road commissions .....		570,598,400
Cities and villages .....		318,134,200
<b>GROSS APPROPRIATION</b> .....		<u>\$ 2,034,738,100</u>

Appropriated from:

Federal revenues:

DOT-FHWA, highway research, planning, and construction.....		982,535,000
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Special revenue funds:

Local funds.....		30,000,000
Blue Water Bridge fund.....		7,107,300
Local bridge fund .....		27,252,500
Michigan transportation fund .....		924,732,600
State trunkline fund .....		63,110,700
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 .....		\$ 5,710,000
<b>GROSS APPROPRIATION</b> .....		<u>\$ 5,710,000</u>

Appropriated from:

Special revenue funds:

Blue Water Bridge fund.....		5,710,000
State general fund/general purpose .....		\$ 0

**Sec. 113. TRANSPORTATION ECONOMIC DEVELOPMENT**

Forest roads .....		\$ 5,000,000
Rural county urban system.....		2,500,000
Target industries/economic redevelopment.....		8,113,200
Urban county congestion.....		8,306,500
Rural county primary.....		8,306,500
<b>GROSS APPROPRIATION</b> .....		<u>\$ 32,226,200</u>

For Fiscal Year  
Ending Sept. 30,  
2012

Appropriated from:	
Special revenue funds:	
Economic development fund .....	32,226,200
State general fund/general purpose .....	\$ 0
<b>Sec. 114. AERONAUTICS AND FREIGHT SERVICES</b>	
Full-time equated classified positions .....	84.0
Airport improvement services—30.0 FTE positions .....	\$ 3,021,900
Aviation services—26.0 FTE positions .....	4,193,900
Freight and safety services—28.0 FTE positions.....	3,853,900
Air service program.....	100,000
GROSS APPROPRIATION .....	\$ 11,169,700
Appropriated from:	
Special revenue funds:	
Comprehensive transportation fund.....	1,667,400
Michigan transportation fund .....	2,186,500
State aeronautics fund .....	7,315,800
State general fund/general purpose .....	\$ 0
<b>Sec. 115. PUBLIC TRANSPORTATION SERVICES</b>	
Full-time equated classified positions .....	46.0
Passenger transportation services—46.0 FTE positions .....	\$ 6,093,400
GROSS APPROPRIATION .....	\$ 6,093,400
Appropriated from:	
Federal revenues:	
DOT, federal transit administration .....	862,100
Special revenue funds:	
Comprehensive transportation fund.....	5,005,000
Michigan transportation fund .....	226,300
State general fund/general purpose .....	\$ 0
<b>Sec. 116. BUS TRANSIT DIVISION: STATUTORY OPERATING</b>	
Local bus operating .....	\$ 166,624,000
Nonurban operating/capital .....	22,787,900
GROSS APPROPRIATION .....	\$ 189,411,900
Appropriated from:	
Federal revenues:	
DOT, federal transit administration .....	21,987,900
Special revenue funds:	
Comprehensive transportation fund.....	166,624,000
Local funds .....	800,000
State general fund/general purpose .....	\$ 0
<b>Sec. 117. INTERCITY PASSENGER AND FREIGHT</b>	
Freight property management.....	\$ 1,000,000
Detroit/Wayne County port authority .....	468,200
Intercity services.....	6,100,000
Rail passenger service .....	11,667,000
Freight preservation and development.....	5,100,000
Marine passenger service .....	400,000
Terminal development .....	461,000
GROSS APPROPRIATION .....	\$ 25,196,200
Appropriated from:	
Federal revenues:	
DOT, federal transit administration .....	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.....	15,346,200

	For Fiscal Year Ending Sept. 30, 2012
Intercity bus equipment fund.....	200,000
Rail freight fund.....	2,000,000
State general fund/general purpose .....	\$ 0
<b>Sec. 118. PUBLIC TRANSPORTATION DEVELOPMENT</b>	
Specialized services.....	\$ 8,913,800
Municipal credit program.....	2,000,000
Transit capital.....	50,048,400
Van pooling .....	195,000
Service initiatives .....	1,415,000
Transportation to work .....	9,700,000
GROSS APPROPRIATION .....	\$ 72,272,200
Appropriated from:	
Federal revenues:	
DOT, federal transit administration .....	34,635,000
Special revenue funds:	
Local funds.....	9,985,000
Comprehensive transportation fund.....	27,652,200
State general fund/general purpose .....	\$ 0
<b>Sec. 119. CAPITAL OUTLAY</b>	
<b>(1) BUILDINGS AND FACILITIES</b>	
Special maintenance, remodeling, and additions.....	\$ 3,001,500
GROSS APPROPRIATION .....	3,001,500
Appropriated from:	
State trunkline fund.....	3,001,500
State general fund/general purpose .....	\$ 0
<b>(2) AIRPORT IMPROVEMENT PROGRAMS</b>	
Airport safety, protection, and improvement program .....	\$ 109,750,600
GROSS APPROPRIATION .....	109,750,600
Appropriated from:	
Federal revenues:	
DOT, federal aviation administration .....	94,090,600
Special revenue funds:	
Local funds.....	13,133,500
State aeronautics fund .....	2,526,500
State general fund/general purpose .....	\$ 0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS  
FOR FISCAL YEAR 2011-2012

**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 2011-2012 is \$2,029,155,500.00 and state spending from state resources to be paid to local units of government for fiscal year 2011-2012 is \$1,182,737,000.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF TRANSPORTATION

Grants to regional planning councils.....	\$ 488,800
Grants to local programs .....	33,000,000
Rail grade crossing.....	3,000,000
Local bridge program.....	27,252,500
Grants to county road commissions .....	570,598,400
Grants to cities and villages .....	318,134,200
Economic development fund.....	32,226,200
Air service program.....	100,000
Local bus operating .....	166,624,000
Detroit/Wayne County port authority .....	468,200

Marine passenger service .....	400,000
Terminal development .....	461,000
Specialized services.....	3,943,800
Municipal credit program.....	2,000,000
Transit capital.....	16,748,400
Service initiatives .....	65,000
Transportation to work.....	4,700,000
Airport safety, protection, and improvement program .....	2,526,500
Total payments to local units of government .....	\$ 1,182,737,000

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) "AASHTO" means the American association of state highway and transportation officials.
- (b) "ASTM" means the American society for testing and materials.
- (c) "CTF" means comprehensive transportation fund.
- (d) "Department" means the department of transportation.
- (e) "DOT" means the United States department of transportation.
- (f) "DOT-FHWA" means DOT, federal highway administration.
- (g) "DOT-FRA" means DOT, federal railroad administration.
- (h) "DOT-FRA, rail passenger/HSGT" means DOT, federal railroad administration, high-speed ground transportation.
- (i) "EDF" means economic development fund.
- (j) "FTE" means full-time equated.
- (k) "IRS" means the internal revenue service.
- (l) "MTF" means Michigan transportation fund.
- (m) "RIF" means recreation improvement fund.
- (n) "SAF" means state aeronautics fund.
- (o) "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. 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. (1) The department shall maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following:

- (a) Fiscal year-to-date expenditures by category.
- (b) Fiscal year-to-date expenditures by appropriation unit.
- (c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.
- (d) The number of active department employees by job classification.
- (e) Job specifications and wage rates.

(2) The department may develop and operate its own website to provide this information or may reference the state's central transparency website as the source for this information.

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

Sec. 212. The department and agencies receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. Federal and state guidelines for short-term and long-term retention of records shall be followed. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 214. From the funds appropriated in part 1 for information technology, the department shall pay user fees to the department of technology, management, and budget 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 technology, management, and budget.

Sec. 215. A department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 216. 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. 228. Not later than November 15, 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 of representatives standing committees on appropriations, and the senate and house fiscal agencies.

Sec. 229. Within 14 days after the release of the executive budget recommendation, the department shall provide the state budget director, the senate and house appropriations chairs, the senate and house appropriations subcommittees on transportation, respectively, and the senate and house fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2011 and September 30, 2012.

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. 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, 2012 on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year to the house and senate appropriations subcommittees on the budget for the department, the joint committee on administrative rules, and the senate and house fiscal agencies.

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

(3) As used in this section:

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

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

Sec. 270. In order to reduce costs and maintain quality, it is the intent of the legislature that, excluding the fleet of motor vehicles for the department of state police, the department will prioritize the utilization of remanufactured parts as the primary means of maintenance and repair for the state of Michigan's fleet of motor vehicles.

#### **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 and improve 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 (3).

(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 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. (1) 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.

(2) A contractor's prequalification rating shall not be reduced or restricted until all administrative appeals have been completed. The department can take immediate action regarding a contractor's prequalification rating for public safety reasons or to prevent fraud and malfeasance of public funds.

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. 319. The department shall post signs at each rest area to identify the agency or contractor responsible for maintenance of the rest area. The signs shall include a department telephone number and shall indicate that unsafe or unclean conditions at the rest area may be reported to that telephone number.

Sec. 353. The department shall review its contractor payment process and ensure that all prime contractors are paid promptly. The department shall ensure that prime contractors are in compliance with special provision 109.10 regarding the prompt payment of subcontractors.

Sec. 354. On or before March 1, 2012, the department shall solicit and evaluate proposals for services related to the audit of vendor and contract payments and the recovery of overpayments and duplicate payments. The department shall report to the house and senate committees on appropriations and the house and senate fiscal agencies on the results of the proposal solicitation and results of the subsequent payment audits.

Sec. 357. When presented with complete local federal aid project submittals, the department shall complete all necessary reviews and inspections required to let local federal aid projects within 120 days of receipt. The department shall implement a system for monitoring the local federal aid project review process.

Sec. 375. The department is prohibited from reimbursing contractors or consultants for costs associated with ground-breaking ceremonies, receptions, open houses, or press conferences related to transportation projects funded, in whole or in part, by revenue appropriated in part 1.

Sec. 382. The department and the state budget office shall provide for an independent study of the state government needs for a state aircraft fleet. The department and the state budget office shall review the findings of that study and the costs associated with the current fleet or other arrangements for air travel. The department and the state budget office shall report the findings to the legislature no later than March 30, 2012, and shall consider those findings in any decision to sell airplanes.

Sec. 383. (1) The department shall prepare an annual 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 no later than July 1.

(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 shall not expend any state transportation revenue for construction planning or construction of the Detroit River International Crossing or a renamed successor. In addition, except as provided in subsection (3), the department shall not commit the state to any new contract related to the construction planning or construction of the Detroit River International Crossing or a renamed successor unless the legislature has enacted specific enabling legislation to allow for the construction of the Detroit River International Crossing or a renamed successor.

(2) On or before March 31, 2012, 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 related to the Detroit River International Crossing or a renamed successor.

(3) If the legislature enacts specific enabling legislation for the construction of the Detroit River International Crossing or a renamed successor, subsection (1) does not apply once the enabling legislation goes into effect.

Sec. 385. (1) The department shall use all available toll credits, as provided by private toll facilities in this state and certified by the federal highway administration, to match available federal aid highway funds.

(2) The department shall not use toll credits generated by a private tolled bridge crossing to finance, design, plan, construct, operate, or maintain any international bridge crossing within 5 miles of that privately tolled bridge.

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) Cooperation between entities using transit, including school districts, cities, townships, and counties with a view to promoting cost savings through joint purchasing of fuel and other procurements.

(c) Coordination of transportation dollars among state departments which provide transit-related services, including the department of human services and the department of community health. Priority should be given to use of public transportation services where available.

(d) Promotion of intelligent transportation services for buses that incorporate computer and navigation technology to make transit systems more efficient, including stoplight coordinating, vehicle tracking, data tracking, and computerized scheduling.

Sec. 398. For the fiscal year ending September 30, 2012, the appropriation to a street railway pursuant to section 10e(22) of 1951 PA 51, MCL 247.660e, is \$0.

#### **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. 503. (1) The funds appropriated in part 1 for the economic development and local bridge programs shall not lapse at the end of the fiscal year but shall carry forward each fiscal year for the purposes for which appropriated in accordance with 1987 PA 231, MCL 247.901 to 247.913, and section 10(5) of 1951 PA 51, MCL 247.660.

(2) Interest earned in the department of transportation economic development fund and local bridge fund shall remain in the respective funds and shall be allocated to the respective programs based on actual interest earned at the end of each fiscal year.

(3) In addition to the funds appropriated in part 1, the department of transportation economic development fund and local bridge fund may receive federal, local, or private funds or restricted source funds such as interest earnings. These funds are appropriated for projects that are consistent with the purposes of the respective funds.

(4) None of the funds statutorily dedicated to the transportation economic development fund and local bridge fund shall be diverted to other projects.

Sec. 504. Funds from the Michigan transportation fund (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. 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. 660. (1) The legislature encourages the department to examine the use of alternative road surface materials, including recycled materials, and to develop criteria and specifications for their use in both department-managed and contracted projects.

(2) The department shall evaluate the use of a bituminous mix which incorporates crumb rubber from scrap tires.

Sec. 664. It is the intent of the legislature that if actual state-restricted revenue deposited to the Michigan transportation fund exceeds the revenue estimates upon which the appropriations in part 1 of this act were based, the department shall give priority to reinstating delayed and deferred projects.

**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. 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.

(5) For rail passenger service supported in any part through capital or operating assistance from funds appropriated in this act, the department shall work with the rail carrier to identify ways in which reasonable transport of bicycles by passengers can be accommodated.

(6) The department shall report to the house and senate appropriations subcommittees on transportation, and the house and senate fiscal agencies, not later than July 1, 2012, on the status of capital grants related to rail passenger service in Michigan. The report shall identify, and describe the status of, capital improvement projects related to higher train speeds, reduced travel time, station renovations, and other service improvements. The report shall also identify actual or anticipated costs of these projects, funding sources, and anticipated costs and funding sources required to maintain the improvements.

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. 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. 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.

**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.

**ONE-TIME BASIS ONLY**

Sec. 1001. For the state fiscal year ending September 30, 2012, there is appropriated from general fund/general purpose revenue, on a 1-time basis only, \$500,000.00 for the following purpose:

Maintenance of 2 swing bridges ..... \$ 500,000

PART 2A

PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS  
FOR FISCAL YEAR 2012-2013

**GENERAL SECTIONS**

Sec. 1201. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, 2013 for the line items listed in part 1. The fiscal year 2012-2013 appropriations are anticipated to be the same as those for fiscal year 2011-2012, except that the line items will be adjusted for changes in caseload and related costs, federal fund match rates, economic factors, and available revenue. These adjustments will be determined after the January 2012 consensus revenue estimating conference.

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

A bill to make appropriations for the state transportation department and certain transportation purposes for the fiscal year ending September 30, 2012; to provide anticipated appropriations for the fiscal year ending September 30, 2013; 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.

John Pappageorge  
Roger Kahn  
Conferees for the Senate

David Agema  
Ken Goike  
Conferees for the House

The Speaker announced that under Joint Rule 9 the conference report would lie over one day.

#### **House Bill No. 4325, entitled**

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending the title and sections 2, 3, 6, 11, 11a, 11g, 11j, 11k, 11m, 15, 18, 20, 20d, 22a, 22b, 24, 24a, 24c, 26a, 26b, 31a, 31d, 31f, 32b, 32d, 32j, 39, 39a, 40, 51a, 51c, 51d, 53a, 54, 56, 61a, 62, 74, 81, 94a, 98, 99, 104, 107, 109, 147, and 152a (MCL 388.1602, 388.1603, 388.1606, 388.1611, 388.1611a, 388.1611g, 388.1611j, 388.1611k, 388.1611m, 388.1615, 388.1618, 388.1620, 388.1620d, 388.1622a, 388.1622b, 388.1624, 388.1624a, 388.1624c, 388.1626a, 388.1626b, 388.1631a, 388.1631d, 388.1631f, 388.1632b, 388.1632d, 388.1632j, 388.1639, 388.1639a, 388.1640, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1656, 388.1661a, 388.1662, 388.1674, 388.1681, 388.1694a, 388.1698, 388.1699, 388.1704, 388.1707, 388.1709, 388.1747, and 388.1752a), the title as amended by 2003 PA 158, sections 3, 6, 11a, 11g, 11k, 15, 18, 20, 20d, 22b, 24, 24a, 26b, 31a, 31d, 31f, 32b, 32d, 32j, 39, 51c, 51d, 53a, 54, 61a, 62, 74, 98, 99, 107, and 147 as amended by 2010 PA 110, sections 11, 11m, 22a, 51a, and 56 as amended and section 152a as added by 2010 PA 217, sections 11j, 24c, 26a, 39a, 81, 94a, and 104 as amended by 2010 PA 204, section 40 as amended by 2000 PA 297, and section 109 as amended by 1994 PA 283, by amending the heading of article I, and by adding section 22f and articles II, III, and IV; and to repeal acts and parts of acts.

(For text of conference report, see today's Journal, p. 1149.)

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

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

#### **House Bill No. 4526, entitled**

A bill to make, supplement, adjust, and consolidate appropriations for various state departments and agencies, the judicial branch, and the legislative branch for the fiscal year ending September 30, 2012; to provide for certain conditions on appropriations; to provide for the expenditure of the appropriations; and to provide anticipated appropriations for the fiscal year ending September 30, 2013.

(For text of conference report, see today's Journal, p. 941.)

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

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

### **Messages from the Governor**

Date: May 25, 2011

Time: 9:20 a.m.

To the Speaker of the House of Representatives:

Sir—I have this day approved and signed

#### **Enrolled House Bill No. 4129 (Public Act No. 37, I.E.), being**

An act to amend 2001 PA 142, entitled "An act to consolidate prior acts naming certain Michigan highways; to provide for the naming of certain highways; to prescribe certain duties of the state transportation department; and to repeal acts and parts of acts and certain resolutions," (MCL 250.1001 to 250.2080) by adding section 1078.

(Filed with the Secretary of State May 25, 2011, at 2:44 p.m.)

Date: May 25, 2011

Time: 12:44 p.m.

To the Speaker of the House of Representatives:

Sir—I have this day approved and signed

**Enrolled House Bill No. 4361 (Public Act No. 38, I.E.), being**

An act to amend 1967 PA 281, entitled “An act to meet deficiencies in state funds by providing for the imposition, levy, computation, collection, assessment, and enforcement by lien and otherwise of taxes on or measured by net income; to prescribe the manner and time of making reports and paying the taxes, and the functions of public officers and others as to the taxes; to permit the inspection of the records of taxpayers; to provide for interest and penalties on unpaid taxes; to provide exemptions, credits and refunds of the taxes; to prescribe penalties for the violation of this act; to provide an appropriation; and to repeal certain acts and parts of acts,” by amending the title and sections 2, 4, 6, 24, 26, 30, 30f, 36, 51, 52, 91, 102, 103, 105, 110, 115, 132, 195, 201, 251, 255, 256, 265, 266, 270, 271, 272, 278, 301, 311, 315, 322, 325, 402, 408, 451, 455, 471, 475, 508, 510, 512, 514, 520, 522, 526, 527a, 530, and 532 (MCL 206.2, 206.4, 206.6, 206.24, 206.26, 206.30, 206.30f, 206.36, 206.51, 206.52, 206.91, 206.102, 206.103, 206.105, 206.110, 206.115, 206.132, 206.195, 206.201, 206.251, 206.255, 206.256, 206.265, 206.266, 206.270, 206.271, 206.272, 206.278, 206.301, 206.311, 206.315, 206.322, 206.325, 206.402, 206.408, 206.451, 206.455, 206.471, 206.475, 206.508, 206.510, 206.512, 206.514, 206.520, 206.522, 206.526, 206.527a, 206.530, and 206.532), section 4 as amended by 2003 PA 52, section 26 as amended by 2003 PA 50, section 30 as amended by 2009 PA 134, section 30f as added by 2000 PA 163, sections 51 and 270 as amended by 2007 PA 94, section 52 as added by 1988 PA 1, section 110 as amended by 2003 PA 21, sections 255, 256, 301, and 475 as amended by 1996 PA 484, section 265 as amended by 1998 PA 19, section 266 as amended by 2008 PA 447, section 272 as added by 2006 PA 372, section 278 as added by 2010 PA 235, section 311 as amended by 2004 PA 199, section 315 as amended by 2003 PA 49, sections 325 and 514 as amended by 1987 PA 254, section 402 as added and section 408 as amended by 1980 PA 169, section 451 as amended by 2003 PA 46, section 471 as amended by 2002 PA 486, section 508 as amended by 1990 PA 283, sections 510 and 520 as amended by 1995 PA 245, section 512 as amended by 2003 PA 29, section 522 as amended by 2000 PA 41, section 527a as amended by 2004 PA 335, and section 530 as amended by 1982 PA 480, by designating sections 1 to 532 as part 1, and by adding parts 2 and 3; and to repeal acts and parts of acts.

(Filed with the Secretary of State May 25, 2011, at 2:46 p.m.)

Date: May 25, 2011

Time: 9:30 a.m.

To the Speaker of the House of Representatives:

Sir—I have this day approved and signed

**Enrolled House Bill No. 4362 (Public Act No. 39, I.E.), being**

An act to amend 2007 PA 36, entitled “An act to meet deficiencies in state funds by providing for the imposition, levy, computation, collection, assessment, reporting, payment, and enforcement of taxes on certain commercial, business, and financial activities; to prescribe the powers and duties of public officers and state departments; to provide for the inspection of certain taxpayer records; to provide for interest and penalties; to provide exemptions, credits, and refunds; to provide for the disposition of funds; to provide for the interrelation of this act with other acts; and to make appropriations,” by amending sections 107, 117, 409, and 455 (MCL 208.1107, 208.1117, 208.1409, and 208.1455), section 117 as amended by 2009 PA 142, section 409 as amended by 2010 PA 103, and section 455 as amended by 2010 PA 312, and by adding sections 500 and 510; and to repeal acts and parts of acts.

(Filed with the Secretary of State May 25, 2011, at 2:48 p.m.)

Date: May 25, 2011

Time: 9:32 a.m.

To the Speaker of the House of Representatives:

Sir—I have this day approved and signed

**Enrolled House Bill No. 4479 (Public Act No. 40, I.E.), being**

An act to amend 1969 PA 343, entitled “An act to adopt a multistate tax compact to facilitate and promote convenient, uniform, nonduplicative and proper determination of state and local tax liability of multistate taxpayers,” by amending section 1 (MCL 205.581).

(Filed with the Secretary of State May 25, 2011, at 2:50 p.m.)

Date: May 25, 2011  
Time: 9:34 a.m.

To the Speaker of the House of Representatives:

Sir—I have this day approved and signed

**Enrolled House Bill No. 4480 (Public Act No. 41, I.E.), being**

An act to amend 1943 PA 240, entitled “An act to provide for a state employees’ retirement system; to create a state employees’ retirement board and prescribe its powers and duties; to establish certain funds in connection with the retirement system; to require contributions to the retirement system by and on behalf of members and participants of the retirement system; to create certain accounts and provide for expenditures from those accounts; to prescribe the powers and duties of certain state and local officers and employees and certain state departments and agencies; to prescribe and make appropriations for the retirement system; and to prescribe penalties and provide remedies,” by amending section 40 (MCL 38.40), as amended by 2002 PA 99.

(Filed with the Secretary of State May 25, 2011, at 2:52 p.m.)

Date: May 25, 2011  
Time: 9:36 a.m.

To the Speaker of the House of Representatives:

Sir—I have this day approved and signed

**Enrolled House Bill No. 4481 (Public Act No. 42, I.E.), being**

An act to amend 1980 PA 300, entitled “An act to provide a retirement system for the public school employees of this state; to create certain funds for this retirement system; to provide for the creation of a retirement board within the department of management and budget; to prescribe the powers and duties of the retirement board; to prescribe the powers and duties of certain state departments, agencies, officials, and employees; to prescribe penalties and provide remedies; and to repeal acts and parts of acts,” by amending section 46 (MCL 38.1346), as amended by 2002 PA 94.

(Filed with the Secretary of State May 25, 2011, at 2:54 p.m.)

Date: May 25, 2011  
Time: 9:38 a.m.

To the Speaker of the House of Representatives:

Sir—I have this day approved and signed

**Enrolled House Bill No. 4482 (Public Act No. 43, I.E.), being**

An act to amend 1957 PA 261, entitled “An act for the creation, maintenance, and administration of a legislative members’ and presiding officers’ retirement system within the legislature; to provide retirement allowances to the participants of the retirement system, and survivors’ allowances and other benefits to their beneficiaries upon death; to exempt those allowances and benefits from certain taxes and legal processes; to establish certain funds in connection with the retirement system; to authorize and make appropriations for the retirement system; to prescribe the powers and duties of certain state departments, agencies, officials, and employees; and to prescribe penalties and provide remedies,” by amending section 57 (MCL 38.1057), as amended by 2002 PA 97.

(Filed with the Secretary of State May 25, 2011, at 2:56 p.m.)

Date: May 25, 2011  
Time: 9:40 a.m.

To the Speaker of the House of Representatives:

Sir—I have this day approved and signed

**Enrolled House Bill No. 4483 (Public Act No. 44, I.E.), being**

An act to amend 1927 PA 339, entitled “An act to authorize the establishment of a system of retiring allowances for employes of public libraries now existing or which may hereafter be established in incorporated cities of 250,000 population or more,” by amending section 5 (MCL 38.705).

(Filed with the Secretary of State May 25, 2011, at 2:58 p.m.)

Date: May 25, 2011  
Time: 9:42 a.m.

To the Speaker of the House of Representatives:

Sir—I have this day approved and signed

**Enrolled House Bill No. 4484 (Public Act No. 45, I.E.), being**

An act to amend 1992 PA 234, entitled “An act to establish a judges retirement system; to provide for the administration and maintenance of the retirement system; to create a retirement board; to prescribe the powers and duties of the retirement

board; to establish certain reserves for the retirement system; to establish certain funds; to prescribe the powers and duties of certain state departments and certain state and local officials and employees; to provide for certain disqualifications; to prescribe penalties and provide remedies; and to repeal acts and parts of acts," by amending section 720 (MCL 38.2670), as amended by 2002 PA 95.

(Filed with the Secretary of State May 25, 2011, at 3:00 p.m.)

### Introduction of Bills

Reps. MacMaster and Foster introduced

**House Bill No. 4684, entitled**

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 504, 72101, 72102, 72110a, 72114, and 72115 (MCL 324.504, 324.72101, 324.72102, 324.72110a, 324.72114, and 324.72115), section 504 as amended by 2009 PA 47, sections 72101 and 72102 as amended and section 72110a as added by 2010 PA 46, and sections 72114 and 72115 as added by 2010 PA 45.

The bill was read a first time by its title and referred to the Committee on Natural Resources, Tourism, and Outdoor Recreation.

Reps. Yonker, Brown, Switalski, Moss, Tlaib, Stallworth, Roy Schmidt, O'Brien, Potvin and Liss introduced

**House Bill No. 4685, entitled**

A bill to amend 1927 PA 175, entitled "The code of criminal procedure," by amending section 12e of chapter XVII (MCL 777.12e), as amended by 2008 PA 297.

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

Reps. Santana, Yonker, Brown, Bauer, Smiley, Hovey-Wright, Tlaib, Barnett, Olumba, Talabi, Durhal, Howze, Rutledge, Townsend, Womack, Irwin, Bledsoe, Nathan, Forlini, Stapleton, Pscholka, Liss, Wayne Schmidt and Jackson introduced

**House Bill No. 4686, entitled**

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," (MCL 257.1 to 257.923) by adding section 601e.

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

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Rep. MacMaster moved that the House adjourn.

The motion prevailed, the time being 2:35 p.m.

The Speaker Pro Tempore declared the House adjourned until Tuesday, May 31, at 1:30 p.m.

GARY L. RANDALL  
Clerk of the House of Representatives