

(2) The department shall submit a report to the subcommittees and the fiscal agencies by February 1 regarding dropout rates, grade point averages, enrollment in science, engineering, and math-based curricula, and employment in science, engineering, and math-based fields for students within the programs. The report shall continue to evaluate the effectiveness of the precollege programs in engineering and sciences funded through part 1 appropriations and shall make recommendations on whether state support to expand such programs to other areas of the state is warranted in future fiscal years.

Employment service agency; staffing and related expenses.

Sec. 310. Funds earned or authorized by the United States department of labor in excess of the gross appropriation in part 1 for the employment service agency from the United States department of labor are appropriated and may be expended for staffing and related expenses incurred in the operation of its programs. These funds may be spent after the department notifies the subcommittees, fiscal agencies, and the state budget office of the purpose and amount of each grant award.

Michigan works! service center; veterans services.

Sec. 311. (1) The department shall have at least 1 disabled veterans outreach program specialist or local veterans employment representative present, at each Michigan works! service center on a full- or part-time basis during hours of operation.

(2) The department shall ensure that each Michigan works! service center shall have the necessary equipment to allow the disabled veterans outreach specialist or local veterans employment representative to perform his or her duties in the same manner they were performed prior to February 1, 1999.

(3) The department shall require each Michigan works! service center to have an employee available to ask each individual who enters the office for service whether that individual is a veteran and to refer each veteran to the disabled veterans outreach program specialist or local veterans employment representative on duty at the time.

(4) The department shall require that each Michigan works! service center shall have posted in a conspicuous place within the office a notice advising veterans that a disabled veterans outreach program specialist or a local veterans employment representative is available to assist him or her.

(5) The department shall require each Michigan works! service center to provide free mediated services to employers wishing to hire a veteran.

(6) The department shall continue to make the appropriate placement of veterans and disabled veterans a priority.

Smoking prevention and cessation efforts; grants to support local community efforts.

Sec. 313. The funds appropriated in part 1 for the council of Michigan foundations from tobacco settlement revenue shall be distributed to the council of Michigan foundations as a grant to support local community efforts to address smoking prevention and cessation efforts. The council may distribute the funds according to a formula determined by the council. Any investment earnings from this year or prior year appropriations shall be used for the same purpose as the original appropriation.

Unexpended federal pass-through funds to local institutions and governments.

Sec. 314. 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.

Private occupational school license fees.

Sec. 315. Of the amounts appropriated in part 1 for postsecondary education, private occupational school license fees shall fund related administrative costs of the proprietary schools oversight unit within the department.

Future faculty program in Martin Luther King, Jr.-Cesar Chavez-Rosa Parks program; collection of defaulted loans.

Sec. 317. The department is appropriated an amount not to exceed \$100,000.00 from collection of defaulted loans under the future faculty program in the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks programs to offset costs of administering the loan collections.

King-Chavez-Parks initiative on employment outcomes; future faculty program.

Sec. 318. From the funds appropriated in part 1 for postsecondary education, the department shall compile data from each university that receives funding for the future faculty program within the King-Chavez-Parks initiative on employment outcomes for program participants. The report shall be distributed to the house and senate appropriations committees by February 1 of each year. The report shall include data from each participating university covering the most recently completed fiscal year. The data shall include all of the following:

- (a) The number of participants receiving support under the program.
- (b) The number of participants obtaining full-time employment.
- (c) The number of participants obtaining full-time employment in college faculty positions.
- (d) The number of participants obtaining full-time employment in college faculty positions within the university through which they received future faculty program support for graduate studies.

Medicaid buy-in program for working disabled.

Sec. 320. The department shall work with the department of community health to establish a Medicaid buy-in program for the working disabled through the options available under the federal ticket to work and work incentives improvement act of 1999.

King-Chavez-Parks initiative; marketing.

Sec. 321. The King-Chavez-Parks initiative shall be marketed by the department to Michigan parents and high school and college students, to promote the benefits and the availability of the college day, select student support services, college/university partnership, visiting professors, Morris Hood, Jr. educator development, and future faculty programs. The department shall provide electronic notification of the location of the report on the Internet to the subcommittees on December 30, 2003, identifying all efforts taken to market these programs, including, but not limited to, the amount of funding allocated for this purpose, the fund source and any expenditures or encumbrances relating to this marketing effort. It is the intent of the legislature that the department administer the King-Chavez-Parks initiative in the same manner as when it was previously contained in the department of education and consistent with all boilerplate language pertaining to the above listed programs as included in the appropriations act for higher education institutions.

Reorganization, modification, or elimination of agency or program; training employees who will lose jobs.

Sec. 325. The department shall work cooperatively with the department of civil service to identify state employees who will lose their jobs as a result of an agency or program being reorganized, modified, or eliminated and shall develop training programs and provide training to these individuals that will provide them an opportunity and skills necessary to secure new employment within state government or the private sector. It shall be a priority of the department to provide training and employment opportunities to these individuals through their employment service locations.

Michigan works! service centers.

Sec. 326. From the funds appropriated in part 1 to job training programs subgrantees, the department shall allocate sufficient funds to the Michigan works! service centers to allow these centers to remain fully operational.

Michigan virtual university.

Sec. 328. From the funds appropriated in part 1 for the Michigan virtual university, the department shall work with the Michigan virtual university to do the following:

(a) Promote the use of education technology to accelerate career and workforce development by improving the learning environment, stimulating innovative teaching methods, and providing residents of this state with greater technology-based career choices.

(b) Promote technology-based training to public and private sector organizations that emphasize partnerships between public education and the business sector.

(c) Support and encourage various collaborative efforts among educational institutions and government agencies to meet the training needs of the state's workforce.

Focus: HOPE report.

Sec. 329. (1) Focus: HOPE shall submit a report on the use of the grant's funds appropriated in part 1 to the chairs of the house and senate subcommittees and the fiscal agencies that includes, but is not limited to, the following:

(a) Detailed expenditures for administration including salaries and wages of employees.

(b) Amount allocated for education and training programs including number of students served by each program.

(c) Amount allocated for job search assistance and career planning including the number of students served by each program.

(d) Detailed expenditures for any contracts entered into with the use of these funds.

(e) Detailed expenditures for any program enhancements including number of new hires and capital expenditures.

(2) The report shall be submitted on or before January 31.

MICHIGAN STRATEGIC FUND**Economic development job training grants.**

Sec. 401. (1) The appropriation in part 1 to the fund for economic development job training shall be expended in 2 categories: the business response program for employee training grants which maintain or attract permanent jobs for Michigan residents and the

manufacturing competitiveness program for grants to fund collaborative efforts which increase the competitiveness of multiple companies within a grant. The business response program is allocated up to \$6,524,000.00, and the manufacturing competitiveness program is allocated up to \$3,524,000.00 not to exceed the part 1 appropriation for this program in its entirety. The fund has the authority to reallocate these amounts during the fiscal year dependent on business demand and economic conditions.

(2) Not more than \$800,000.00 of the total grant may be expended for administrative costs. Not more than 10% of the total grant award may be expended by a recipient for administration costs.

(3) No funds appropriated in part 1 to the fund for economic development job training grants may be expended for the training of permanent striker replacement workers, unless a strike exceeds 3 years and good faith negotiations are ongoing.

(4) Of the total funds appropriated in part 1 for economic development job training grants, at least 75% of the funds shall be awarded to community colleges or a consortium of community colleges and other eligible applicants pursuant to subsection (5).

(5) An applicant may be a school district, intermediate school district, community college, public or private nonprofit college or university, nonprofit organization whose primary purpose is to provide education programs or employment and training services or vocational rehabilitation programs or school-to-work transition programs, local workforce development board, the headquarters of a federal and state sponsored manufacturing technology center, or a consortium consisting of any combination of school districts, intermediate school districts, community colleges, nonprofit organizations described in this subsection, or public or private nonprofit colleges or universities described in this subsection.

(6) On or before October 1, the fund shall publish proposed application criteria, instructions, and forms for use by eligible applicants. The fund shall provide at least a 2-week period for public comment prior to finalization of the application criteria, instructions, and forms.

(7) The award process will include a simple notice of intent to be reviewed to see if the application merits further consideration. If so, a full application may be submitted. Applications for all grants shall be submitted to the fund, and each application shall contain at least all of the following:

(a) The name, address, and total number of employees of each business organization whose employees are receiving job training.

(b) A description of the specific job skills that will be taught.

(c) A clear statement of the project's scope of activities and number of participants to be involved.

(d) A commitment to maintain participant records in a form and manner required by the fund.

(e) A budget which relates to the proposed activities and various program components.

(8) Priority in the fund's awarding of grants shall be based on the following criteria:

(a) Demonstrated need for the type of training offered.

(b) Creation and/or retention of high wage and high skilled level jobs.

(c) Other criteria determined by the fund to be important.

(d) In addition, for the manufacturing competitiveness program, the following criteria will receive priority: strong level of collaboration and cooperation and demonstration of new techniques, systems, and processes of value to the affected companies.

(9) Participants in economic development job training programs shall be 16 years or older and not enrolled and counted in membership in a school district, intermediate school district, or community college.

(10) A recipient of a grant under this section shall not charge tuition or fees to participants in the program funded by the grant. However, a nonprofit organization may charge tuition or fees if the tuition plan or fees are recognized by the state and the nonprofit organization receives additional funding from other governmental or private funding sources for its programs.

(11) For training delivered to incumbent workers under the business response program, the business receiving the benefit of the training shall provide a minimum of 30% of the program costs in matching funds as necessitated by the program. For training delivered under the manufacturing competitiveness program, the business receiving the benefit of the training shall provide a minimum of 30% of the program costs in matching funds as necessitated by the program.

(12) Grant funds shall be expended on a cost reimbursement basis.

(13) A recipient of a grant under this section shall allow the fund or the agency's designee to audit all records related to the grant for all entities that receive money, either directly or indirectly through a contract, from the grant funds. A grant recipient or contractor shall reimburse the state for all disallowances found in the audit.

(14) The fund shall provide to the state budget director and the fiscal agencies by May 1 and November 1 of each year a report on the economic development job training grants. The report due by May 1 shall provide the information described in this subsection for each grant or contract awarded during the preceding 2 quarters of the state fiscal year. The report due by November 1 shall provide this information for each grant or contract awarded during the preceding full fiscal year. The report shall contain all of the following:

(a) The amount and recipient of each grant or contract.

(b) The number of participants under each grant or contract and the number of new hires who are in training under the grant.

(c) The names, addresses, and total number of employees of all business organizations for whom training is or will be provided.

(d) The matching funds, if any, to be provided by a business organization.

(15) Of the funds appropriated in part 1 for economic development job training grants, the fund shall not use these funds to finance the startup or in any way subsidize any private distributor of liquor products in Michigan.

(16) As a condition of receiving funds under part 1 of this act, the fund shall not expend any of the economic development job training grant funds to train any employee who is an officer of a corporation in a corporation employing more than 250 employees.

(17) The Michigan growth capital fund shall be used to develop the technology business sector in Michigan. The fund will be used to encourage private and public investment in the technology business sector, and all of the following apply:

(a) An applicant must match state funds on a 1:1 basis.

(b) Eligible uses of the fund include investments in organizations and programs that promote the development of new industry sectors in Michigan; inducements to attract additional venture capital funds to finance technology development; support organizations, initiatives, or events that promote entrepreneurship; provide match for university federal research grants; and support technology transfer and commercialization programs with universities and the private sector.

(c) The Michigan economic development corporation shall administer the Michigan growth capital fund.

(d) All funds received from repayment of loans, unused grants, revenues received from sales or cash flow participation agreements, guarantees, or any combination thereof or interest thereon, originally distributed as part of the Michigan growth capital fund, shall be received, held, and applied by the Michigan strategic fund for the purposes described in this subsection.

(e) The Michigan economic development corporation shall provide an annual report on the status of the Michigan growth capital fund to the subcommittees, the fiscal agencies, and the state budget office by January 31.

Travel Michigan; fees.

Sec. 402. Travel Michigan may establish and collect a fee to cover the cost of materials and processing of photographic prints, slides, videotapes, and travel product database information that are requested by the media and other segments of the public and private sectors. The fees collected shall be appropriated for all expenses necessary to purchase and distribute these photographic prints, slides, videotapes, and travel product database information. The funds are available for expenditure when they are received by the department of treasury.

“Michigan Great Lakes. Great Times” copyright; licensing revenue.

Sec. 404. Travel Michigan may receive and expend private revenue related to the use of the “Michigan Great Lakes. Great Times.” copyrighted slogan and image. 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.

Listing of grants.

Sec. 406. The fund shall submit on or before May 1 and November 1 to the subcommittees, 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.

Grants and loans; report.

Sec. 407. (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 strategic 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.
- (b) Michigan business development.
- (c) Global business development.
- (d) Small, minority, and disabled business services.
- (e) Community development block grants.

- (f) Strategic fund administration.
- (g) Renaissance zones.
- (h) Emerging business sectors and roundtables.
- (i) Business and clean air ombudsman.
- (j) Economic development job training grants.
- (k) Community assistance team.
- (l) Life sciences and technology tri-corridor.
- (m) Any other programs of the fund.

(2) The reports in subsection (1) shall be submitted by January 1. The report for each program in subsection (1)(a) through (m) shall include details on the actual spending and number of FTEs for that program for the previous fiscal year.

Local government contract with private organization.

Sec. 408. 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.

Purchase of land options or land; conditions.

Sec. 409. (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.

Life sciences initiative.

Sec. 410. (1) From the funds appropriated in part 1 for the life sciences and technology tri-corridor, \$15,000,000.00 is appropriated for the life sciences initiative. These funds are appropriated to support the research and commercialization in these respective areas and all potential business commercialization opportunities. All funding for the areas of homeland security and automotive initiative shall be funded from the Indian casino revenue or other federal sources. The program shall be administered by the Michigan economic development corporation.

(2) A life sciences and technology tri-corridor steering committee, appointed by the governor, shall consist of 19 members including the CEO of the Michigan economic development corporation, the director of the department of consumer and industry services, the state treasurer, a member from Michigan State University, the University

of Michigan, Wayne State University, Western Michigan University for fiscal year 2003-04, the Van Andel Institute, 2 members representing the legislature, 1 of which is chosen by the speaker of the house of representatives and 1 of which is chosen by the majority leader of the senate, and 2 members actively engaged in each of the 3 targeted business sectors. The remaining members shall be appointed at large and may include members from the private sector, public sector, or other Michigan universities. Committee members are authorized to designate alternate members. The purpose of the steering committee is to provide advice and oversight of the initiative, including the development of criteria for the award of contracts or grants to qualifying universities, institutions, companies, or individuals. The steering committee will make decisions regarding distribution of these funds.

(3) Of the funds appropriated, up to \$2,500,000.00 may be used for administering the life sciences initiative including the monitoring of previous years' awards. Not more than \$5,000,000.00 shall be used to support a competitive business commercial development fund to support business commercialization research opportunities in Michigan. In allocating funding to the business commercial development fund, the life sciences and technology tri-corridor steering committee shall give maximum priority to supporting all potential commercialization opportunities that appear to have merit. Business commercialization proposals receiving funding need not contain a life sciences component. Of the remaining funds appropriated for the life sciences initiative, 55% are allocated for a basic research fund, to be distributed on a competitive basis to Michigan universities or Michigan nonprofit research institutes, or both, for basic research in health-related areas. In addition, 45% of the remaining appropriated funds for the life sciences initiative are earmarked for a collaborative research fund to support peer-reviewed collaborative grants among Michigan universities and/or private research facilities, with emphasis on research testing or developing emerging discoveries.

(4) The life sciences and technology tri-corridor steering committee shall ensure that all research proposals receiving funding from the homeland security and automotive initiative contain a life sciences component and complement those proposals funded under the life sciences initiative. Any business commercialization proposal receiving funding from the homeland security and automotive initiative need not complement those proposals funded under the life sciences initiative.

(5) Repayment of any funds received as a result of awards made under 1999 PA 120, 2000 PA 292, 2001 PA 80, 2002 PA 517, or this act including, but not limited to, funds received as interest or return on investment shall be deposited in the business commercial development fund. These funds are authorized for expenditure upon receipt and shall not lapse to the general fund.

(6) The records of the life sciences and technology tri-corridor steering committee involving a proposal submitted by an eligible entity that are of a scientific, technical, or proprietary nature, the release of which could cause competitive harm to the eligible entity as determined by the life sciences and technology tri-corridor steering committee, are exempt from disclosure under the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

Promotional items; spending restrictions.

Sec. 411. The money appropriated in part 1 to the fund is subject to the condition that none is spent for premiums or advertising material involving personal effects or apparel including, but not limited to, t-shirts, hats, coffee mugs, or other promotional items, except travel Michigan.

Unexpended or unencumbered balances; disposition.

Sec. 412. (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.

MEDC and Michigan strategic fund; conditions for receiving funds.

Sec. 413. As a condition of receiving funds under part 1, the fund shall ensure that the MEDC and the Michigan strategic 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.

(e) If the MEDC is unable for any reason to perform duties under this act, the Michigan strategic fund may exercise those duties.

Staff involved in private fund-raising activities; limitation.

Sec. 414. 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 Michigan strategic fund, Michigan economic development corporation, or the Michigan economic growth authority.

Certain funds received, held, and applied by Michigan strategic fund; annual report.

Sec. 415. (1) All funds received from repayment of loans, unused grants, revenues received from sales or cash flow participation agreements, guarantees, or any combination thereof or interest thereon, originally distributed as part of the core communities fund, shall be received, held, and applied by the Michigan strategic fund for the purposes described in this act.

(2) The fund shall provide an annual report on the status of this fund. The report shall be provided to the subcommittees, the fiscal agencies, and the state budget office by January 31.

Urban revitalization infrastructure program.

Sec. 418. (1) The funding appropriated in part 1 of 2000 PA 291 for the Michigan core communities fund may be used to create an urban revitalization infrastructure program in the Michigan strategic fund for economic development awards to create new jobs or contribute to redevelopment and encourage private investment in core communities.

(2) Awards may be provided to qualified local governmental units as defined in the obsolete property rehabilitation act, 2000 PA 146, or certified technology parks, as defined in the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174.

(3) Awards can be used for land and property acquisition and assembly, demolition, site development, utility modifications and improvements, street and road improvements, telecommunication infrastructure, site location and relocation, infrastructure improvements, and any other costs related to the successful development and implementation of core community or certified technology park projects, at the discretion of the Michigan economic development corporation.

(4) Funding may be provided in the form of loans, grants, sales or cash flow participation agreements, guarantees, or any combination of these. A cash match of at least 10%, or local repayment guarantee with a dedicated funding source, is required. Priority shall be given to projects which are integrated with existing economic development programs, and to projects in proportion to the amount that local matching rates exceed 10%.

(5) The Michigan economic development corporation shall have all administrative responsibility for the Michigan core communities fund and shall establish application and application scoring criteria and approve awards. The Michigan economic development corporation may utilize up to 1/2 of 1% of the fund for administrative purposes.

(6) Funds will be awarded through an open competitive process based on criteria including the following: project impact, project marketability, lack of adequate infrastructure or land assembly financing sources, local administrative capacity, and the level of local matching funds. Awardees shall agree to expedite the local development process, such as fast-track permitting procedures, streamlined regulatory requirements, standardized construction and building codes, and the use of competitive construction permitting fees.

(7) No single applicant shall be awarded more than \$10,000,000.00 per project.

(8) Fifteen days prior to the award of the funds, notification shall be provided to the speaker of the house of representatives, the senate majority leader, the members of the house and senate appropriations committees, the house and senate fiscal agencies, and the state budget director.

(9) Funds shall not be awarded for any of the following purposes:

(a) Land sited for use as, or support for, a gaming facility.

(b) Land or other facilities owned or operated by a gaming facility.

(c) Publicly owned land or facilities which may directly or indirectly support a gaming facility.

Executive committee of corporation board; subject to advice and consent of senate.

Sec. 419. It is the intent of the legislature that the members of the executive committee of the corporation board of the MEDC be subject to the advice and consent of the senate.

This act is ordered to take immediate effect.

Approved August 11, 2003.

Filed with Secretary of State August 13, 2003.

[No. 170]

(SB 537)

AN ACT to amend 1994 PA 451, entitled "An act to protect the environment and natural resources of the state; to codify, revise, consolidate, and classify laws relating to the environment and natural resources of the state; to regulate the discharge of certain substances into the environment; to regulate the use of certain lands, waters, and other natural resources of the state; to prescribe the powers and duties of certain state and local agencies and officials; to provide for certain charges, fees, and assessments; to provide

certain appropriations; to prescribe penalties and provide remedies; to repeal certain parts of this act on a specific date; and to repeal certain acts and parts of acts,” by amending section 74117 (MCL 324.74117), as added by 1995 PA 58; and to repeal acts and parts of acts.

The People of the State of Michigan enact:

324.74117 Park permits; fees; report; additional permits for special services or park privileges; sales; surety bond; commercial motor coaches or vans; use of credit card.

Sec. 74117. (1) The department may require park permits and collect park permit fees for entry into a state park or portion of a state park posted in the manner prescribed by this part. The department shall prepare and distribute park permits to implement this part.

(2) Except as otherwise provided in this section, an annual park permit shall be issued and shall authorize the entry of the motor vehicle to which it is originally attached within the confines of any state park or recreation area during the calendar year for which it is issued. The fee for the annual park permit is as follows:

(a) Until January 1, 2007, for the owner of a resident motor vehicle, \$24.00, except as follows:

(i) The fee for the owner of a resident motor vehicle who is 65 years of age or older is \$6.00.

(ii) The fee for the owner of a resident motor vehicle who, at the time of purchase, is in possession of a food stamp card and personal identification is \$18.00.

(b) Until January 1, 2007, for the owner of a nonresident motor vehicle, \$29.00.

(3) A daily permit, valid for 1 day only, shall authorize the entry of the motor vehicle to which it is originally attached within the confines of a state park during the day for which it is issued. The fee for a daily permit is as follows:

(a) Until January 1, 2007, for the owner of a resident motor vehicle, \$6.00.

(b) Until January 1, 2007, for the owner of a nonresident motor vehicle, \$8.00.

(4) A person who has obtained an annual motor vehicle permit under this section for a recreational vehicle to be used as a stationary primary camping shelter camped legally in and not moved from a state park campground during the period of the camping stay may obtain a duplicate motor vehicle permit for a towed second motor vehicle present at the time of entry for a fee of \$6.00 effective for the duration of camping stay.

(5) The department shall provide an annual report to the standing committees in the senate and house of representatives along with the appropriate budget subcommittees that primarily consider natural resources issues that detail the revenue stream generated by the fee structure under this section. This report shall be presented not later than December 31 each year and shall include information on the impact of the revenue stream on the Michigan state parks endowment fund created in section 35a of article IX of the state constitution of 1963 and provided for in section 74119, the use of the general fund for funding the state park system, and other relevant issues that impact funding needs for the state park system.

(6) A resident motor vehicle is a vehicle that is registered as a motor vehicle in this state.

(7) This part applies only to the entry of motor vehicles into the state parks and to the park permits authorized in this part and does not obviate the necessity of obtaining additional permits for special services or park privileges as previously or subsequently may be required by law or by rules promulgated by the department. The department shall designate each person in the state authorized to sell park permits and shall require as a

condition of the designation that a surety bond be furnished in an amount and in a form and with the surety as is acceptable to the department. After being designated by the Department, a person may issue park permits in accordance with this part.

(8) Commercial motor coaches or vans with a capacity of more than 12 passengers are not eligible to enter a state park with an annual park permit. Until January 1, 2007, the daily fee to allow commercial motor coaches or vans with a capacity of over 12 passengers daily entry into a state park is \$15.00.

(9) The department may add to the cost of a reservation or a motor vehicle entrance or camping fee the charges that the state incurs because of the use of a credit card.

(10) It is the intent of the legislature that if, on September 30 of any state fiscal year, the amount of money in the countercyclical budget and economic stabilization fund created in section 351 of the management and budget act, 1984 PA 431, MCL 18.1351, exceeds \$250,000,000.00, then general fund/general purpose support for state parks operations for the following state fiscal year shall be equal to or exceed 50% of the revenues generated by motor vehicle entrance fees under this section during the previous state fiscal year.

Repeal of MCL 324.74109.

Enacting section 1. Section 74109 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.74109, is repealed.

Effective date.

Enacting section 2. This amendatory act takes effect January 1, 2004.

This act is ordered to take immediate effect.

Approved August 11, 2003.

Filed with Secretary of State August 13, 2003.

[No. 171]

(HB 4393)

AN ACT to make appropriations for the department of environmental quality for the fiscal year ending September 30, 2004; to provide for the expenditure of those appropriations; to create certain funds and accounts; to require certain reports; to prescribe the powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

The People of the State of Michigan enact:

PART 1

LINE-ITEM APPROPRIATIONS

Appropriations; department of environmental quality.

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of environmental quality for the fiscal year ending

September 30, 2004, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF ENVIRONMENTAL QUALITY

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	1,605.7	
GROSS APPROPRIATION.....		\$ 346,424,400
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		14,142,900
ADJUSTED GROSS APPROPRIATION.....		\$ 332,281,500
Federal revenues:		
Total federal revenues.....		129,169,500
Special revenue funds:		
Total local revenues		0
Total private revenues.....		435,700
Total other state restricted revenues		146,480,000
State general fund/general purpose		\$ 56,196,300

FUND SOURCE SUMMARY:

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	1,605.7	
GROSS APPROPRIATION.....		\$ 346,424,400
Interdepartmental grant revenues:		
IDG-MDA.....		100,000
IDG-MDCH, local public health operations		10,472,500
IDG-MDSP		632,200
IDG, Michigan transportation fund		884,800
IDT, interdivisional charges		2,053,400
Total interdepartmental grants and intradepartmental transfers		14,142,900
ADJUSTED GROSS APPROPRIATION.....		\$ 332,281,500
Federal revenues:		
DOC-NOAA, federal		3,063,500
DOD, federal.....		455,300
DOI, federal		525,900
EPA, multiple.....		124,722,900
FEMA, federal		401,900
Total federal revenues.....		129,169,500
Special revenue funds:		
Private funds		435,700
Total private revenues.....		435,700
Aboveground storage tank fees		717,500
Air emissions fees.....		11,572,700
CESARS service fee.....		26,300
Clean Michigan initiative - administration.....		2,885,700
Clean Michigan initiative - clean water fund.....		4,400,000
Clean Michigan initiative - response activities		1,600,000
Cleanup and redevelopment fund		14,797,100
Community pollution prevention fund		250,000
Drinking water revolving fund		6,059,000
Environmental education fund		184,500
Environmental pollution prevention fund		1,492,700

	For Fiscal Year Ending Sept. 30, 2004
Environmental protection fund.....	\$ 15,042,700
Environmental response fund	21,503,900
Fees and collections	818,700
Financial instruments	5,000,000
Great Lakes protection fund	2,551,100
Groundwater and freshwater protection fund.....	200,000
Groundwater discharge permit fees.....	1,700,000
Hazardous materials transportation permit fund.....	87,800
Land and water permit fees	3,330,900
Landfill maintenance trust fund	47,200
Metallic mining surveillance fee revenue	68,200
Mineral well regulatory fee revenue.....	215,300
NPDES fees	3,000,000
Oil and gas regulatory fund	7,814,200
Orphan well fund	2,002,000
Public utility assessments	786,100
Public water supply fees	4,445,600
Publication revenue.....	103,200
Retired engineers technical assistance fund.....	1,500,000
Saginaw Bay and River restoration revenue	154,500
Sand extraction fee revenue.....	188,300
Scrap tire regulatory fund	4,642,800
Septage waste license fees.....	1,752,400
Settlement funds.....	3,395,900
Sewage sludge land application fee	742,500
Soil erosion and sedimentation control training fund	101,300
Solid waste program fees.....	3,914,500
Stormwater permit fees	2,526,500
Submerged log recovery fund	101,600
Underground storage tank fees	4,245,400
Waste reduction fee revenue.....	4,464,300
Wastewater operator training fees	168,400
Water analysis fees	2,839,700
Water pollution control revolving fund	2,884,300
Water quality protection fund.....	25,000
Water use reporting fees	130,200
Total other state restricted revenues.....	146,480,000
State general fund/general purpose	\$ 56,196,300

Executive.

Sec. 102. EXECUTIVE

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	15.0	
Unclassified salaries—6.0 FTE positions		\$ 482,600
Executive direction—8.0 FTE positions		847,500
Office of the Great Lakes—7.0 FTE positions		820,700
GROSS APPROPRIATION.....		\$ 2,150,800

For Fiscal Year
Ending Sept. 30,
2004

Appropriated from:	
Federal revenues:	
DOI, federal	\$ 120,000
EPA, multiple	101,100
Special revenue funds:	
Environmental education fund	184,500
Environmental response fund	43,200
Great Lakes protection fund	501,100
Oil and gas regulatory fund	89,600
Settlement funds	210,700
State general fund/general purpose	\$ 900,600

Department support services.

Sec. 103. DEPARTMENT SUPPORT SERVICES

Full-time equated classified positions	72.0	
Financial and business services—32.0 FTE positions		\$ 1,570,600
Field operations support—20.0 FTE positions		1,325,600
Automated data processing		2,053,400
Office of special environmental projects—3.0 FTE positions.....		406,300
Personnel—13.0 FTE positions		715,200
Administrative hearings—4.0 FTE positions		369,900
Building occupancy charges		7,895,000
Rent - privately owned property		1,836,900
Environmental support projects		5,000,000
GROSS APPROPRIATION		\$ 21,172,900

Appropriated from:	
Interdepartmental grant revenues:	
IDT, interdivisional charges	2,053,400
Federal revenues:	
EPA, multiple	57,800
Special revenue funds:	
Aboveground storage tank fees	25,600
Air emissions fees	401,800
Clean Michigan initiative - administration	162,600
Environmental pollution prevention fund	62,900
Environmental response fund	1,443,700
Fees and collections	99,400
Financial instruments	5,000,000
Land and water permit fees	107,500
Oil and gas regulatory fund	598,100
Public utility assessments	12,300
Public water supply fees	528,100
Scrap tire regulatory fund	88,400
Settlement funds	170,600
Solid waste program fees	69,600
Stormwater permit fees	50,500

	For Fiscal Year Ending Sept. 30, 2004
Underground storage tank fees	\$ 206,600
Waste reduction fee revenue.....	54,700
Water analysis fees	187,700
Water pollution control revolving fund	14,900
Water use reporting fees	8,400
State general fund/general purpose	\$ 9,768,300

Air quality.

Sec. 104. AIR QUALITY

Full-time equated classified positions	249.5
Air quality programs—249.5 FTE positions.....	\$ 20,546,300
GROSS APPROPRIATION	\$ 20,546,300
Appropriated from:	
Federal revenues:	
EPA, multiple.....	3,777,100
Special revenue funds:	
Air emissions fees.....	10,029,800
Environmental response fund	89,200
Fees and collections	343,000
State general fund/general purpose	\$ 6,307,200

Environmental science and services.

Sec. 105. ENVIRONMENTAL SCIENCE AND SERVICES

Full-time equated classified positions	184.5
Environmental services—26.5 FTE positions	\$ 1,886,000
Laboratory services—68.0 FTE positions	5,886,600
Municipal assistance—35.5 FTE positions	4,670,800
Pollution prevention and technical assistance—54.5 FTE positions....	5,062,800
Pollution prevention outreach	300,000
Retired engineers technical assistance program	1,500,000
GROSS APPROPRIATION	\$ 19,306,200
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDA.....	100,000
Federal revenues:	
DOC-NOAA, federal	300,000
EPA, multiple.....	2,150,600
Special revenue funds:	
Private funds	300,000
Air emissions fees.....	654,200
Clean Michigan initiative - administration.....	147,900
Clean Michigan initiative - response activities	1,600,000
Drinking water revolving fund	1,273,800
Environmental protection fund	58,200
Environmental response fund	255,800
Public water supply fees	218,000
Retired engineers technical assistance fund.....	1,500,000
Settlement funds.....	363,100
Stormwater permit fees	86,500

		For Fiscal Year Ending Sept. 30, 2004
Waste reduction fee revenue.....	\$	3,962,900
Wastewater operator training fees		168,400
Water analysis fees		2,496,600
Water pollution control revolving fund		2,159,300
State general fund/general purpose	\$	1,510,900

Geological and land management.

Sec. 106. GEOLOGICAL AND LAND MANAGEMENT

Full-time equated classified positions		201.5
Program direction—11.0 FTE positions	\$	797,800
Coal and sand dune management—3.0 FTE positions		594,200
Field permitting and project assistance—69.0 FTE positions		5,858,700
Great Lakes shorelands—28.0 FTE positions		2,374,800
Metallic mine reclamation—1.0 FTE position		68,200
Mineral wells management—3.0 FTE positions		215,300
Orphan well—2.5 FTE positions		2,002,000
Services to oil and gas—61.0 FTE positions		6,623,600
Water management—23.0 FTE positions		2,120,800
Submerged log recovery		101,600
GROSS APPROPRIATION	\$	20,757,000

Appropriated from:

Interdepartmental grant revenues:

IDG, Michigan transportation fund	838,500
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Federal revenues:

DOC-NOAA, federal	1,237,900
DOI, federal	405,900
EPA, multiple	453,000
FEMA, federal	401,900

Special revenue funds:

Environmental response fund	75,900
Land and water permit fees	2,691,700
Metallic mining surveillance fee revenue	68,200
Mineral well regulatory fee revenue	215,300
Oil and gas regulatory fund	6,444,500
Orphan well fund	2,002,000
Publication revenue	103,200
Sand extraction fee revenue	188,300
Submerged log recovery fund	101,600
State general fund/general purpose	\$ 5,529,100

Remediation and redevelopment.

Sec. 107. REMEDIATION AND REDEVELOPMENT

Full-time equated classified positions		304.5
Contaminated site investigation, cleanup, and revitalization—233.5 FTE positions	\$	19,957,900
Federal cleanup project management—71.0 FTE positions		7,203,200
Emergency cleanup actions		4,000,000
Environmental cleanup and redevelopment program		21,715,000

	For Fiscal Year Ending Sept. 30, 2004
State cleanup 451	\$ 3,027,900
Superfund cleanup	4,000,000
GROSS APPROPRIATION	\$ 59,904,000
Appropriated from:	
Federal revenues:	
DOD, federal	455,300
EPA, multiple	8,723,200
Special revenue funds:	
Private funds	135,700
Clean Michigan initiative - administration	2,038,200
Cleanup and redevelopment fund	13,097,100
Environmental protection fund	14,915,500
Environmental response fund	18,569,200
Landfill maintenance trust fund	47,200
Settlement funds	1,922,600
State general fund/general purpose	\$ 0

Waste and hazardous materials.

Sec. 108. WASTE AND HAZARDOUS MATERIALS

Full-time equated classified positions	187.5
Aboveground storage tank program—9.0 FTE positions	\$ 691,900
Hazardous waste management program—61.0 FTE positions	5,634,200
Low-level radioactive waste authority—2.0 FTE positions	769,700
Radiological protection program—16.5 FTE positions	1,504,800
Scrap tire regulatory program—11.0 FTE positions	915,000
Solid waste management program—51.0 FTE positions	3,846,800
Underground storage tank program—37.0 FTE positions	4,102,900
GROSS APPROPRIATION	\$ 17,465,300
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDSP	632,200
Federal revenues:	
EPA, multiple	3,383,400
Special revenue funds:	
Aboveground storage tank fees	691,900
Environmental pollution prevention fund	1,429,800
Environmental response fund	262,700
Hazardous materials transportation permit fund	87,800
Public utility assessments	769,700
Scrap tire regulatory fund	915,000
Solid waste program fees	3,784,900
Underground storage tank fees	3,864,900
Waste reduction fee revenue	61,900
State general fund/general purpose	\$ 1,581,100

Water.

Sec. 109. WATER

Full-time equated classified positions	369.2
Aquifer protection and dispute resolution	\$ 400,000

	For Fiscal Year Ending Sept. 30, 2004
Aquifer protection revolving fund.....	\$ 400,000
Drinking water—84.2 FTE positions.....	13,663,600
Environmental health—30.0 FTE positions	2,725,400
Fish contaminant monitoring	316,100
Groundwater discharge—31.0 FTE positions	1,717,500
Groundwater use reporting	150,000
NPDES nonstormwater program—121.4 FTE positions.....	8,624,100
Sewage sludge land application program—6.5 FTE positions.....	742,500
Surface water—96.1 FTE positions	14,316,300
GROSS APPROPRIATION.....	\$ 43,055,500
Appropriated from:	
Federal revenues:	
EPA, multiple.....	12,741,400
Special revenue funds:	
CESARS service fee.....	26,300
Clean Michigan initiative - administration.....	537,000
Clean Michigan initiative - clean water fund.....	4,400,000
Drinking water revolving fund	3,369,600
Environmental response fund	147,800
Fees and collections	376,300
Great Lakes protection fund	150,000
Groundwater and freshwater protection fund.....	200,000
Groundwater discharge permit fees.....	1,700,000
Land and water permit fees	425,000
NPDES fees	3,000,000
Public water supply fees	2,034,200
Saginaw Bay and River restoration revenue	154,500
Septage waste license fees.....	227,400
Sewage sludge land application fee.....	742,500
Soil erosion and sedimentation control training fund	101,300
Stormwater permit fees	2,389,500
Water pollution control revolving fund	590,300
Water use reporting fees	121,800
State general fund/general purpose	\$ 9,620,600

Criminal investigations.

Sec. 110. CRIMINAL INVESTIGATIONS

Full-time equated classified positions.....	22.0	
Environmental investigations—22.0 FTE positions.....		\$ 1,832,600
GROSS APPROPRIATION.....		\$ 1,832,600
Appropriated from:		
Federal revenues:		
EPA, multiple.....		129,900
Special revenue funds:		
Environmental response fund		111,700
Oil and gas regulatory fund		137,800
Scrap tire regulatory fund		58,100
State general fund/general purpose		\$ 1,395,100

For Fiscal Year
Ending Sept. 30,
2004

Grants.

Sec. 111. GRANTS

Grants to counties - air pollution	\$	83,700
Water pollution control and drinking water revolving fund.....		102,353,500
Noncommunity water grants.....		1,400,000
Coastal management grants		1,800,000
Federal - nonpoint source water pollution grants.....		6,500,000
Federal - Great Lakes remedial action plan grants.....		700,000
Grants to counties - water quality monitoring.....		1,700,000
Great Lakes research and protection grants.....		1,900,000
Pollution prevention local grants.....		250,000
Radon grants.....		134,300
Septage waste compliance grants.....		1,525,000
Scrap tire grants.....		3,500,000
Drinking water revolving fund implementation		1,330,000
Local health department operations		10,472,500
Volunteer river, stream, and creek cleanup		25,000
GROSS APPROPRIATION.....	\$	<u>133,674,000</u>

Appropriated from:

Interdepartmental grant revenues:

IDG-MDCH, local public health operations		10,472,500
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Federal revenues:

DOC-NOAA, federal		1,500,000
EPA, multiple.....		92,590,000

Special revenue funds:

Cleanup and redevelopment fund.....		1,700,000
Community pollution prevention fund.....		250,000
Drinking water revolving fund		1,330,000
Great Lakes protection fund		1,900,000
Public water supply fees		1,400,000
Scrap tire regulatory fund		3,500,000
Septage waste license fees.....		1,525,000
Water quality protection fund.....		25,000
State general fund/general purpose	\$	17,481,500

Information technology.

Sec. 112. INFORMATION TECHNOLOGY

Information technology services and projects.....	\$	<u>6,559,800</u>
GROSS APPROPRIATION.....	\$	6,559,800

Appropriated from:

Interdepartmental grant revenues:

IDG, Michigan transportation fund.....		46,300
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Federal revenues:

DOC-NOAA, federal		25,600
EPA, multiple.....		615,400

Special revenue funds:

Air emissions fees.....		486,900
Drinking water revolving fund		85,600

	For Fiscal Year Ending Sept. 30, 2004
Environmental protection fund.....	\$ 69,000
Environmental response fund	504,700
Land and water permit fees	106,700
Oil and gas regulatory fund	544,200
Public utility assessments	4,100
Public water supply fees	265,300
Scrap tire regulatory fund	81,300
Settlement funds.....	728,900
Solid waste program fees.....	60,000
Underground storage tank fees	173,900
Waste reduction fee revenue.....	384,800
Water analysis fees	155,400
Water pollution control revolving fund	119,800
State general fund/general purpose	\$ 2,101,900

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS**Total state spending; payments to local units of government.**

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 2003-2004 is \$202,676,300.00 and state spending from state resources to be paid to local units of government for fiscal year 2003-2004 is \$20,145,500.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF ENVIRONMENTAL QUALITY

GRANTS

Grants to counties - air pollution	\$ 83,700
Grants to counties - water quality monitoring.....	1,700,000
Local health department operations	10,472,500
Septage waste compliance program	1,525,000
Scrap tire grants.....	3,500,000
Noncommunity water grants.....	1,400,000
Radon grants	134,300
Drinking water grants.....	1,330,000
TOTAL	\$ 20,145,500

Appropriations subject to MCL 18.1101 to 18.1594.

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.

Definitions.

Sec. 203. As used in this act:

- (a) “CESARS” means chemical evaluation search and retrieval system.
- (b) “Department” means the department of environmental quality.
- (c) “DOC” means the United States department of commerce.
- (d) “DOC-NOAA” means the DOC national oceanic and atmospheric administration.
- (e) “DOD” means the United States department of defense.
- (f) “DOI” means the United States department of interior.
- (g) “EPA” means the United States environmental protection agency.
- (h) “FEMA” means the federal emergency management agency.
- (i) “FTE” means full-time equated.
- (j) “IDG” means interdepartmental grant.
- (k) “IDT” means intradepartmental transfer.
- (l) “MDA” means the Michigan department of agriculture.
- (m) “MDCH” means the Michigan department of community health.
- (n) “MDSPP” means the Michigan department of state police.
- (o) “MI” means Michigan.
- (p) “NPDES” means national pollutant discharge elimination system.

Billing by department of civil service.

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

Hiring freeze; exceptions.

Sec. 205. (1) Beginning October 1, 2004, a hiring freeze is imposed on the state classified civil service. State departments and agencies are prohibited from hiring any new full-time state classified civil service employees and prohibited from filling any vacant state classified civil service positions. This hiring freeze does not apply to internal transfers of classified employees from 1 position to another within a department.

(2) The state budget director shall grant exceptions to the hiring freeze described in subsection (1) when the state budget director believes that the hiring freeze will result in rendering a state department or agency unable to deliver basic services, cause a loss of revenue to the state, result in the inability of the state to receive federal funds, or would necessitate additional expenditures that exceed any savings from maintaining a vacancy. The state budget director shall report quarterly to the chairpersons of the senate and house of representatives standing committees on appropriations the number of exceptions to the hiring freeze approved during the previous quarter and the reasons to justify the exception.

Privatization; project plan.

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

The evaluation shall be completed and submitted to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies within 30 months.

Reporting requirements; use of Internet.

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

Purchase of foreign goods or services.

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

Receipt and retention of reports.

Sec. 211. The departments and state agencies receiving appropriations under this act shall receive and retain copies of all reports funded from appropriations in part 1. These departments and state agencies shall follow federal and state guidelines for short-term and long-term retention of these reports. To the extent consistent with federal and state guidelines, the requirements of this section are satisfied if the reports funded from appropriations in part 1 are retained in electronic format.

Restricted fund balances, projected revenues, and expenditures; report.

Sec. 212. By February 15, 2004, the department shall provide the state budget director, the subcommittees on natural resources and environmental quality of the senate and house appropriations committees, and the senate and house fiscal agencies with an annual report on restricted fund balances, projected revenues, and expenditures for the fiscal years ending September 30, 2003 and September 30, 2004.

Grant or loan programs; report.

Sec. 213. (1) From funds appropriated under part 1, the department shall prepare a report that lists all of the following regarding grant or loan or grant and loan programs administered by the department for the fiscal year ending September 30, 2004:

- (a) The name of each program.
- (b) The goals of the program, the criteria, eligibility, process, filing fees, nominating procedures, and deadlines for each program.
- (c) The maximum and minimum grant and loan available and whether there is a match requirement for each program.
- (d) The amount of any required match, and whether in-kind contributions may be used as part or all of a required match.
- (e) Information pertaining to the application process, timeline for each program, and the contact people within the department.
- (f) The source of funds for each program, including the citation of pertinent authorizing acts.

(g) Information regarding plans for the next fiscal year for the phaseout, expansion, or changes for each program.

(h) A listing of all recipients of grants or loans awarded by the department by type and amount of grant or loan.

(2) The reports required under this section shall be submitted to the state budget office, the senate and house appropriations committees, and senate and house fiscal agencies by January 1, 2004.

Water diversion from Great Lakes.

Sec. 215. The department shall notify the legislature and shall provide a public meeting and public comment opportunity with respect to any request received by the state of Michigan to divert water from the Great Lakes pursuant to the water resources development act of 1986, Public Law 99-662, 100 Stat. 4082.

Report.

Sec. 216. (1) The department shall report all of the following information relative to allocations made in part 1 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, and the environmental protection bond projects under section 19508(7) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.19508, to the state budget director, the senate and house appropriations subcommittees on environmental quality, and the senate and house fiscal agencies:

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

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

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

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

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

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

(g) The number of sites that would qualify as brownfields that were redeveloped.

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

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

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

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

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

Unexpended and unencumbered amounts.

Sec. 217. (1) In addition to the funds appropriated in part 1 for the environmental cleanup and redevelopment program and the leaking underground storage tank cleanup program, the department of environmental quality is authorized to expend amounts remaining from prior fiscal year appropriations to meet funding needs of legislatively approved sites.

(2) Unexpended and unencumbered amounts remaining from appropriations from the environmental protection bond fund contained in 1989 PA 180, 1990 PA 55, 1990 PA 194, 1991 PA 31, 1991 PA 160, 1993 PA 74, 1993 PA 353, 1994 PA 442, 1996 PA 353, and 1997 PA 114 are appropriated for expenditure for any site listed in this act and any site listed in the public acts referenced in this section.

(3) Unexpended and unencumbered amounts remaining from appropriations from the cleanup and redevelopment fund and unclaimed bottle deposits fund contained in 1996 PA 319, 1997 PA 113, 1997 PA 114, 1998 PA 292, 1999 PA 125, 2000 PA 275, 2001 PA 43, and 2002 PA 520 are appropriated for expenditure for any site listed in this act and any site listed in the public acts referenced in this section.

(4) Unexpended and unencumbered amounts remaining from appropriations from the clean Michigan initiative fund - response activities contained in 1999 PA 111, 2000 PA 52, 2000 PA 506, and 2001 PA 120 are appropriated for expenditure for any site listed in this act and any site listed in the public acts referenced in this section.

Michigan youth conservation council.

Sec. 218. Of the money appropriated from the environmental education fund in part 1, \$5,000.00 shall be allocated to Michigan State University Extension Service - 4-H Youth Programs to fund the Michigan Youth Conservation Council.

Technology-related services and projects; user fees.

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

Information technology designated as work projects.

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

Schedule of rates, user fees, and charges or assessments; establishment by department of information technology.

Sec. 221. The department of information technology shall establish a schedule of rates, user fees, and charges or assessments for standard services and information system support requirements to be made to departments for technology-related services and projects. This schedule, as well as copies of related interagency agreements, shall be provided to the state budget office and the house of representatives and senate committees on appropriations before October 15, 2003. The department of environmental

quality shall not process any payments or fund transfers to the department of information technology until the schedule of rates, user fees, and assessments is provided to the legislature and the department of environmental quality.

DEPARTMENT SUPPORT SERVICES

Travel report.

Sec. 301. In addition to the annual report on travel expenditures required by section 217 of the management and budget act, 1984 PA 431, MCL 18.1217, the department shall provide to the senate and house appropriations subcommittees on natural resources and the senate and house fiscal agencies a quarterly report within 30 days of the end of each quarter on expenses incurred for travel inside and outside the state. The report shall include, but not be limited to, the name of the person who traveled, total expenditures for compensation, fees, or remuneration for meals, transportation, and related contractual services, supplies, and materials, and the destination, reason for, and dates of the travel.

AIR QUALITY

Air quality program expenditures and revenues; report.

Sec. 401. The department shall report quarterly, via the department's Internet website, on air quality program expenditures and revenues. The report shall include expenditures and revenues by fund source and by program function.

ENVIRONMENTAL SCIENCE AND SERVICES

Recycling and composting; FTE position to provide assistance.

Sec. 501. The funds appropriated in part 1 for pollution prevention and technical assistance include authorization for 1.0 FTE position and \$60,000.00 to provide technical assistance to organizations and businesses involved in recycling and composting.

Recycling; study; recommendations.

Sec. 502. The recycling coordinator shall conduct a study of the state's capacity to handle material recovered for recycling, the feasibility of collecting and transporting the material for recycling within the state, and the ability of the state to sustain markets for products containing recycled content. The department shall make recommendations for improving and expanding recycling in the state in a report submitted to the legislature, the state budget director, and the senate and house fiscal agencies no later than December 30, 2004.

Implementation of Great Lakes water quality bond; report.

Sec. 503. By July 1, 2004, the department shall prepare and submit a report to the state budget director, the legislature, the chairs of the standing committees of the senate and house of representatives with primary responsibility for issues related to natural resources and the environment, and the chairs of the subcommittees of the senate and house appropriations committees with primary responsibility for appropriations for the department of environmental quality, outlining the implementation of the Great Lakes water quality bond, 2002 PA 397, MCL 324.19701 to 324.19708, including, but not limited to, the amount of bonds issued and the date they were issued, the number of applications received for loans from the state water pollution control revolving fund created in section 16a of the shared credit rating act, 1985 PA 227, MCL 141.1066a, the total amount of loans requested, a listing of the applicants receiving loans and the total amount of loans provided to those applicants, a listing of applicants whose loan applications were not approved and the reasons why those applications were not approved, the amount of the loans granted that were leveraged from bond proceeds, and the remaining bond proceeds and bond authorization.

GEOLOGICAL AND LAND MANAGEMENT**Great Lakes bottomland permit fees.**

Sec. 601. The department shall collect Great Lakes bottomland permit fees uniformly and fairly from commercial and noncommercial users of the Great Lakes bottomlands.

Stream habitat improvement projects.

Sec. 602. The department may waive permit fees for nonprofit organizations conducting approved stream habitat improvement projects.

REMEDICATION AND REDEVELOPMENT**Cleanup projects; work projects; carrying forward unencumbered or unallotted funds; compliance.**

Sec. 701. The unexpended funds appropriated in part 1 for the state cleanup program, environmental cleanup and redevelopment program, emergency cleanup action, contaminated site investigations, cleanup and revitalization, state site cleanup, leaking underground storage tank cleanup program, and superfund cleanup projects 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, 2008.

Redevelopment and cleanup activities; sites.

Sec. 702. The funds appropriated in part 1 for the environmental cleanup and redevelopment program shall be used to fund redevelopment and cleanup activities on the following sites:

Allegan	Sunrise Landfill
Berrien	Coloma DCPA
Berrien	Bendix
Branch	Bronson Area Wells
Cass	U.S. Aviex
Eaton	Parsons Chemical
Gladwin	Gladwin Bulk Oil Plant State St.
Gratiot	Velsicol Chemical Corporation
Gratiot	Pine R Downstream of St. Louis
Houghton	Torch Lake
Ingham	Americhem Corporation
Iosco	Res Wells Bachman Rd.
Jackson	Exxon Petroleum
Kalamazoo	Portage Creek/Kalamazoo River
Kent	Former Autostyle Plastics, Inc.
Mecosta	Joe's Tire/Ridderman Oil
Midland	Tittabawassee River
Montmorency	Mary D's
Muskegon	Green Ridge Subdivision
Muskegon	Laketon Auto Clinic
Muskegon	Meat Block
Wayne	Plymouth Industrial Center Holding Company

NPL municipal landfill match grants.

Sec. 703. Of the funds appropriated in part 1 for the environmental cleanup and redevelopment program, an amount not to exceed \$2,000,000.00 shall be expended for the NPL municipal landfill match grants.

Ruddiman creek watershed; application for sediment cleanup project.

Sec. 704. If federal funding is available, the department shall work with local stakeholders to identify the sources of contamination in the Ruddiman Creek watershed and shall submit an application for federal funding pursuant to the Great Lakes legacy act of 2002, title I of the Great Lakes and Lake Champlain act of 2002, Public Law 107-303, 116 Stat. 2355, for this sediment cleanup project.

WASTE AND HAZARDOUS MATERIALS

Out-of-state waste.

Sec. 802. By February 1, 2004, the department shall submit to the chairpersons of the senate and house of representatives standing committees on appropriations, the chairpersons of the senate and house appropriations subcommittees on environmental quality, the state budget director, and the senate and house fiscal agencies a report on out-of-state waste disposed of in landfills in this state. The report shall include, but not be limited to, the amount, type, and state of origin for all out-of-state waste.

WATER

Sec. 901. Of the funds appropriated in part 1 for water quality monitoring, funding up to \$20,000.00 may be provided, on a 50:50 cost-sharing basis, to erect signs at beaches owned by governmental entities. These signs will inform the public where the most recent beach water quality information may be found.

Aquifer protection and dispute resolution; grant to department of agriculture.

Sec. 902. The appropriation in part 1 for aquifer protection and dispute resolution includes a \$100,000.00 interdepartmental grant to the Michigan department of agriculture to cover costs related to implementation of part 317 of the natural resources and environmental protection act, 1994 PA 451.

Compiler's note: Sec. 902 of Act 171 of 2003 was repealed by Act 237 of 2003, Imd. Eff. Dec. 29, 2003.

Groundwater database.

Sec. 903. The funds appropriated in part 1 for groundwater use reporting shall be awarded as a grant for the development of a groundwater database needed to model the demands for domestic water uses of groundwater supplies.

Statewide groundwater inventory and map.

Sec. 904. The appropriation in part 1 for drinking water includes \$1,000,000.00 from the clean Michigan initiative - clean water fund for preparation of the statewide groundwater inventory and map established in section 32802 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.32802.

National pollutant discharge elimination system fund; use.

Sec. 909. By February 1, 2004, the department shall submit a report on the department's use of the national pollutant discharge elimination system fund created in MCL 324.3121 for the previous fiscal year, to the senate and house appropriations subcommittees on environmental quality and natural resources, the standing committees of the legislature with jurisdiction over issues primarily related to natural resources and the environment, and the senate and house fiscal agencies. The report shall include a summary of how the appropriations in part 1 for NPDES nonstormwater program were used for the various permissible uses of the fund and shall include specific information on all of the following:

(a) The number of compliance and complaint inspections completed, by category, the number of on-site compliance inspections conducted, and the number of compliance inspections that were not announced in advance to the permittee or licensee.

(b) The number and percent of permit and license inspections that were found to be in significant noncompliance, by category.

(c) The number of administrative enforcement actions taken for permit or license violations and the results of the enforcement actions, including the amount of fines and penalties collected.

(d) The number of judicial enforcement actions taken for permit or license violations and the results of the enforcement actions, including the amount of fines and penalties collected.

(e) A listing of the supplemental environmental projects agreed to as a result of a consent agreement including all of the following: the case name, the monetary value of the supplemental environmental project, and a description of the project.

Compiler's note: The shaded text was vetoed by the Governor, whose veto message appears in this volume under the heading "Vetoed."

CRIMINAL INVESTIGATIONS**Imported solid waste; inspections.**

Sec. 1001. From funds appropriated in part 1, the department shall conduct periodic inspections of imported solid waste at disposal facilities to mitigate the unpermitted disposal of waste at Michigan disposal sites.

Illegal dumping; development of community partnerships.

Sec. 1002. With funds appropriated in part 1, the department shall provide training in support of local efforts to regulate solid waste disposal. Department environmental conservation officers shall be directed to help train law enforcement officers and other enforcement personnel to develop community partnerships to combat illegal dumping at the local level.

GRANTS**Expenditure of funds under septage waste compliance program.**

Sec. 1101. 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 324.11719, 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.

Scrap tire fire suppression costs.

Sec. 1102. Of the funds appropriated in part 1 for scrap tire grants, \$100,000.00 shall be available for grants to communities to cover scrap tire fire suppression costs, provided owner liability bonds and other available funding sources have been exhausted.

Compliance with federal arsenic standards; loans.

Sec. 1103. From the funds appropriated in part 1 for the drinking water revolving loan program, the department shall provide low-interest loans for public water supply systems found to be out of compliance with federal arsenic standards.

Dredging contaminated canals; St. Clair Shores.

Sec. 1104. Of the money appropriated in part 1 for grants to counties - water quality monitoring, \$700,000.00 is for the city of St. Clair Shores for dredging of contaminated canals and \$1,000,000.00 is to establish and operate a comprehensive monitoring program to protect and manage the environmental quality of the St. Clair River, Lake St. Clair, and the Clinton River watershed, consistent with the appropriation made for this purpose in section 1205 of 2002 PA 520.

This act is ordered to take immediate effect.

Approved August 12, 2003.

Filed with Secretary of State August 13, 2003.

[No. 172]**(SB 283)**

AN ACT to make, supplement, and adjust appropriations for the family independence agency and certain state purposes related to public welfare services for the fiscal years ending September 30, 2003 and September 30, 2004; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to provide for reports; to provide for the disposition of fees and other income received by the state agency; to provide for the powers and duties of certain individuals, local governments, and state departments, agencies, and officers; and to repeal acts and parts of acts.

The People of the State of Michigan enact:

PART 1

LINE-ITEM APPROPRIATIONS FOR FISCAL YEAR 2003-2004

Appropriations; supplemental; family independence agency.

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the family independence agency for the fiscal year ending September 30, 2004, from the funds indicated in this part. The following is a summary of the appropriations in this part:

FAMILY INDEPENDENCE AGENCY

Full-time equated classified positions	10,768.6	
Unclassified positions	6.0	
Total full-time equated positions	10,774.6	
GROSS APPROPRIATION		\$ 3,960,794,200
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		1,055,800
ADJUSTED GROSS APPROPRIATION		\$ 3,959,738,400
Federal revenues:		
Total federal revenues		2,681,332,950
Special revenue funds:		
Total private revenues		9,472,150
Total local revenues		65,097,100
Total other state restricted revenues		70,096,800
State general fund/general purpose		\$ 1,133,739,400

Executive operations.**Sec. 102. EXECUTIVE OPERATIONS**

Total full-time equated positions	470.8	
Full-time equated unclassified positions	6.0	
Full-time equated classified positions	464.8	
Other unclassified salaries—6.0 FTE positions		505,800
Salaries and wages—354.8 FTE positions		14,587,200
Contractual services, supplies, and materials		5,703,700
Demonstration projects—7.0 FTE positions		7,804,100
Commission on disability concerns—7.0 FTE positions		944,200
Commission for the blind—96.0 FTE positions		17,461,200
Youth low-vision program		260,000
GROSS APPROPRIATION		\$ 47,266,200

For Fiscal Year
Ending Sept. 30,
2004

Appropriated from:

Federal revenues:

Total federal revenues.....	\$	34,769,600
Special revenue funds:		
Total private revenues.....		1,340,000
Total local revenues		275,000
Total other state restricted revenues.....		477,300
State general fund/general purpose	\$	10,404,300

Family independence services.

Sec. 103. FAMILY INDEPENDENCE SERVICES

ADMINISTRATION

Full-time equated classified positions.....	102.8	
Salaries and wages—71.7 FTE positions		\$ 3,802,400
Contractual services, supplies, and materials		11,672,900
Employment and training support services.....		21,229,100
Wage employment verification reporting—2.0 FTE positions		1,907,500
Urban and rural empowerment/enterprise zones.....		100
Training and staff development—29.1 FTE positions		8,203,000
Community services block grant		24,350,000
GROSS APPROPRIATION.....		\$ 71,165,000

Appropriated from:

Federal revenues:

Total federal revenues.....		60,432,700
Special revenue funds:		
State general fund/general purpose	\$	10,732,300

Child support enforcement.

Sec. 104. CHILD SUPPORT ENFORCEMENT

Full-time equated classified positions.....	200.0	
Child support enforcement operations—192.0 FTE positions.....		\$ 19,521,900
Legal support contracts.....		139,819,500
Child support incentive payments		32,409,600
Child support distribution computer system—8.0 FTE positions.....		26,195,300
GROSS APPROPRIATION.....		\$ 217,946,300

Appropriated from:

Federal revenues:

Total federal revenues.....		199,480,000
Special revenue funds:		
Total local revenues		340,000
State general fund/general purpose	\$	18,126,300

Child and family services.

Sec. 105. CHILD AND FAMILY SERVICES

Full-time equated classified positions.....	97.8	
Salaries and wages—37.8 FTE positions		\$ 1,984,600
Contractual services, supplies, and materials		1,407,500
Refugee assistance program—3.0 FTE positions.....		12,642,300

	For Fiscal Year Ending Sept. 30, 2004
Foster care payments	\$ 143,007,000
Wayne County foster care payments.....	71,060,100
Adoption subsidies.....	219,386,200
Adoption support services—10.0 FTE positions	14,101,100
Youth in transition—6.5 FTE positions	12,757,200
Interstate compact	300,000
Children's benefit fund donations	21,000
Domestic violence prevention and treatment—5.0 FTE positions...	13,476,300
Teenage parent counseling—3.0 FTE positions	3,771,300
Family preservation and prevention services—12.0 FTE positions ...	66,285,600
Black child and family institute	100,000
Rape prevention and services	2,600,000
Children's trust fund administration—6.0 FTE positions.....	439,200
Children's trust fund grants	3,615,000
Attorney general contracts.....	2,481,000
Guardian contract	600,000
Prosecuting attorney contracts.....	1,061,700
Child care fund.....	168,837,900
Child care fund administration—7.5 FTE positions.....	884,000
County juvenile offices	3,754,000
Community support services—7.0 FTE positions.....	1,479,400
GROSS APPROPRIATION.....	\$ 746,052,400
Appropriated from:	
Federal revenues:	
Total federal revenues.....	411,942,900
Special revenue funds:	
Private - children's benefit fund donations.....	21,000
Private - collections.....	5,033,900
Local funds - county payback.....	34,918,000
Children's trust fund.....	3,271,800
State general fund/general purpose	\$ 290,864,800

Juvenile justice services.

Sec. 106. JUVENILE JUSTICE SERVICES

Full-time equated classified positions.....	820.9
Juvenile justice operations—800.9 FTE positions.....	\$ 69,354,900
Federally funded activities—12.0 FTE positions	1,727,800
W. J. Maxey memorial fund	45,000
Juvenile accountability incentive block grant—4.0 FTE positions ...	8,436,200
Committee on juvenile justice administration—4.0 FTE positions...	464,800
Committee on juvenile justice grants.....	5,000,000
GROSS APPROPRIATION.....	\$ 85,028,700
Appropriated from:	
Federal revenues:	
Total federal revenues.....	18,154,900
Special revenue funds:	
Total private revenues.....	645,000
Local funds - county payback.....	29,068,600
State general fund/general purpose	\$ 37,160,200

For Fiscal Year
Ending Sept. 30,
2004

Local office staff and operations.

Sec. 107. LOCAL OFFICE STAFF AND OPERATIONS

Full-time equated classified positions.....	8,468.4		
Field staff, salaries and wages—8,397.4 FTE positions		\$	336,299,400
Contractual services, supplies, and materials			26,354,300
Outstationed eligibility workers—60.0 FTE positions			4,664,500
Food stamp reinvestment			18,426,300
Wayne County gifts and bequests.....			100,000
Volunteer services and reimbursement—11.0 FTE positions.....			1,955,900
GROSS APPROPRIATION.....		\$	<u>387,800,400</u>
Appropriated from:			
Federal revenues:			
Total federal revenues.....			237,173,150
Special revenue funds:			
Local funds - donated funds.....			191,100
Private funds - hospital contributions.....			2,332,250
Private - Wayne County gifts			100,000
State general fund/general purpose		\$	<u>148,003,900</u>

Disability determination services.

Sec. 108. DISABILITY DETERMINATION SERVICES

Full-time equated classified positions.....	606.0		
Disability determination operations—580.0 FTE positions.....		\$	68,756,100
Medical consultation program—21.0 FTE positions			2,826,500
Retirement disability determination—5.0 FTE positions.....			828,800
GROSS APPROPRIATION.....		\$	<u>72,411,400</u>
Appropriated from:			
Interdepartmental grant revenues:			
IDG from DMB - office of retirement systems.....			1,055,800
ADJUSTED GROSS APPROPRIATION.....		\$	<u>71,355,600</u>
Appropriated from:			
Federal revenues:			
Total federal revenues.....			68,534,100
State general fund/general purpose		\$	<u>2,821,500</u>

Central support accounts.

Sec. 109. CENTRAL SUPPORT ACCOUNTS

Rent.....		\$	42,645,700
Occupancy charge			11,448,200
Grand tower facility reimbursement.....			1,386,800
Travel.....			5,776,800
Equipment			1,045,300
Workers' compensation.....			4,750,700
Advisory commissions.....			17,900
Payroll taxes and fringe benefits.....			178,733,300
GROSS APPROPRIATION.....		\$	<u>245,804,700</u>
Appropriated from:			
Federal revenues:			
Total federal revenues.....			158,304,100

	For Fiscal Year Ending Sept. 30, 2004
Special revenue funds:	
Local funds - county payback.....	\$ 304,400
State general fund/general purpose	\$ 87,196,200

Public assistance.**Sec. 110. PUBLIC ASSISTANCE**

Full-time equated classified positions.....7.9	
Family independence program.....	\$ 369,339,600
State disability assistance payments	25,418,600
Food assistance program benefits	833,011,200
State supplementation	59,668,400
State supplementation administration.....	2,624,200
Low-income home energy assistance program—7.9 FTE positions....	116,467,700
State emergency relief.....	41,408,200
Weatherization assistance	15,940,800
Day care services.....	490,244,000
GROSS APPROPRIATION	\$ 1,954,122,700
Appropriated from:	
Federal revenues:	
Total federal revenues.....	1,407,519,000
Special revenue funds:	
Child support collections	47,710,700
Supplemental security income recoveries	5,104,800
Public assistance recoupment revenue	2,500,000
State general fund/general purpose	\$ 491,288,200

Information technology.**Sec. 111. INFORMATION TECHNOLOGY**

Information technology services and projects.....	\$ 38,647,500
Child support automation.....	70,000,000
Client services system.....	10,461,100
Data system enhancement	14,087,800
GROSS APPROPRIATION	\$ 133,196,400
Appropriated from:	
Federal revenues:	
Total federal revenues.....	85,022,500
Special revenue funds:	
Total other state restricted revenues.....	11,032,200
State general fund/general purpose	\$ 37,141,700

PART 2

PROVISIONS CONCERNING APPROPRIATIONS FOR FISCAL YEAR 2003-2004

GENERAL SECTIONS**Total state spending; payments to local units of government.**

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 2003-2004 is \$1,203,836,200.00

and state spending from state resources to be paid to local units of government for fiscal year 2003-2004 is \$185,302,200.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

FAMILY INDEPENDENCE AGENCY

CHILD AND FAMILY SERVICES

Adoption subsidies.....	\$ 79,443,500
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JUVENILE JUSTICE SERVICES

Child care fund.....	104,700,000
County juvenile officers.....	2,973,200

PUBLIC ASSISTANCE

State disability program.....	1,158,700
TOTAL	\$ 185,302,200

Appropriations subject to MCL 18.1101 to 18.1594.

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.

Definitions.

Sec. 203. As used in this act:

- (a) “Department” means the family independence agency.
- (b) “FTE” means full-time equated.

(c) “Temporary assistance for needy families” or “TANF” or “title IV-A” means part A of title IV of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 601 to 604, 605 to 608, and 609 to 619.

(d) “Title IV-D” means part D of title IV of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 651 to 655, 656 to 657, 658a to 660, and 663 to 669b.

(e) “Title IV-E” means part E of title IV of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 670 to 673, 673b to 679, and 679b.

Billing by department of civil service.

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

Hiring freeze; exceptions.

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

(2) The state budget director shall grant exceptions to this hiring freeze when the state budget director believes that the hiring freeze will result in rendering a state department or agency unable to deliver basic services, cause loss of revenue to the state, result in the inability of the state to receive federal funds, or necessitate additional expenditures that exceed any savings from maintaining a vacancy. The state budget director shall report monthly to the chairpersons of the senate and house appropriations committees and the senate and house fiscal agencies and policy offices on the number of

exceptions to the hiring freeze approved during the previous month and the reasons to justify the exception.

Privatization; project plan.

Sec. 207. At least 60 days before beginning any effort to privatize services, the department shall submit a complete project plan to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies. The plan shall include the criteria under which the privatization initiative will be evaluated. The evaluation shall be completed and submitted to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies within 9 months.

Reporting requirements; use of Internet.

Sec. 208. Unless otherwise specified, the department shall use the Internet to fulfill the reporting requirements of this act. This shall include transmission of reports via electronic mail, including a link to the Internet site, to the recipients identified for each reporting requirement, or it may include placement of reports on the Internet or Intranet site. On an annual basis, the department shall provide a cumulative listing of the reports to the house and senate appropriations subcommittees and the house and senate fiscal agencies and policy offices.

Purchase of foreign goods or services.

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

Businesses in deprived and depressed communities; contracts to provide services or supplies.

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.

Individual and family grant disaster assistance program.

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

Write-offs and prior year obligations.

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

Food assistance overissuance collections; retention; report.

Sec. 213. (1) The department may retain all of the state's share of food assistance overissuance collections as an offset to general fund/general purpose costs. Retained collections shall be applied against federal funds deductions in all appropriation units

where department costs related to the investigation and recoupment of food assistance overissuances are incurred. Retained collections in excess of such costs shall be applied against the federal funds deducted in the executive operations appropriation unit.

(2) The department shall report to the legislature during the senate and house budget hearings on the status of the food stamp error rate. The report shall include at least all of the following:

(a) An update on federal sanctions and federal requirements for reinvestment due to the food stamp error rate.

(b) Review of the status of training for employees who administer the food assistance program.

(c) An outline of the past year's monthly status of worker to food stamp cases and monthly status of worker to food stamp applications.

(d) Information detailing the effect and change in staffing due to the early retirement option.

(e) Corrective action through policy, rules, and programming being taken to reduce the food stamp error rate.

(f) Any other information regarding the food stamp error rate, including information pertaining to technology and computer applications used for the food assistance program.

Local office staff and operations; report.

Sec. 214. (1) The department shall submit a report to the chairpersons of the senate and house appropriations subcommittees on the family independence agency budget and the senate and house fiscal agencies and policy offices and the state budget director on the details of allocations within program budgeting line items and within the salaries and wages line items in the local office staff and operations appropriation unit. The report shall include a listing, by account, dollar amount, and fund source, of salaries and wages; longevity and insurance; retirement; contractual services, supplies, and materials; equipment; travel; and grants within each program line item appropriated for the fiscal year ending September 30, 2004.

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

Implementation causing loss of federal financial participation.

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

TANF federal block grant.

Sec. 218. (1) The department shall prepare a semiannual report on the TANF federal block grant. The report shall include projected expenditures for the current fiscal year, an accounting of any previous year funds carried forward, and a summary of all interdepartmental or interagency agreements relating to the use of TANF funds. The

report shall be forwarded to the state budget director and the house and senate appropriations subcommittees on the family independence agency budget and the house and senate fiscal agencies and policy offices on or before January 15, 2004 and May 15, 2004.

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

Faith-based organizations for mentoring or supportive services.

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

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

(3) 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.

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

Private and local sources; carrying forward excess revenue.

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.

Determination of medicaid eligibility; analysis of centralized monthly processing of spend-down paperwork.

Sec. 223. (1) The department shall make a determination of Medicaid eligibility not later than 60 days after all information to make the determination is received from the applicant 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.

(2) The department shall analyze the efficacy of centralized monthly processing of Medicaid spend-down paperwork for clients whose monthly income amount is stable. The department shall present the findings of the analysis to the senate and house appropriations subcommittees on the family independence agency, during budget deliberations, and distribute the findings to the senate and house standing committees on human services matters, senate and house fiscal agencies, and policy offices.

Financing authorizations; realignment.

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

Technology-related services and projects; user fees.

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

(2) By October 15, 2003, the department shall report on the interagency agreement with the department of information technology to the house and senate appropriations subcommittees for the family independence agency budget, house and senate fiscal agencies, and policy offices. The report shall include the base service priorities in the agreement including, but not limited to, the following:

- (a) Name and description of base service.
- (b) Detail goals and objectives related to each base service.
- (c) Cost of each base service.
- (d) Time frame for implementation or completion of base service.

(3) Individual projects within the interagency agreement with a cost of \$500,000.00 or greater must be reported to the house and senate appropriations subcommittees for the family independence agency budget, house and senate fiscal agencies, and policy offices.

(4) As used in this section, "base services" means all services to be supplied by the department of information technology that are to be purchased by the department under the provisions of the interagency agreement.

Information technology amounts as work projects.

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

Restructuring local offices.

Sec. 261. (1) The department shall consult with the house and senate appropriations subcommittees on the family independence agency regarding the planned restructuring of local offices in response to 2002 PA 93. Issues to be covered shall include service delivery structure, facility needs, and administrative support. Any plan presented shall ensure that the department provides a presence and services in every county.

(2) The department shall implement a plan resulting in a \$2,000,000.00 savings by restructuring local offices in counties with more than 10 offices. The department shall report to the house and senate appropriations subcommittees on the family independence agency budget, the house and senate fiscal agencies and policy offices, and the state budget director on or before January 1, 2004 on the plan.

Employee communications with legislators and staff.

Sec. 264. Provided that an employee does not violate federal or state laws, breach confidentiality, violate civil service rules, or represent a formal department position without prior written authorization, the department shall ensure that all department employees, while on their personal time, are permitted to have appropriate communications with legislators and their staff.

Title IV-D-related child support collections; escheated amount; budget adjustment.

Sec. 269. If title IV-D-related child support collections are escheated, the state budget director is authorized to adjust the sources of financing for the funds appropriated in part 1 for legal support contracts to reduce federal authorization by 66% of the escheated amount and increase general fund/general purpose authorization by the same amount. This budget adjustment is required to offset the loss of federal revenue due to the escheated amount being counted as title IV-D program income in accordance with federal regulations at 45 C.F.R. 304.50.

Report; information included.

Sec. 270. A report required to be provided to the legislature and the state budget director under this act shall include all of the following information:

- (a) The average cost per recipient served by the program.
- (b) Information regarding how outcome achievement is measured in the program.
- (c) Information regarding the measure used to determine how the program meets the goals of safety, permanence, well-being, and independence.

Progress of child and family services reviews; report.

Sec. 271. (1) The department shall report to the senate and house appropriations subcommittees on the family independence agency, the senate and house standing committees on human services, the senate and house fiscal agencies, the senate and house policy offices, and the state budget director on the progress of child and family services reviews (CFSR). The reviews, conducted in the state by the children's bureau of the United States department of health and human services, are intended to assess the department's compliance with the adoption and safe families act of 1997, Public Law 105-89, 111 Stat. 2115, with the ultimate goal of improving the state child welfare system and the safety, permanency, and child and family service outcomes to children and families. The report shall be submitted quarterly beginning in December 2003.

(2) The report required under subsection (1) shall include the findings and progress of all of the following:

- (a) Changes made by the courts with respect to court forms and court rules to meet the statutory requirement.
- (b) Department policy changes within the areas of foster care, juvenile justice, and adoption to meet the statutory requirements.
- (c) Recommendations made by a workgroup composed of department and other agency stakeholders.
- (d) A summary of the 7 systemic factors that determine the state's compliance with the adoption and safe families act of 1997, Public Law 105-89, 111 Stat. 2115.
- (e) A summary of the 7 data outcome indicators used to determine the state's compliance with the adoption and safe families act of 1997, Public Law 105-89, 111 Stat. 2115, including the length of time required to achieve family reunification for foster care cases.

- (f) Federal recommendations made to the state, including recommendations to the courts.
- (g) Federal penalties assessed against the state for noncompliance.
- (h) Status of the performance improvement plan submitted to the federal government.

Title IV-E foster care eligibility reviews; report.

Sec. 272. (1) The department shall report to the senate and house appropriations subcommittees on the family independence agency, the senate and house standing committees on human services, the senate and house fiscal agencies, the senate and house policy offices, and the state budget director on the result of the title IV-E foster care eligibility reviews. The reviews, conducted in the state by the United States department of health and human services, are intended to assess the department's compliance with the adoption and safe families act of 1997, Public Law 105-89, 111 Stat. 2115, ensuring the department's case files and payments records meet federal regulations, including standards on eligibility for placement reimbursement and the allowable payment rate.

(2) The report required under subsection (1) shall include the findings and progress of all of the following:

- (a) Training programs conducted by the department and the Michigan judicial institute.
- (b) Changes made by the courts on court forms and rules used in meeting the statutory requirements.
- (c) Department policy changes that impact meeting the statutory requirements for foster care and adoption, including juvenile justice programs.
- (d) Recommendations made by a department workgroup composed of representatives from the department and other departments and agencies.
- (e) Federal recommendations submitted to the state, including recommendations to the courts.
- (f) Federal penalties assessed against the state.

Policy changes; report to legislature; annual regulatory plan.

Sec. 273. (1) The department shall report no later than October 1, 2003 on each specific policy change made to implement enacted legislation to the senate and house appropriations subcommittees on the family independence agency budget, the senate and house standing committees on human services, and the senate and house fiscal agencies and policy offices.

(2) On an annual basis, the department shall provide a cumulative list of all policy changes in the following areas: child support, work first, work requirements, adult and child safety, local staff program responsibilities, and day care. The list shall be distributed to the senate and house appropriations subcommittees on the family independence agency budget, the senate and house standing committees dealing with human services, and the senate and house fiscal agencies and policy offices.

(3) Not later than July 1, 2004, the department shall report to the senate and house appropriations subcommittees on the family independence agency budget, the senate and house fiscal agencies, and the senate and house policy offices the annual regulatory plan submitted to the office of regulatory reform pursuant to section 53 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.253.

Report on federal grants not applied for.

Sec. 274. The department shall report to the house and senate appropriations subcommittees on the family independence agency budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget director as part of the annual budget presentation on each federal grant this state was eligible to apply for but for any reason chose not to submit an application.

Billboard advertising; use of funds.

Sec. 275. No funds appropriated in part 1 shall be used for billboard advertising unless required by federal or state regulations.

Receipt and retention of reports.

Sec. 276. The departments and agencies receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. The department shall follow all federal guidelines and state laws regarding short-term and long-term retention of records.

Noncompliance with state or federal rule, law, or regulation; report.

Sec. 277. Not more than 30 days after receiving a published report from the office of auditor general that states that the department has not complied with state or federal law, rule, or regulation, the department shall provide a report to the house and senate committees having jurisdiction over the family independence agency. The report shall state the reason for the noncompliance, a corrective action plan to bring the department into compliance, and the time frame for implementing and executing the plan.

EXECUTIVE OPERATIONS**Tuition payments for blind clients.**

Sec. 302. The appropriation in part 1 for the Michigan commission for the blind includes funds for case services. These funds may be used for tuition payments for blind clients for the school year beginning September 2003.

FAMILY INDEPENDENCE SERVICES ADMINISTRATION**Community services block grant funds; distribution plan.**

Sec. 403. Not later than September 30 of each year, the department shall submit for public hearing to the chairpersons of the house and senate appropriations subcommittees dealing with appropriations for the family independence agency the proposed use and distribution plan for community services block grant funds appropriated in part 1 for the succeeding fiscal year.

Community services block grant funds; recommendations from department of civil rights and Native American organizations.

Sec. 404. The department shall develop a plan based on recommendations from the department of civil rights and from Native American organizations to assure that the community services block grant funds are equitably distributed. The plan must be developed by

October 31, 2003, and the plan shall be delivered to the appropriations subcommittees on the family independence agency in the house and senate.

Appropriations from federal government refund related to child support enforcement system; programs.

Sec. 413. (1) Contingent upon the receipt of a refund from the federal government related to penalties previously imposed for the child support enforcement system, \$12,700,000.00 of the refund is appropriated for the following programs in the following amounts to provide funding in addition to funds appropriated in part 1:

(a) \$50,000.00 for community-based innovation grants for concerned citizens council for inner city youth facility.

(b) \$1,500,000.00 for expansion of community-based innovation grants on a statewide basis.

(c) \$1,500,000.00 for project zero and volunteer services workers.

(d) \$1,000,000.00 for protective services workers.

(e) \$100,000.00 for analysis of the Medicaid spend-down.

(f) \$500,000.00 for establishment or enhancement of domestic violence supervised parenting time centers.

(g) \$50,000.00 for the Michigan coordinated access to food for the elderly (MICAFE) program.

(h) \$78,500.00 for a school-based crisis intervention demonstration project in Pontiac.

(i) \$45,000.00 for 5 communities to develop young at-risk males of color networks.

(j) \$500,000.00 for the effective family formation program.

(k) \$650,000.00 to provide a more uniform rate structure for specialized foster care by raising the rates for private agencies whose rates are below the median.

(l) \$1,150,000.00 to provide a rate increase for foster care and adoption subsidies for parents and agencies.

(m) \$50,000.00 for the one church one child program.

(n) \$50,000.00 to fund a pilot program in 4 counties to offer a 6-hour to 10-hour counseling class to Medicaid eligible pregnant teens on the merits of releasing their newborn child for adoption.

(o) \$100,000.00 for a 3-year teen pregnancy prevention project in the Pontiac school district.

(p) \$100,000.00 for a homeless prevention program working with extended families of clients at risk for homelessness.

(q) \$1,500,000.00 to cities in Michigan with a population of more than 900,000 people and \$500,000.00 to cities in Michigan with a population of more than 150,000 people, but less than 900,000 people, for a pilot project to implement the Amer-I-Can program.

(r) \$3,326,500.00 for state disability assistance caseload.

(2) The funds appropriated in subsection (1) shall be considered a 1-time authority.

(3) Contingent upon the receipt of the refund mentioned in subsection (1), \$1,800,000.00 in federal title IV-E match is appropriated for the following programs in the following amounts to provide funding in addition to funds appropriated in part 1 and subsection (1):

(a) \$650,000.00 to provide a more uniform rate structure for specialized foster care by raising the rates for private agencies whose rates are below the median.

(b) \$1,150,000.00 to provide a rate increase for foster care and adoption subsidies for parents and agencies.

(4) Not later than September 30, 2004, the department shall report to the senate and house appropriations subcommittees on the family independence agency, the senate and house fiscal agencies and policy offices, and the state budget director on the use of funds provided in subsection (1) for the Amer-I-Can program.

Allocations of TANF funds to community action agencies.

Sec. 414. (1) Of the funds appropriated in part 1 for community services block grants, \$2,350,000.00 represents TANF funding earmarked for community action agencies.

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

Sec. 415. (1) From the funds appropriated in part 1 for employment and training support services, the department shall expend \$500,000.00 in TANF to fund a fatherhood initiative program. The department may contract with independent contractors from various counties, including, but not limited to, faith-based and nonprofit organizations. The independent contractors shall provide at least 10% in matching funds, through any combination of local, state, or federal funds or in-kind or other donations. 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. The use of TANF funds under this section should not be considered an ongoing commitment of funding.

(5) Upon receipt of the promotion of responsible fatherhood funds from the United States department of health and human services, the agency shall use the program criteria set forth in subsection (3) to implement the program with the federal funds.

Sec. 416. (1) From the funds appropriated in part 1 for employment and training support services, the department may expend up to \$750,000.00 in TANF to fund a marriage initiative program. The department may contract with independent contractors from various counties, including, but not limited to, faith-based and nonprofit organizations. The independent contractors shall provide at least 10% in matching funds, through any combination of local, state, or federal funds or in-kind or other donations. 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. The use of TANF funds under this section should not be considered an ongoing commitment of funding.

(5) Upon receipt of the healthy marriage promotion grant from the United States department of health and human services, the agency shall use the program criteria set forth in subsection (3) to implement the program with the federal funds.

Bureau of community action and economic opportunity; commission on community action and social opportunity.

Sec. 417. (1) From the funds appropriated in part 1 for community services block grant, the department shall expend up to 3.75% to fund a bureau of community action and economic opportunity and a commission on community action and social opportunity. The bureau shall serve as a statewide advocate for social and economic opportunities for low-income individuals, and the commission shall provide an opportunity for low-income individuals to actively participate in the development of policies and programs to reduce poverty. The bureau shall contract with public agencies, nonprofit private agencies, or nonprofit organizations for demonstration programs and other services necessary to implement community social and economic programs to reduce poverty.

(2) The department shall report to the senate and house appropriations subcommittees for the family independence agency budget, the senate and house standing committees on human services matters, and the senate and house fiscal agencies on the use of the funds described in subsection (1). The report shall include all of the following:

- (a) Number of full-time equated employees funded.
- (b) Administrative duties performed.

(c) The relationship between duties and the bureau of community action and economic opportunity and the commission on community action and social opportunity.

Sec. 418. From the funds appropriated in part 1 for employment and training support services, \$200,000.00 shall be appropriated to the Michigan IDA partnership to allocate to individual development account (IDA) matched savings programs serving TANF eligible households in Michigan. It is the intent of the legislature that the same amount be appropriated annually in each of the subsequent 4 fiscal years.

Low-income designated credit unions.

Sec. 419. The department in collaboration with the Michigan state university center for urban affairs and its partner organizations, the Michigan credit union league and the national federation of community development credit unions, shall further the work begun in fiscal year 1999-2000 that implemented the individual development accounts programs in the growing number of low-income designated credit unions, i.e., community development credit unions (CDCUs) located in this state's poorest communities. This further work will extend capacity-building and technical assistance services to existing and emerging CDCUs serving low-income populations and will include:

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

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

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

Sec. 420. From the funds appropriated in part 1 for employment and training support services, the department shall allocate \$40,000.00 in TANF for welfare to career innovation grants to replicate the Kent County model with Cascade engineering in 4 other counties.

CHILD AND FAMILY SERVICES

Number of children in foster care; limitation.

Sec. 501. The following goal is established by state law. During the fiscal year ending September 30, 2004, not more than 3,000 children supervised by the department shall remain in foster care longer than 24 months. The department shall give priority to reducing the number of children under 1 year of age in foster care.

Children under jurisdiction of Indian tribal courts.

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

Adoption subsidy payments after eighteenth birthday; criteria.

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

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

Foster care private collections; excess revenues.

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

Children's trust fund grants; gifts or donations; state child abuse and neglect prevention board; initiation of joint project with another state agency.

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

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

(3) From the funds appropriated in part 1 for children's trust fund, the department may utilize interest and investment revenue from the current fiscal year only for programs, administration, services, or all sanctioned by the child abuse and neglect prevention board.

Preservation or reunion of family.

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

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

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

Contracts with service providers; bids.

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

Placement of child in out-of-state facility.

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

- (a) There is no appropriate placement available in this state.
- (b) The out-of-state facility meets all of the licensing standards of this state for a comparable facility.
- (c) The out-of-state facility meets all of the applicable licensing standards of the state in which it is located.
- (d) The department has done an on-site visit to the out-of-state facility, reviewed the facility records, and reviewed licensing records and reports on the facility and believes that the facility is an appropriate placement for the child.

Children's protective services; report.

Sec. 514. The department shall make a comprehensive report concerning children's protective services (CPS) to the legislature, including the senate and house policy offices, by January 1, 2004, that shall include all of the following:

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

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

Child welfare waiver managed care project.

Sec. 515. From the funds appropriated in part 1 for foster care payments and related administrative costs, the department may incur costs and make payments required to finish and close out the federally approved title IV-E child welfare waiver managed care demonstration project. The department shall report to the senate and house appropriations subcommittees on the family independence agency budget and the senate and house fiscal agencies and policy offices on the outcome of the child welfare waiver managed care project. The report is due on or before August 30, 2004.

Family preservation and prevention services.

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

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

- (a) Foster positive parenting skills especially for parents of children under 3 years of age.
- (b) Improve parent/child interaction.

- (c) Promote access to needed community services.
- (d) Increase local capacity to serve families at risk.
- (e) Improve school readiness.
- (f) Support healthy family environments that discourage alcohol, tobacco, and other drug use.

(3) The appropriation provided for in subsection (2) is to fund secondary prevention programs as defined in the children's trust fund's preapplication materials for fiscal year 2003-2004 direct services grants.

(4) Projects funded through the appropriation provided for in subsection (2) shall meet all of the following criteria:

(a) Be awarded through a joint request for proposal process established by the department in conjunction with the children's trust fund and the state human services directors.

(b) Be secondary prevention initiatives. Funds are not intended to be expended in cases in which neglect or abuse has been substantiated.

(c) Demonstrate that the planned services are part of a community's integrated comprehensive family support strategy endorsed by the local multipurpose collaborative body.

(d) Provide a 25% local match of which not more than 10% is in-kind goods or services unless the maximum percentage is waived by the state human services directors.

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

Youth in transition, domestic violence prevention and treatment, and teenage parent counseling.

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

(2) The agencies receiving teenage parent counseling TANF funds shall report to the family independence agency on both of the following:

(a) Whether program services have impacted the following issue areas:

(i) The number of teen participants having fewer repeat pregnancies.

(ii) The completion rate for high school diplomas or GEDs.

(iii) The teen participants' rate of self-sufficiency.

(b) How many teens participate in the programs and have access to any or all of the following services:

(i) Adult supervised, supportive living arrangements.

(ii) Pregnancy prevention services or referrals.

(iii) Required completion of high school or receipt of GED, including child care to assist young mothers to focus on achievement.

(iv) Support services, including, but not limited to, health care, transportation, and counseling.

(v) Parenting and life-skills training.